

Written evidence submitted by the Northern Housing Consortium [IOC 201]

About the Northern Housing Consortium

The Northern Housing Consortium (NHC) is a membership organisation based in the North of England. We are the 'Voice of Housing in the North' working with local authorities, housing associations and ALMOs. Our membership covers over 90% of all social housing providers in the North. The NHC's vision is to use our collective voice to have unrivalled influence in achieving housing policy that works for the North and provide outstanding services that support our members to create great places to live.

Our interest in the Inquiry

In addition to the statutory duties of our local authority members under the Homelessness Reduction Act, NHC members play a variety of roles in relation to the private rented sector (PRS), from raising and enforcing decent housing standards, to wider place-based interventions to meet housing need and improve communities in areas the PRS operates.

The NHC also acts as the Secretariat to the All-Party Parliamentary Group (APPG) Housing in the North, currently supporting the Group's inquiry into property standards in the North's PRS.

Summary

- **Local Authority housing and homeless teams have proved themselves an essential service and are vital to country's immediate and ongoing response to Covid-19. However, research for the NHC shows northern authorities are operating from a point of disadvantage.** Both the ability of councils to support people in the immediate term and facilitate the economic recovery of their communities when the time comes has been severely constrained by budget constraints since 2010. Rather than leave Local Government dependent on ad-hoc central funding commitments as part of ongoing support packages, the Government should move to provide a sustained real-terms increase in local government funding.
- As part of its support package, the Government has looked to stabilise the PRS by suspending eviction proceedings until 30 September 2020 and introducing a range of support measures that helps tenants pay their rent. **Discussions with the NHC's Local Authority members reveal a lack of confidence that the measures announced will sustain residents financially impacted by Covid-19 in their tenancies long-term.**
- **Whilst the initial focus on security of tenure is important, we would like to bring to the Committee's attention the scale of non-decent housing in the North, and the public health impact on residents compelled to self-isolate, or potentially shield for a longer period, in these properties.** Nearly one million owner-occupied homes in the North fail to meet the decent homes standard in addition to 354,000 private rented homes. Strikingly, nearly half (48%) of all non-decent homes in the North have at least one household member who has a long-term illness or disability or is over 60¹.

¹ Hackett, P, The Smith Institute, The Hidden Costs of Poor Quality Housing in the North (2018). Available at: <https://www.northern-consortium.org.uk/wp-content/uploads/2018/10/The-Hidden-Costs-of-Poor-Quality->

- **Post-lockdown these issues will not dissipate, and we would encourage a legacy of the pandemic to be a reinvigorated appreciation of the connection between housing and health.** Attention should be given to eradicating sub-standard accommodation through a policy focus on housing quality and increased social housing provision to house, *at the very least*, the many low-income and vulnerable tenants who find themselves in the bottom end of the PRS market.

Effectiveness of current provision and gaps in support

The stated aim of the Government's support is to ensure 'no renter in either social or private accommodation will be forced out of their home'. In their current form however, there is a fear from NHC members that the Government's current measures will only defer evictions, as opposed to preventing them outright, storing up problems down the line for frontline homelessness services.

The PRS was already a tenure characterised by affordability pressures prior to the Covid-19 pandemic. According to the latest ONS figures, those privately renting spend 34% of their gross household income on rent compared to 28% for social renters and 18% for owner occupiers with a mortgage. Compared to owner occupiers, a higher percentage of PRS tenants receive lower incomes, a higher percentage work on part time hours, and a higher percentage are unemployed². The Government's own figures suggest that 63% of private renting households nationally have no savings at all, and a recent study by Shelter highlighted that 47% of PRS tenants in the North feel they were no more than a month away from not being able to pay rent relying solely on their savings³.

As indicated, a higher proportion of PRS tenants work in the kind of low income or part time occupations that will be impacted by social distancing measures. Work by Autonomy on 'Unemployment during COVID-19' indicates that anywhere between 25 – 30% of industry in northern regions are sectors at high risk of introducing job losses and reduced hours⁴. Increasing Local Housing Allowance rates for housing benefit to match 'the 30th percentile' of rents in each local area is welcome, but in of itself is not enough to ensure all PRS tenants do not face significant shortfalls in paying their rent. Given the sudden nature of the economic shock precipitated by Covid-19, a large number of renters who entered into rental contracts believing they would not have to rely on Local Housing Allowance will be brought into its scope and will not be able to relocate to ensure their rent falls within its limits.

The three northern regions have the lowest private market rents in England but are also characterised by relatively low-income households. Relative to its size, the PRS in Northern regions is occupied by a relatively high percentage of Housing Benefit claimants. The North East stands out with a far higher proportion of claimants compared to the estimated size of the sector than any other region, but all three Northern regions have higher proportions than the national average. Unable to absorb further shocks to their

[Housing-in-the-North.pdf](#)

² Office for National Statistics, UK private rented sector: 2018. Available at:

<https://www.ons.gov.uk/economy/inflationandpriceindices/articles/ukprivaterentedsector/2018#affordability>

³ Shelter and YouGov - Almost half of working renters only one paycheque away from losing their home:

Available at:

https://england.shelter.org.uk/media/press_releases/articles/almost_half_of_working_renters_only_one_pay_cheque_away_from_losing_their_home

⁴ New Kikuchi, L & Khurana, I & Stronge, W, Unemployment during COVID-19: regional and industrial predictions. Available at: <https://autonomy.work/portfolio/covidunemployment/>

income, the Resolution Foundation has estimated that in the North the gap between the 30th percentile and median private rents could be anywhere up to £150 per calendar month. And even if residents are living in homes priced at or below the 30th percentile, the actual level of support they receive with their housing costs via Housing Benefit could still be reduced by the continued operation of the benefit cap⁵.

With many renters facing months of accumulating arrears, the Government has appealed for altruism. The expectation being landlords and tenants will 'work together to establish an affordable repayment plan' once measures around possession proceedings are eased. The perception amongst NHC members is that this approach will not reach the 100% take up needed to ensure nobody loses their home and an upsurge in evictions will begin once the Governments temporary measures have ceased. This fear is underpinned by national data. 52% of landlords and 37% of agents have reported that they would be unwilling to let to tenants in receipt of Housing Benefit. Similar proportions reported that they would be unwilling to let to anyone on Universal Credit (47% and 33% respectively). Commonly reported reasons for not letting to this group included the risk of delay in payment or unpaid rent and the risk that benefits would not cover the rent⁶.

Furthermore, anecdotal evidence from NHC members suggests illegal evictions and targeted harassment of tenants is also taking place. Enforcement officers may have traditionally been able to prevent such evictions. Due to a combination of competing priorities and social distancing measures however, this (minority) criminal element is being held less in check than before.

Overall, all additional pressures on Local Authorities come in the context of ongoing budget constraints. Whilst net expenditure on homelessness increased as a proportion of net expenditure in the North, reflecting statutory duties, spending on preventative tenancy or housing-related support to vulnerable tenants or householders has declined by 75% in the North since 2010/11⁷.

The NHC would urge Government to increase welfare support for those in the private rented sector. Universal Credit for example has needed adjusting to ensure its effectiveness and Government has acknowledged this. There are a number of ways support can evolve beyond these initial steps. Temporarily removing the five week wait for Universal Credit will assist those in the PRS moving from paid work onto welfare support in preventing arrears building up. Ending sanctions would have a similar positive effect. Consideration could also be given to boosting Discretionary Housing Payment during the period current support measures are in place. Last year more than a third (35%) of Local Authorities topped up their central government allocation using their own funding⁸. This will only increase as Councils try to help residents pay their rent. Government should also

⁵ Housing Outlook Q2 2020 - Housing and the coronavirus income shock. Available at: <https://www.resolutionfoundation.org/publications/housing-outlook-q2-2020/>

⁶ Ministry of Housing, Communities and Local Government, English Housing Survey 2018. Found at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/775002/EPLS_main_report.pdf

⁷ Hincks, S. et al A view from the North: Understanding Local Authority Housing and Planning Capacity in an Era of Austerity. CaCHE, Sheffield. Available at: <https://www.northern-consortium.org.uk/wp-content/uploads/2020/02/A-view-from-the-North-Main-Report.pdf>

⁸ Department for Work and Pensions, Use of Discretionary Housing Payments – Analysis of end of year returns from Local Authorities 2018-19. Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/824980/use-of-discretionary-housing-payments-2018-to-2019.pdf

look to extend the current moratorium on evictions until the removal of Section 21 powers are introduced as part of the Renters Reform Bill. These measures would go a long way to truly protect both tenants and frontline services already operating under great pressure.

We also add our voice to the Local Government Association's call for a 'rock solid and consistent' commitment from Government that councils will get all the resources they will need to cope with the pandemic and would add that this commitment should cover both the immediate future and longer term, recognising the pivotal role Local Authorities will play in the countries post-Covid-19 recovery.

The change in average net spend per local authority in the North between 2010/11 and 2018/19 stood at -54% for housing services, this includes private sector housing renewal, homelessness and housing advice, and housing-related support services. In addition to these cuts, planning and development services also saw a reduction in spending of 65% over the same period, this has impacted environmental initiatives, and business, economic and community development activity⁹. Both Local Authorities ability to deal with the task at hand and support the economic recovery of their areas when the time comes is significantly impeded.

Councils in the North have displayed an extraordinary ability adapt, and still provide civil society with experience, knowledge, and skills if not capacity. To this end, the NHC would like to see the Government set out a package that provides a sustained real-terms increase in local government funding, with the forthcoming Spending Review being the next opportunity to do so. Councils may choose to invest additional funding in services like social care, but additional funding for these statutory services may enable local government to stem or slow the rate of reduction in other services critical to providing decent accommodation, a healthy environment, and a recovering economy for their communities.

Immediate post-lockdown impacts and long term actions:

Housing quality and area deprivation

Support from Government for private renters has understandably focussed on the immediate challenges of affordability and security. However, as the crisis develops, more attention will need to be given to the number of people compelled to self-isolate in sub-standard accommodation and the negative health consequences of having to do so.

The substantial growth in the PRS has been the single most significant development in most Northern housing markets over the past 10-15 years and now accounts for 15% of housing (social housing 19% and owner occupiers 63%). Commissioned by the NHC, research by The Smith Institute highlights that 27% of PRS households in the North find themselves in properties failing to meet the decent homes standard. Within this sub-standard PRS accommodation, 99000 households are home to someone with long-term illness or disability. Non-decent PRS accommodation in the North also houses 39000 people over the age of 60 many of whom will be considered at higher risk from coronavirus. Accumulatively, almost 1.5 million homes in the North fail to meet the Decent Homes Standard and nearly half (48%) of all non-decent homes in the North have at least one household member who has a long-term illness or disability or is over 60¹⁰.

⁹ *Ibid.*

¹⁰ Hackett, P, The Smith Institute, The Hidden Costs of Poor Quality Housing in the North (2018). Available at: <https://www.northern-consortium.org.uk/wp-content/uploads/2018/10/The-Hidden-Costs-of-Poor-Quality->

A strong body of academic literature exists linking poor quality housing to health inequalities. To quote the recent follow up report to the 2010 Marmot Review of Health Equity in England:

“Poor-quality housing harms health and evidence shows that exposure to poor housing conditions (including damp, cold, mould, noise) is strongly associated with poor health, both physical and mental... specific physical effects are morbidity including respiratory conditions, cardiovascular disease and communicable disease transmission, and increased mortality. In terms of mental health impacts, living in non-decent, cold or overcrowded housing and in unaffordable housing has been associated with increased stress and a reduction in a sense of empowerment and control over one’s life and with depression and anxiety. Children living in overcrowded homes are more likely to be stressed, anxious and depressed, have poorer physical health, attain less well at school and have a greater risk of behavioural problems than those in uncrowded homes¹¹.”

Critical to the current public health crisis, *the longer the exposure to poor conditions the greater the impact on mental and physical health*¹². In addition to the social distancing measures taken up universally, current advice for those over 70 is to stay indoors if possible, and a not insignificant number of the country’s most vulnerable have been asked to shield themselves by not leaving their homes for 12 weeks. Together with those understandably shielding voluntarily, and the many who have had their exposure to outdoor green spaces seriously curtailed, the number of people at risk of significant negative impacts on their physical and mental health is of grave concern.

The APPG Housing in the North’s Inquiry into property standards in the North’s PRS was already highlighting the challenges Local Authorities face in turning around these properties before social distancing measures were introduced. Housing stock in the North is often older, colder and more inefficient to heat, around 35% of all fuel poor live in privately rented homes¹³. With diminished resources in enforcement teams, a complex regulatory environment, and a reluctance from private renters to exercise their consumer power, Local Authorities find themselves with little opportunity to undertake preventative or proactive interventions.

Evidence submitted to the APPG’s Inquiry tells us that this inability to keep up with a growing bottom end of the PRS, combined with the legacy issues of the North’s post-industrial housing stock has led to multiple instances of ‘significant market failure’ - localised pockets of deprivation dominated by non-decent PRS properties contributing to neighbourhood decline and neglect. This again has ramifications in the context of the

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¹¹ Michael Marmot, Jessica Allen, Tammy Boyce, Peter Goldblatt, Joana Morrison (2020) Health equity in England: The Marmot Review 10 years on. London: Institute of Health Equity. Available at: https://www.health.org.uk/sites/default/files/upload/publications/2020/Health%20Equity%20in%20England%20The%20Marmot%20Review%2010%20Years%20On_full%20report.pdf

¹² *Ibid*

¹³ Commission for Housing in the North (2016). Available at: [https://www.northern-consortium.org.uk/wp-content/uploads/Commission%20Report%20\(Nov%202016\).pdf](https://www.northern-consortium.org.uk/wp-content/uploads/Commission%20Report%20(Nov%202016).pdf), RSM UK Consulting for the Committee on Fuel Poverty, Enforcing regulations to enhance energy efficiency in the private rented sector. Available at: <https://www.gov.uk/government/publications/enforcing-regulations-to-enhance-energy-efficiency-in-the-private-rented-sector-research-report-and-cfps-recommendations>

current pandemic, with emerging research displaying a ‘clear link between local area deprivation and Covid-19 cases ¹⁴.’

Looking to the long term, the APPG Housing in the North are likely to make recommendations on how Local Authorities can be supported to raise and enforce housing standards. The valuable work of Local Authority environmental and enforcement teams goes a long way in ensuring every person lives in a safe, warm, and decent home. However, we stress that in many instances piecemeal enforcement will not be enough to overturn the challenges outlined above and will require a comprehensive strategic area-based approach across all tenures. We stress again that such work would not just improve the lives of private renters but also those living in the nearly one million non-decent owner-occupied homes, 72% of which house someone over 60 or with a long-term illness or disability¹⁵.

Moving forward, northern places with poor housing conditions, frequently occupied by older, lower income or vulnerable households, should be the focus for place-based renewal. This place-based approach would sustain momentum generated in some places through the Towns Fund which is focused on “innovative regeneration plans.” Government should urgently set out plans for use of the Brownfield Fund announced at the Budget – this £400m of investment should be focused on areas of greatest deprivation and could complement the Towns Fund in many areas.

Similarly, decarbonisation provides an opportunity for recovery through renewal. Investment through the Social Housing Decarbonisation Fund and private sector Homes Upgrade Grants could be optimised if this investment were coordinated with interventions like the Towns Fund, Brownfield Fund, and proposed Shared Prosperity Fund. To enable more holistic housing renewal, Government should consider consolidating the remaining capacity in the Estate Regeneration Fund into a Housing Quality Investment Fund, which would allow for wider improvements in housing quality, and bring a new focus to raising the standards of the North’s existing stock. This offers the opportunity for a post-Covid-19 stimulus package to introduce good quality, well paid jobs in construction and retrofitting.

Through block renewal and environmental schemes, it is possible to both improve the fabric of the property and to enhance the wider area. This then provides a mechanism to proactively support vulnerable households and provide them with the assurances needed to carry out internal improvements as well, for example, through home improvement loans and other local grant funding. Finally, focussing on introducing social rent and affordable housing would work to eradicate the rogue of the elements of the PRS by addressing underlying problems: an undersupply of social housing driving people into the PRS sector (exemplified by social housing waiting lists), and the paucity of a professionalised, modern PRS offer at the lower end of the market.

Conclusion

¹⁴ Kenway P, and Holden, J, Accounting for the Variation in the Confirmed Covid-19 Caseload across England: An analysis of the role of multi-generation households, London and time (2020). Available at: https://www.npi.org.uk/files/2115/8661/6941/20-04-11_Accounting_for_the_variation_in_Covid_cases_across_England.pdf

¹⁵ Hackett, P, The Smith Institute, The Hidden Costs of Poor Quality Housing in the North (2018). Available at: <https://www.northern-consortium.org.uk/wp-content/uploads/2018/10/The-Hidden-Costs-of-Poor-Quality-Housing-in-the-North.pdf>

COVID-19 has exposed existing and persisting inequalities that have to date hidden in plain sight for most of society. No more so is this true than in our access to safe, good quality, and affordable housing – how many people can we say have all three? We applaud the Committee for moving quickly to provide oversight on the Government’s support for two particularly vulnerable groups in the homeless and private renters. We have reflected the concerns of northern Local Authorities and Housing Associations around gaps in current provision and hope to have brought into the scope of this Inquiry the long term implications of the North’s substandard housing stock and the negative health impacts of such sub-standard accommodation. Lastly, we underline the importance of Local Authority capacity to the country’s immediate response to the global health pandemic and the significant role Local Government can and should play in our recovery.

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