



Chartered  
Institute of  
Housing

# Submission to HCLG on the impact of COVID-19 (Coronavirus) on Homelessness and the Private Rented Sector

May 2020



## About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple - to provide housing professionals and their organisations with the advice, support, and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation; this means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world.

Further information is available at: [www.cih.org](http://www.cih.org)

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## Executive Summary

CIH welcomes the opportunity to respond to this Housing, Communities and Local Government Select Committee call for evidence on the impact of COVID-19 (coronavirus) on homelessness, rough sleeping and the private rented sector (PRS).

This submission covers the key issues that we believe must be addressed now and immediately after the lockdown measures for COVID-19 are lifted:

- Clear and consistent plans for tackling homelessness and eradicating rough sleeping once and for all: the pressing concern is that homeless people who have been given a roof over their head in the short-term cannot simply be expected to return to their previous insecure conditions.
- Renewed investment in social housing, focussing on housing for social rent, that recognises that there will be a housing affordability crisis following the epidemic, with many people on lower incomes and with much-reduced savings.
- Renewed investment in support and care, recognising that a significant proportion of homeless people will require move-on support. Rough sleepers especially, need not only a secure tenancy but support to sustain it.
- Tackling the insecure nature of private rented sector tenures by abolishing section 21 evictions, as has been promised, as the starting point for long-term reform of the PRS.
- Recognise that having huge numbers of people in the country who have no recourse to public funds (NRPF) is not compatible with maintaining public health.
- Reform welfare policies, principally through the raising of the Local Housing Allowance (LHA) rates, reducing the five-week wait and deductions for universal credit and remove the benefit cap - especially during the coronavirus outbreak.

## Private Rented Sector

There is a clear interconnectedness between homelessness and the PRS. The scarcity of social housing can mean the PRS is sometimes the only choice available to homeless households yet there are considerable barriers to entering the sector; high upfront costs in the form of deposits and rent in advance, no long-term security and rents often rising faster than incomes, combine to make finding and sustaining a PRS tenancy a challenge.

Private landlords can be unwilling to house those who receive help with their rent through universal credit (UC) and housing benefit (HB), and this picture worsens for homeless people. Pre-crisis research from Shelter and YouGov showed nearly three million people living in the PRS could be 'only one pay cheque away'<sup>1</sup> from being unable to afford their rent and losing their home. The increased risk of unemployment created by the COVID-19 crisis is likely to exacerbate this and place further strain on private renters.

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<sup>1</sup>Shelter (2016) One in three families just one pay cheque away from losing their home. London: Shelter.  
(See [https://england.shelter.org.uk/media/press\\_releases/articles/one\\_paycheque\\_away](https://england.shelter.org.uk/media/press_releases/articles/one_paycheque_away))

PRS landlords are also showing signs of stress, research from the Residential Landlords Association at the end of 2019 showing that up to 30 per cent are thinking about leaving the sector because of factors such as the Stamp Duty Levy on additional properties<sup>2</sup>.

The Chartered Institute of Housing's UK Housing Review 2020<sup>3</sup> highlighted the main cause of homelessness as being the result of losing an assured shorthold tenancy in the PRS. With the implementation of the Homelessness Reduction Act 2017, which began in April 2018, there is now an added duty on local authorities to prevent homelessness and rough sleeping. This has reduced the number of main acceptances; for example, figures from January-March 2019 showed a 43 per cent fall on the figures for the same quarter a year earlier. The new duties have helped groups that would otherwise have not met statutory criteria, such as adults without dependent children. Many of those newly helped are being placed in private rented sector accommodation by their local authority, in many cases replacing one PRS tenancy with another.

Compared with social renters and owner occupiers, private renters spend the highest proportion of their income on housing (EHS, 2019)<sup>4</sup> and therefore there is a real cause for concern if the current crisis leads to a fall in income, either through loss of employment or a reduction in income caused by (for example) reduced working hours or the impact of furlough arrangements.

The insecure nature of the PRS is magnified by the current health crisis. Many private renters are already struggling with issues such as affordability, insecurity of tenure, and poor property conditions, which have been found to negatively impact their mental health and wellbeing<sup>5</sup> caused by the transient nature of the sector. An increase in mental illness is a likely consequence of this with renters experiencing increased anxiety about their ability to maintain their tenancy, while landlords are struggling to collect rent payments.

In the face of the crisis many more renters are accessing the welfare system. The most recent figures available for UC claimants are from November 2019: pre-crisis, some 2,339,554 households received UC; of these, 1,485,259 had a housing cost element, and of these 671,625 were private renters.

1.8 million people are reported to have claimed UC since the beginning of lockdown on 23rd March 2020. We await official figures that show how many of these new claimants are PRS tenants – but if the number of new UC claimants that are private tenants are in the same proportion as to the caseload immediately before the outbreak, then around one million private tenants are now claiming UC.

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<sup>2</sup>Residential Landlords Association (2019) A third of landlords to sell off homes. (See <https://news.rla.org.uk/a-third-of-landlords-to-sell-off-homes/>)

<sup>3</sup>The Chartered Institute of Housing (2020) UK Housing Review. Coventry: Chartered Institute of Housing.

<sup>4</sup>English Housing Survey (2019) (See <https://www.gov.uk/government/collections/english-housing-survey#2018-to-2019>)

<sup>5</sup>Shelter (2017) The impact of housing problems on mental health. London: Shelter. (see [https://england.shelter.org.uk/\\_data/assets/pdf\\_file/0005/1364063/Housing\\_and\\_mental\\_health\\_-\\_detailed\\_report.pdf](https://england.shelter.org.uk/_data/assets/pdf_file/0005/1364063/Housing_and_mental_health_-_detailed_report.pdf))

## Rough Sleeping

The challenge of tackling rough sleeping has been a key focus during the crisis. The UK Housing Review 2020<sup>6</sup> notes the autumn 2019 National Rough Sleeper enumeration estimated 4,266 people as sleeping rough in England, focusing on a single 'typical' night, but also that the 'count' is subject to various criticisms. The more rigorous 'CHAIN' data for London alone indicated that 8,855 people were rough sleeping in the capital, an 18 per cent increase on the previous year. This summarised the position in the months before the crisis.

In addition to rough sleepers, those 'sofa-surfing' and taking refuge in other peoples' homes are at high risk of resorting to rough sleeping as a result of the COVID-19 pandemic, with the likelihood of having to vacate their temporary spaces onto the streets as people attempt to social distance and minimise their exposure to the virus.

Other vulnerable people include those sleeping in cars, tents, public transport ('quasi rough sleeping'); squatting or occupying non-residential buildings; staying in hostels, refuges and shelters; in unsuitable temporary accommodation (e.g. B&B, non-self-contained, out-of-area placement). Research for Crisis, reported in the UK Housing Review 2020, notes that some 170,000 people form such 'core homelessness' at any one time. However, many of these people are impossible to identify until they present as homeless to local authorities or seek help from voluntary organisations. Many such charities reported anecdotally that there has been an increase in caseloads because of the crisis.

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<sup>6</sup>The Chartered Institute of Housing (2020) UK Housing Review. Coventry: The Chartered Institute of Housing.

## The Chartered Institute of Housing response to questions posed by the HLCG Select Committee

**How effective has the support provided by MHCLG and other Government departments been in addressing the impact of COVID-19 on those in the private rented sector, rough sleepers, and the homeless?**

### Help for homeless people and rough sleepers

Rough sleepers and homeless people are among the people most affected. The government has announced a range of initiatives in response to the crisis, of which the most relevant, and their effects, are:

- With the 'Everyone In' hotel and emergency accommodation operation and an announcement of £3.2m to assist local authorities in England to help house everybody on the streets, by mid-April 2020 the government claimed to have helped more than 5,400 rough sleepers who were on the streets or in communal accommodation, regardless of pre-existing tests for who does and doesn't qualify for homelessness assistance.
- In London, more than 1,000 rough sleepers had been given emergency accommodation by April 15, according to Inside Housing, with hotel chains such as Travelodge, Best Western, Accor and InterContinental being part of the scheme.
- However, while effective, there are a number of limitations with these measures:
  - A considerable number of those rough sleeping have still to be rehoused: an estimated 1,000 remain on the streets, according to Crisis<sup>7</sup>.
  - St Mungo's has stated that homelessness charities needs more dedicated support workers to help people while they are isolating<sup>8</sup>, to provide vital food, medicine and advice services; during the pandemic, government and councils must ensure that charities can access the emergency funding they might need.
  - There is a continuing stream of people at risk of rough sleeping, e.g. because they have been sofa-surfing with friends who now want them to leave because of the risk of infection.
  - Some rough sleepers who have been re-housed are returning to the streets or being evicted.
  - There is continued uncertainty about the treatment of NRPF cases with some being refused help on this basis.
  - Despite the extra resources such as the £3.2m provided (in part) to help house rough sleepers, there are massive financial pressures on local authorities. The Local Government Association has suggested that local authorities may need up to a further £12.8bn to adequately cope with the impact of the coronavirus.

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<sup>7</sup>Crisis (2020) Government response to homelessness and COVID-19. London: Crisis. (See [https://www.crisis.org.uk/media/241941/crisis\\_covid-19\\_briefing\\_2020.pdf](https://www.crisis.org.uk/media/241941/crisis_covid-19_briefing_2020.pdf))

<sup>8</sup>St Mungos (2020) More support workers needed to help vulnerable people. London: St Mungos. (See <https://www.mungos.org/news/more-support-workers-needed-to-help-vulnerable-people-self-isolate/>)

## Welfare benefits

- The local housing allowance (LHA) rate has been raised to the bottom 30 per cent of local rents. This is a welcome move but must go further. We have seen a gradual decline in the numbers of private renters who get help with their housing costs, which peaked at 1,680,219 in May 2013 and fell to 1,439,512 at its lowest point in July 2018. As of November 2019, the numbers had risen to 1,523,816 of which 671,625 were universal credit and the remainder were housing benefit.
- There was a dramatic rise in the on-flow of new claims to UC during the outbreak. We don't know how many of these are private renters or what number of these new claims will migrate from HB to UC (so reducing the HB caseload) and how many net additions there will be to the combined caseload (i.e. HB plus UC housing costs).
- As of 2018 private renting in Britain was 5,401,000 - 30% of this is 1,620,300; so November figures that's already 28% of all renters on HB/UC. Therefore, in a significant number of markets the proportion on HB/UC will exceed 30%. There are more renters in the south of England and London (in real terms and proportionately) and this is where rents are also the highest. It is likely that a substantial number of people will find a shortfall between their actual rent and the LHA.

## Private rented sector and evictions

- The halting of evictions from the private and social rented sectors was a welcome initiative. The new rules mean an extended notice period for evictions and suspended eviction court action, with all court proceedings for evictions put on hold until at least 25 June 2020, regardless of when the landlord applied to court. The clear positive with this measure is that nobody loses their tenancies and becomes homeless during the crisis, but without genuine affordability post-lockdown, the key concern is the near-certainty that thousands of people will find themselves in spiralling rent arrears and/or on the streets.
- Extending asylum seekers' stays in temporary accommodation was also welcome. However, it is important that local authorities continue to assist people who receive a positive decision and become eligible for housing and homelessness help, as otherwise there will be a backlog of such cases when the temporary rule change is eventually rescinded.



## What problems remain a current and immediate concern for these groups?

### Homelessness and rough sleeping

The pressing concern post COVID-19 is where the people that have been accommodated as part of the 'Everyone In' operation are going to go, and what support is planned to be in place to help them sustain a tenancy and improve their wellbeing.

Funding is also an immediate concern for local authorities at this time - in some areas, allocations to homelessness teams have been made from the wider pot of £1.6bn, but in other areas, this has not been achieved - directly impacting the ability and willingness of local authorities in paying for rooms in hotels and other emergency accommodation.

### Those with no recourse to public funds and other excluded migrants

A significant proportion of street homelessness is caused when people are unable to access the benefits system, either because they have a 'no public funds' condition as part of their terms of leave or are otherwise excluded because they are not, or are treated as not being, habitually resident. Typically this relates either non-EEA nationals or EEA nationals who are seeking work.

EEA nationals who recently lost their job are eligible for benefits for up to six months, after which their status is less certain.

Migrant workers are getting stranded between jobs as visa processing centres shut: high-skilled migrant workers have been left stranded with no income because the Home Office closed all of its fingerprint processing services overnight in response to the outbreak. These biometric processing sites have been closed for an initial six to eight weeks to protect staff from Covid-19. These migrant workers face an 'impossible choice': whether to continue working through the outbreak, putting themselves and others in danger, or stop working and have no means of paying for food, rent or bills. Charities working directly with homelessness including Crisis and Homeless Link say they have heard repeated examples of councils denying help to people who do not have a local connection to the area or who have no recourse to public funds (NRPF).

It is difficult to estimate the numbers affected and the problem may well start to accelerate after six months when many more may lose their entitlement. Albeit to say that during the pandemic, rough sleeping and/or sofa surfing poses a risk to public health generally as well as to those directly affected. It should be noted that this also applies to migrant family members - including those who are escaping domestic abuse.

There is a particular concern over survivors of domestic violence with NRPF and without leave (for example EEA nationals who do not meet certain conditions) who will face additional challenges to fleeing abuse and seeking out support during this time; many are unable to access the welfare safety net they need. Many of these are people who have lived in the UK for many years, often with children born and brought up here.



## LHA rates

The changes to raise LHA rates to the 30th percentile is welcome and will definitely help - but there is a need to go further still. The governments original justification (2010) for reducing the LHA rate from the 50th to the 30th percentile was that broadly around 30 per cent of private tenants required help with HB across Great Britain - so there was, in theory, enough accommodation available at or below the LHA rate for people who needed to rely on benefit.

Many of those claiming during the pandemic will be people who never expected that they would have to rely on welfare to help pay their rent and who have entered into contracts with rents that reflect the fact that they previously had no difficulty meeting the payments. Further, the coverage of 30 per cent of the market fails to take account of the uneven distribution of private renters. The LHA covers 30 per cent of each rental market area in the UK, but the distribution of private renting claimants across the country isn't uniform - so in some areas the number of private renter households claiming may exceed 30 per cent of the supply (for the appropriate category of dwelling).

Single people aged under 35 (unless they fall within some of the very limited exemptions) will only be entitled to the shared accommodation rate even if they live in a (one bedroom) self-contained dwelling. Again, there is a strong case that the arguments justifying this just are not appropriate during the outbreak. As with any other type of household, many of these will be people claiming for the first time, who entered contracts without ever expecting to have to rely on social security. We don't yet know the how many of the new claims are from private renters but the total number from all household types has dwarfed all previous figures in the post war period, including the last two most serious recessions in 1991 and 2009.

In the four weeks since lockdown was announced there have been 1.8 million new claimants of UC; around 1.5 million more than would have been seen in the same period before the coronavirus outbreak. The difference between the one bedroom self-contained and shared rate is substantial - on average over £37 per week (£160 per month) in England. Of the 152 rental market areas in England only in 13 is the difference less than £20 per week. In 59 areas it is over £50 per week and in 16 areas it is at least £90 per week. This will result in more homelessness if tenants can't make up the shortfall. Those who are aged under 25 only receive £79 per week for living expenses other than their housing costs (including the extra £20 for coronavirus).

Although LHA rates have been raised to the 30th percentile, HB subsidy paid to local authority for HB payments is still based on the January 2011 LHA rates - and although these were based on the 50th percentile in many cases, the 2020 30th percentile rates will have overtaken them. These rates were also subject to a cap of £375 per week (£500 for seven areas in central London) which is lower than the new maximum rates for three and four bedroom accommodation.

## Universal credit - five-week wait

The five-week wait the most problematic and reputation-damaging feature of UC. Moreover, it has arguably been the biggest single cause of the dramatic rise in food bank use. It remains unchanged.

Claimants can access a payment on account (UC advance) but this is repayable over 12 months and merely extends the period of financial stress. And as time spent on benefit increases so do budgeting pressures (e.g. replacement of large essential items). This quickest and simplest solution is would be to turn UC advances into a non-repayable grant at least for the first three months (while the work-related conditions are suspended).

## Benefit cap

The raising of the LHA rates won't help anyone who is subject to the benefit cap (and in some cases others will benefit from only part of the increase - up to the cap, if not previously capped). The cap was lowered in November 2016 and hasn't been raised since - which means that April 2020 uprating (including the extra £20 per week) has eaten into the amount that is left over for housing costs. The amount for the cap outside London is just £385 per week.

The Government's justification for introducing the cap was that those with higher living costs shouldn't be relying on welfare and should be looking for work, is difficult to reconcile with the suspension of the work-related conditions during the coronavirus outbreak. The fact that people are no longer in work, are unable to find work or have reduced income, cannot be said to be due to any moral failing.

Those who have just lost their job aren't subject to the cap during the first nine months (the 'grace period') but that doesn't apply to anyone who has earned less than £569 per month in the previous 12 months. Nor would it help, for example a woman fleeing domestic violence with or without her children if she had been without earnings herself (may be due to controlling or coercive behaviour). In these situations, the cap would apply immediately. There is no specific exemption for domestic abuse survivors unless that person falls under one of the (unrelated) exemptions e.g. due receipt of a disability benefit or being pension age.

The majority of those affected by the cap are single (81.4%) and of those 92.9% are women this rises to 97.6% of single claimants with children. It should be noted that although a child who was born as result of non-consensual conception isn't towards the two child limit, the overall result is that the higher allowance simply means that the woman is more likely to be capped.

## Security of Tenure

The insecure nature of the PRS has been magnified by the current crisis. Previous research has shown the negative impacts of insecure tenure (including the availability of 'no-fault' s21 notices) on mental health and wellbeing, with renters unable to put down roots in their communities. It is likely an increased number of renters are feeling anxious about their ability to keep a roof over their head and many landlords are struggling with receiving rent payments.

The provisions in the Coronavirus Act (schedule 29) apply to notice periods (although the civil procedure rules provide additional protection). They extend the notice period to three months in all cases where there is statutory protection, regardless of the usual notice period (two weeks, two months etc) provided the notice was served on or after 26 March 2020. These rules remain in place until 30th September or for up to six months if ministers decide to extend it, thereafter the law automatically reverts to its position immediately prior to the outbreak.

It is important to note that this only applies to tenancies with statutory protection - so this includes local authority: secure, demoted or introductory tenancies or any kind of assured tenancy whether assured or shorthold (including HA starter tenancy) and/or tenancies covered by the Rent Act. But it doesn't include any other; for example, a person left in occupation who isn't entitled to succeed following the death of the tenant (in most cases that includes children, grandchildren because the succession rights pass to the surviving partner/joint tenant after which they are exhausted). It also wouldn't apply to those in temporary accommodation or on an insecure occupation agreement such as a (true) licence.

It only applies to the notice period and doesn't change the grounds or conditions under which possession can or must be granted. For example, there would still be no defence (other than the procedural or technical defects) to a 'no fault notice-only' possession (s21) once the three months has expired. Nor would there be to a section 8, ground 8 mandatory rent arrears ground - and in fact in this case the number of orders given may increase because the arrears condition remains at two months' rent. Those such as local authority secure, where the rent arrears grounds are discretionary, would at least have the defence of reasonableness - such as where the arrears are entirely due the side effects of the outbreak (e.g. lost job or reduced income).

Government are said to be bringing forward a pre-action protocol for private landlords, with the ability to extend these going forward. While these measures will provide short-term relief for renters (unless they face an illegal eviction) there will be future concerns on how renters will be able to make up any rental debts, especially if this crisis continues for more than three-months. There is the potential that after this crisis we could face a significant number of evictions processing through the courts and potentially large number of renters receiving COVID-19 related rental debt CCJs, impacting future ability to get affordable credit, mortgages or other rental properties.

# What might be the immediate post-lockdown impacts for these groups, and what action is needed to help with these?

## Homelessness and rough sleeping

Rough sleeping is forecast to rise by 76 per cent in the next decade unless the government takes action to tackle it<sup>9</sup>.

The immediate and obvious priority is to ensure that those 'taken off' the streets are not returned to them. This needs careful planning and, of course, dedicated budgeting. The sector is working on such a plan and 'bid' to government which will involve a combination of accommodation costs, additional benefit costs and administrative costs. Essentially, what is required is a phased plan to relocate people out of hotel and similar accommodation into longer-term secure accommodation, in ways that recognise their support needs (where they have them).

This will require arrangements to ensure that hotel accommodation is not stopped overnight, it will require changes to ensure that all those to be relocated can access housing benefit/universal credit, and it will require administrative support both within local authorities and within the voluntary groups whose expertise will also be required. Councils will need to commission the support arrangements for people who have been placed, to ensure that people at high risk are supported appropriately and effectively with clear pathways.

We recommend that MHCLG establish a dedicated funding stream so that housing-related support can be ramped up to ensure that people are able to get any additional help they might need to maintain a new tenancy, and that numbers of people 'returning' to the streets are minimised.

## Support for migrants

Immediate action by local authorities is needed to safeguard and protect the health and wellbeing of all migrants, particularly those with NRFP and those experiencing or at risk of homelessness, during and immediately after the Coronavirus (COVID-19) pandemic.

Longer term, CIH would like to see the abolishment of NRFP, echoing the same call from the Mayor of London. Whilst local authorities have received welcome additional support to deal with COVID-19, they are having to respond to a significant increase in demand for urgent help to avoid people going into destitution, which they simply do not have the capacity to accommodate or address.

CIH supports what the Migrants Rights Network are asking of councils: ensure that all migrants in their area can access the care, support and shelter they need during (and immediately after) this crisis, regardless of immigration status and without fear of the consequences. At the very least, the Home Office should reappraise the use of NRPF as part of its ongoing review of the 'hostile environment', and if it decides that elements of NRPF are to be retained their use should be minimised and the needs of public health and safety should be paramount.

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<sup>9</sup>Crisis (2020) Knowledge Hub. London: Crisis. (See <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/>)

## LHA rates

For the reasons mentioned in the previous section of this submission, we think that a temporary return to the 50th percentile may be justified until sufficient numbers have returned to work. Those who face a shortfall between their actual rent and the LHA rate will have to make this up out of their non-housing costs income, and although the standard allowance has been increased by £20 per week - this doesn't include - and never has - any element for housing costs. This means that private renters will have to make up the shortfall from the £20, putting them at a disadvantage to social renters and non-householders. Raising the LHA rate from the 30th to the 50th percentile may not be as expensive as it seems. In broad terms, CIH analysis of LHA rates has shown that this would require an average uplift of around eight to nine percent. If the government thinks that this cannot be justified then we would suggest it would be reasonable to increase LHA rates for those who have been on benefits for three months, on the basis that if they did have any savings to fall back on they would have probably exhausted them at this point.

Having highlighted issues regarding LHA and single people aged under 35s we suggest that the one bedroomed rate should be applied to everyone unless the accommodation they occupy is actually shared. We acknowledge that there were some new exemptions for those at risk of harm announced in the budget, but these aren't to be introduced until 2023-24.

## Universal credit & the five-week wait

The five-week wait is the reason that claimants find themselves with an income that is less than their outgoings for essential bills, due to the fact that requesting an advance payment means that deductions are taken (at a very high rate) for the next 12 months. The quickest and simplest solution would be to turn the UC advance into a non-repayable grant from day one, removing the five-week waiting period.

## Benefit cap

There is a very strong case for suspending the cap entirely during the coronavirus, or if not broadening the scope of grace period (by suspending the 12-month low pay rule) and/or doubling the length of the grace period. There is a very strong case for introducing a new exemption for those escaping domestic abuse that remains in place once normal benefit conditions resume.

## Security of tenure & evictions

As things stand, it is difficult to work out exactly what the effects will be until the notice periods have unwound and we have a better idea just how the courts will treat eviction cases. It should be noted that prior to the outbreak there were still plans to provide better security to private tenants as in the manifesto (and Queen's speech); but we don't know how this has affected the timetable, except for the point that any changes would only apply to new tenancies.

There is the potential that after this crisis we could face a significant number of evictions processing through the courts and potentially large number of renters receiving COVID-19 related rental debt CCJs, impacting future ability to get affordable credit, mortgages or other rental properties.

If people haven't been paying rent due to reasons related to covid19 they'll need help with repayments, and landlords may require continued mortgage relief; these things should be considered as actions to help both tenants and landlords alleviate debts as the system recovers, in turn aiding in the prevention of evictions due to rent arrears.

## Heating costs

Help with heating costs from the social fund is currently only available during a period of cold weather (winter fuel payments and cold weather payments). There is a strong case that they should also be available to those on UC, state pension credit and out of work legacy benefits, during a pandemic or otherwise for other serious health-related issues. This would help ensure that those who are at high risk could continue to self-isolate, unless and until they require hospital treatment. This would require a change to primary legislation.

## Short-term lets in the PRS

The rise of short-term lets is taking homes out of the general private rented sector stock. Estimates from London Councils suggest one in every 50 homes in the capital are now for short-term let. This means the number of suitable and stable homes for those homeless or at risk of homelessness falls again. High levels of short-term lets are evidently unhealthy and the crisis has exposed the fragility of this sector. A review is needed of the impact of short-term lets on longer-term housing supply, and remedial measures should be considered, to limit the proportion of homes in particular areas that can be let on this basis. Such measures have already been put in place in Scotland.

## Effect on the housing market

It is hard to predict at this stage what will be the effect on the housing market and on rents in general. Rents may fall in line with people's ability to pay, or they might rise as landlords exit the market and the supply shrinks. Ministers possess a reserve power to introduce rent controls whether on a temporary or permanent basis. So far, this power has only been used to limit rent increases on Rent Act tenancies - but we know that this power is fairly broad.

Regarding the scale of private sector stock being used for short-term lets, longer term we would suggest an approach similar to that of Scotland where ministers have introduced measures that mean planning permission is always required should a home be turned into a short-term let.

## Need for affordable housing investment to provide a long-term solution to homelessness and insecure housing

Years of insufficient investment and political priorities shifting away from building genuinely affordable housing have led to a severe shortage in genuinely affordable social rented homes.

Estimates from Crisis and the National Housing Federation show that there is a need for 380,000 new homes to be built across Great Britain, of which an annual new build target of 340,000 should be built in England, and of these 90,000 should be for letting at social rents<sup>10</sup>. This is to address the backlog of over four million households with unmet housing needs as well as to meet newly arising demands.

The UK Housing Review (2020<sup>11</sup> highlights how currently only 11 per cent of all new affordable homes built in England are for letting at social rents. At the same time some 181,000 social rented units have been lost to the stock since 2012 through right to buy and other causes.

The pandemic and its consequences will inevitably make the gap between supply and need far worse, because of the effects on employment, income and savings of those who might otherwise have been able to buy or to have afforded good quality accommodation in the PRS.

Long-term, CIH and a coalition of other housing and homelessness organisations have called for government to introduce a ten-year investment programme of more than £12 billion a year to deliver 145,000 new homes annually, 90,000 of which would be at social rent.

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<sup>10</sup>Crisis & The National Housing Federation (2018) Housing supply requirements across Great Britain. Crisis & The National Housing Federation: London. (See [https://www.crisis.org.uk/media/239700/crisis\\_housing\\_supply\\_requirements\\_across\\_great\\_britain\\_2018.pdf](https://www.crisis.org.uk/media/239700/crisis_housing_supply_requirements_across_great_britain_2018.pdf))

<sup>11</sup>The Chartered Institute of Housing (2020) UK Housing Review. Coventry: The Chartered Institute of Housing.





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