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**Chartered
Institute of
Housing**
Cymru

COVID-19 and its impact

CIH Cymru inquiry response

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 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

In Wales, we aim to provide a professional and impartial voice for housing across all sectors to emphasise the particular context of housing in Wales and to work with organisations to identify housing solutions.

For further information on this response please contact
[REDACTED]

General Comments

CIH Cymru welcomes the opportunity to provide information to The Equality, Local Government and Communities Committee inquiry into COVID-19 and its impact.

Our response is informed by feedback from our members, our knowledge of the housing industry and expertise from our policy and practice teams.

CIH Cymru supports the development of Welsh policies, practices and legislation that aim to address the key housing challenges we face, to improve standards and supply, promote community cohesion, tackle poverty and promote equality. We promote a *one housing system* approach that:

- places the delivery of additional affordable housing at the top of national, regional and local strategies as a primary method of tackling the housing crisis;
- secures investment to ensure the high and sustainable quality of all homes in a sustainable framework;
- improves standards and develops the consumer voice within the private rented sector
- promotes the concept of housing led regeneration to capture the added value that housing brings in terms of economic, social and environmental outcomes;
- recognises that meeting the housing needs of our communities is a key aspect of tackling inequality and poverty;
- ensures that there are properly resourced support services in place to prevent homelessness and protect the most vulnerable;
- uses current and potential legislative and financial powers to intervene in housing markets and benefit schemes;
- promotes consumer rights & tenant involvement;
- and supports the continued professional development of housing practitioners.

1. Introduction

- 1.1 We will ostensibly be providing evidence to this inquiry on how Covid-19 has impacted the housing sector but our evidence will occasionally cross into other policy areas covered by this inquiry due to the cross-cutting nature of the work of housing professionals and the housing sector in Wales, e.g. Local Government, tackling poverty and human rights
- 1.2 The Covid-19 crisis gives us the opportunity to start thinking differently and more radically, particularly in terms of the value society places on roles and sectors that perhaps didn't get the recognition they deserved in "normal times".
- 1.3 The Welsh Government has, in CIH Cymru's view, made an impressive start to dealing with the issues around housing that the crisis has created, working closely with housing associations, local authorities, private landlords and other housing organisations to ensure that the advice and resource is getting to the right places.

- 1.4 More than 500 homeless people in Wales were found accommodation in the first six weeks of the lockdown, allowing them to isolate and observe social distancing rules. Advice has quickly been given to organisations providing the housing sector with support to ensure they are equipped to help those with complex needs through this crisis. Decisions were quickly taken to protect tenants and reassure them that no evictions would take place during the crisis period – just a few of the issues that the housing sector and the Welsh Government have addressed in collaboration.
- 1.5 But it is clearly evident that a lack of affordable and sustainable housing options for many created a crisis pinch point – how can you isolate yourself from a worldwide pandemic without that most basic of human rights, a sustainable place to call home? It is clear that we need to rethink the concept of homes/housing. We must move away from seeing housing as simply bricks and mortar, or simply as a capital asset. Home is where well-being, both mental and physical, begins. This pandemic, like the aftermath of the two world wars in the 20th Century, has highlighted that housing is, at core, a public health issue – it has to be central to the creation of a healthy, happy and cohesive society. We embarked on huge publicly funded house building programmes after the two wars – the Addison Act and the Atlee Government building programme - we must respond in a similar way to Covid-19.
- 1.6 And we believe that that process must start with the full incorporation into Welsh Law of the right to adequate housing. At a fundamental level, CIH Cymru, along with partner organisations Shelter Cymru and Tai Pawb, believe that the case to fully incorporate the Right to Adequate Housing (as defined in the UN’s International Covenant on Economic, Social and Cultural Rights [ICESCR])¹ into Welsh law was compelling prior to the Covid-19 pandemic and together have been campaigning for the past 18 months for that to happen². However, given the housing crisis and the number of people experiencing homelessness, the Coronavirus has shone an even brighter spotlight on the issue.
- 1.7 The Welsh Government has committed to incorporating elements of that right into the draft Local Government & Elections (Wales) Bill which is currently going through scrutiny in the Assembly. Moreover, this committee has recommended that the Welsh Government put that “Due Regard” element of the right onto the face of the Bill.
- 1.8 Covid-19 has shone a spotlight on the fact that we have the ability to accommodate everyone in our communities if we put our minds to it, achieving in six weeks what we have been talking about for decades, effectively eradicating rough sleeping – but it shouldn’t just be for the duration of a worldwide pandemic!
- 1.9 Radical changes will need to take place, not least an even bigger requirement post-Covid to increase the supply of housing at social rent, as well as a sintermediate. That approach will need to be carved out in collaboration between housing associations, local authorities, volume housebuilders, the Private Rented Sector and the Welsh Government.
- 1.10 But the starting point of those discussions must now surely be that the principle of a “Right to Adequate Housing” for all should be hardwired into the soul of our society through legislation. We need to believe that it is a right and to ensure that we act upon it.
- 1.11 **CIH Cymru calls on the Committee to consider recommending that legislation is brought forward to fully incorporate the Right to Adequate Housing into Welsh law.**

¹ https://www.ohchr.org/documents/publications/fs21_rev_1_housing_en.pdf

² <https://www.taipawb.org/wp-content/uploads/2019/06/RightToHousing-Full-ENG.pdf>

2. Priority Need

- 2.1 This Committee has previously made the case for the abolition of “Priority Need” in a report published in April 2018.
- 2.2 The Welsh Government took a significant step on April 28 this year to, in effect, suspend priority need for the duration of the Covid-19 crisis period by issuing guidance that places all rough sleepers, and those in danger of rough sleeping, into Priority Need.
- 2.3 We would urge the Committee to reiterate its support for abolition as soon as possible to ensure that we don’t return to the “old normal” where those sleeping rough are not considered a priority need when allocating accommodation.
- 2.4 Under the Housing Wales (Act 2014) certain groups of people are identified as ‘Priority Need’ and they have an enhanced right to accommodation. Priority need groups include:
- Pregnant women
 - People with dependent children
 - People who are vulnerable as a result of some special reason such as old age or disability
 - Care leavers aged 18 to 21
 - Armed Forces veterans
 - If a homeless person can demonstrate that they are in a priority need group, they have a right to interim accommodation as well as a right to settled accommodation.
 - If people aren’t found to be in priority need, the council will still help to prevent or relieve their homelessness – but the council doesn’t have to give them interim accommodation. And if the help isn’t successful, there is no right to settled accommodation.
- 2.5 In a significant step from the Welsh Government on the 28 April, new guidance³ from the Housing Minister was issued to local authorities. In effect, it means that that all those who have been emergency housed during the Covid-19 pandemic, or who are in danger of being forced to sleep rough should be considered Priority Need.

In her letter the Minister wrote:

“As Minister for Housing and Local Government I am clear that no one should be without suitable accommodation and support during this pandemic. This includes those, who are currently sleeping rough, and those who are under threat of having to do so, for example, those who are leaving prisons or other institutions without any accommodation to go to, and those who are precariously reliant on others such as people sofa surfing or in unsuitable temporary accommodation.”

The Ministers advice effectively ends priority need for those experiencing homelessness during the Covid-19 pandemic but the Minister went further:

“I hope that some of the accommodation provided in response to this pandemic will become more permanent, so that those people who seek accommodation now, have accommodation available in the longer term. Where this is not possible I hope we can continue the collaborative and creative working to find suitable alternative accommodation for individuals such that this becomes their first step on a journey to permanent housing.”

- 2.6 **We would urge the Committee to recommend the immediate abolition of “Priority Need”**

³ https://gov.wales/sites/default/files/publications/2020-04/guidance-for-local-authorities-in-supporting-people-sleeping-rough-covid-19_0.pdf

3. Health and Housing

- 3.1 Working in collaboration is enshrined in legislation in Wales, yet there are still times when organisations work individually to meet their own objectives and fail to liaise between partners in housing, health and social care. Strong partnerships enable organisations to deliver effective, flexible and safe care for communities at a time of crisis such as the COVID 19 pandemic.
- 3.2 In 2019 the Tyfu Tai Cymru project (part of CIHC) partnered with the UK Collaborative Centre for Housing Evidence (CaCHE) to find examples of services that have been designed and delivered jointly between health, housing and social care. Our [report](#) includes an evidence-based model of six principles which underpin robust and enduring partnerships based on the interviews we held with partnerships across Wales. We launched “Good Health brought Home” in Autumn 2019 at the Public Health Wales conference.
- 3.3 The 15 projects we met were undertaking eight different models of delivery; joint health and housing hubs, social prescribing (eg exercise, group activities), support officers, targeted prevention work, bringing people into local healthcare, hospital discharge, umbrella structures, and health services people can access easily. All of these projects demonstrated partnership working at the centre of the services they were delivering.
- 3.4 Of particular relevance is the issue of safe discharge which is always pressing for the health service, and this has increased with the hospital focus on decreasing the risk of infection spreading by keeping as many people out of wards as possible. Safe discharge relies on people being able to access housing which has limited hazards, is warm and safe (or care-schemes such as rehabilitation, ‘step-down’).
- 3.5 The six principles are: shared analysis of issues, person-centred, leadership, joint budgets, shared interpretation of legislation and recognition of power imbalances between partners.
- 3.6 **We recommend the Committee analyse the extent to which partnerships have been able to withstand the pressure of the COVID 19 crisis, including the role that bodies such as the Regional Partnership Boards have been able to play.**

4 Personal Protective Equipment

- 4.1 Although evidence is still emerging, we know there has been issues accessing PPE for all sectors, including care provided by housing organisations. Frontline housing professionals working in care environments, whether that be in care homes, supported housing, sheltered housing or extra care environments for the elderly, have felt bottom of the list in terms of accessing PPE supplies. They are frontline care and support staff, often on low wages, who provide an invaluable social service. Whilst it is right that PPE was/is going to frontline health service staff the situation shines a bright light on the lack of value we, as a society, place in the valuable contribution that these workers provide in terms of caring for some of the most vulnerable in our communities. Moving forward we must ensure that sufficient PPE is supplied to staff working in these environments. A shortage of PPE has also impacted on and limited access to homes by Care & Repair staff as well as those checking safety issues such as gas safety checks.
- 4.2 Moving out of lockdown, frontline housing staff in all settings – whether care environments, supported housing on general need – are more likely than most to come into face-to-face contact with tenants. We must ensure general supply of PPE in Wales is able to cope with demand.

5 Housing Professionals

- 5.1 The role of housing professionals from all housing tenures as landlords has developed in 2 diametrically opposite ways (they already had these roles but this will have increased)
- Caring for people who are deemed “vulnerable” – delivering essentials such as shopping, prescriptions, regular contact over phone with people who are isolated
 - Regulation of tenants who have been non-compliant with COVID legislation has been an issue, along with management of ASB.
- 5.2 As we are likely to develop apps for track and trace COVID cases, we would ask the committee to consider the extent to which housing professionals will be asked to undertake either of the above roles (carer or enforcer) and how we balance responsibility and public health with expectations of people working in front-line services such as housing.
- 5.3 Tyfu Tai Cymru survey in early 2020 (to be published) found that housing professionals in Local Authorities are predominantly driven by “helping people” (over 60% of 51 respondents). As we celebrate the people whose work is keeping others healthy during a pandemic, we should have wider recognition of this motivation in staff from Local Authorities.

6. Economic

- 6.1 Expected economic impacts – expectations that there will be an increase in evictions because of loss of income for many people. Welsh Government very clear that they want to step in proactively to avoid increasing homelessness as we come out of lockdown.
- 6.2 Private rented sector likely to be affected – landlords are concerned about meeting their costs if tenants are not paying rent.
- 6.3 Major increase in number of people applying for universal credit. Research published by CAB Cymru⁴ on 20 April 2020 found that
- Around 250,000 people in Wales (17% of the total workforce) have already seen their hours cut, been laid off, or made redundant as a result of the Coronavirus outbreak.
 - Four out of 10 (42%) people have lost household income because of this crisis, with nearly one in 14 (7%) losing 80% or more of their household income.
 - One in four people (25 %) have applied or expect to apply for benefits as a result of the coronavirus outbreak.
- 6.4 It is clear we do not yet know the long-term impact this will have on our economy, but housing plays a central role in providing security and safety for communities as well as employment.
- 6.5 As all Governments seek to find ways to rebuild economies that have been badly hit by the COVID 19 pandemic and resulting lockdown we urge Welsh Government to consider the opportunities in setting far reaching targets for the supply of more and better affordable housing. This would create badly needed homes, employment and skills opportunities. Any stimulus packages should look to have housebuilding at the heart and follow the example of the announcement of the Land Release Fund⁵ that will unlock public sector owned land

⁴ <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/citizens-advice-cymru-wales-policy-research/new-figures-from-citizens-advice-cymru-lay-bare-the-scale-of-financial-crisis-caused-by-coronavirus-in-wales/>

⁵ https://gov.wales/written-statement-land-release-fund?_ga=2.52811691.243690322.1588783446-1185541978.1547027313

assets to deliver affordable and social housing. Housing can also provide the focal point for the further development of the foundational/circular economy model.

6.6 Combined with economic drivers is the need to achieve the goals of decarbonisation as set out in Prosperity for All (Low Carbon Delivery Plan 2019)⁶

6.7 We recommend the Committee recognise the central role that providing sustainable, affordable and accessible homes for all (including building new homes) can be a driver for economic rehabilitation

7. Homelessness/Rough Sleeping

7.1 The immediate and obvious priority is to ensure that those 'taken off' the streets are not returned to them. 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.

7.2 Many of these people will have complex needs that will require high levels of housing-related and other support services in order to maintain the tenancy.

7.3 We would urge the Welsh Government to ensure that the revenue support streams are in place to provide these services.

8. Private rented sector and evictions

8.1 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.

8.2 Therefore, Welsh Government needs to consider, as a matter of urgency, how it will work with and support landlords in the PRS in the short and medium term to ensure we avoid a spike in the number of evictions

9. Welfare

9.1 Whilst welfare is not a devolved function, it has such a significant impact on affordability and homelessness that we believe it worth pointing the committee's attention to some of the Covid 19 -related impacts

⁶ https://gov.wales/sites/default/files/publications/2019-06/low-carbon-delivery-plan_1.pdf

- 9.2 **LHA rates** The changes to raise LHA rates to the 30th percentile is welcome and will definitely help some tenants - 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.
- 9.3 Many of those claiming benefits 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).
- 9.4 Single people aged under 35 (unless they fall within some of the very limited exemptions) will only be entitled to the shared accommodation rate 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.
- 9.5 The daily onflow of new universal credit claimants - these are people registering to make a new claim (not all of these will be entitled to UC and of those that are only some be private renters). These figures show that the daily on-flow rose steeply after 16 March (the day the UK Government advised against all non-essential contact and travel) from around 9,000 households a day to a peak of 75,000 households on 29th March and then fell steeply again but by the end of April it was still running at around 21,000 new households per day.
- 9.6 The difference between the one bedroom self-contained and shared rate is substantial. There are 22 broad rental market areas (BRMAs) covering Wales, the median difference between the one bed and shared rate is £19.36 per week (circa £84 a month), in 6 out of 22 BRMAs the difference is over £30.00 per week, and in the two highest, Swansea and Cardiff, the difference is £41.06 and £49.71 pw respectively.
- 9.7 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 which is lower than the new maximum rates for three and four bedroom accommodation.
- 9.8 **Universal credit – five-week wait**
The five-week wait has been 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 since 2010. It remains unchanged.
- 9.9 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 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).
- 9.10 **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.

- 9.11 The Westminster 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.
- 9.12 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 (for example 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. Survivors living in a refuge, hostel or similar supported housing are protected (their HB does not count towards the cap but this rule does not apply to any other kind of accommodation).
- 9.13 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.

10. Social/Affordable Housing supply

- 10.1 It is difficult to know at this stage what the effect will be on the housing market, on rents more generally. Rents may fall in line with people's ability to pay, or they might rise as landlords exit the market and the supply shrinks. Moreover, there may well be a rise in the number of homeowners unable to pay their mortgage and end up facing repossession.
- 10.2 We would urge the Welsh Government to take a holistic one-housing system response to whatever the post-Covid landscape throws at us, to ensure that a wide range of housing options are available in order to soak up a possible short to medium term spike in housing need.
- 10.3 Central to its strategy must be the scaling up, at pace, of the development of social and affordable housing. The current Government has been committed to building more affordable homes with a target of 20,000 new homes by the end of this Welsh parliament term in 2021. The housing sector has committed to this and is on course to meet the target. Prior to the Covid-19 crisis, the government had also committed to scaling up, at increased pace, the development of social and affordable housing, having committed to the implementation of all the recommendations (apart from one on Help to Buy) of the "Independent Review of Affordable Housing Supply"⁷ which was published in May 2019. CIH Cymru has been supporting Welsh Government in the delivery of those recommendations, in particular hosting the workstream on the scaling up of council house building.

⁷ https://gov.wales/sites/default/files/publications/2019-04/independent-review-of-affordable-housing-supply-report_0.pdf

- 10.4 However, the likelihood is that the demand for homes at social and intermediate rent will increase as the economic impact of Covid-19 begins to kick in, exacerbating the pre-Covid landscape where demand was already overwhelmingly outstripping supply. Therefore, Welsh Government needs to be even more ambitious, working with housing organisations to develop radical new approaches to balance both immediate short-term demand as well as the longer-term requirements.
- 10.5 **The home has come into sharp focus during this pandemic. Not least that we cannot isolate ourselves against a global pandemic unless everyone of us has a sustainable housing option. We, as a wider society, need to reassess what we believe housing and the home to be. Clearly it is at the centre of well-being, both from a physical and mental health perspective, and should be viewed more as the starting point of creating cohesive, healthy, happy, productive and sustainable communities. We need to recognise that and ensure that investment is allocated accordingly.**

Julie James MS

Minister for Housing & Local Government

Welsh Government

Cathays Park 2

Cardiff

CF10 3NQ.

1 June, 2020

Dear Minister,



Protect tenants from arrears, evictions and homelessness – An urgent call to Welsh Government for action during and after the coronavirus epidemic

The Welsh and UK Governments have taken welcome action to protect tenants and help them meet their housing costs in the current crisis. Sustaining many people's incomes through the furlough scheme and other measures, and calling a halt to evictions has created a temporary respite for tenants. This provides valuable time in which to find a 'post-Covid' solution to the potential crisis that will occur if there is a substantial spike in rent arrears and evictions when the current protections end.

The Chartered Institute of Housing (CIH) Cymru, working with barrister Liz Davies, has prepared a detailed set of proposals to avert such a crisis. They are described in this paper and set out in detail in the accompanying table.

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Why is a 'post-Covid' solution needed?

Finding a longer-term solution and taking early steps to implement it are urgent for several reasons. First, for the 350,000 households¹ who are tenants of private or social landlords in Wales, a key part of the hardship and suffering during the crisis has been the struggle to pay their rent and worrying if they will be able to keep their home. If society and the economy are to recover from the crisis it is vital that these fears are allayed quickly and thoroughly.

Second, local authorities' and social landlords' resources for dealing with homelessness were stretched before the epidemic, evidenced by a steady growth in the use of temporary accommodation, and could be overwhelmed if there is a sudden growth in evictions due to rent arrears. This is readily apparent from pre-crisis figures. Loss of a home through rent arrears accounted for fewer than 18 per cent of evictions². If even a small proportion of rented households in Wales were to be evicted in a short period due to arrears, a system which is already stretched could be totally overwhelmed.

¹ <https://statswales.gov.wales/Catalogue/Housing/Dwelling-Stock-Estimates/dwellingstockestimates-by-year-tenure>

² https://gov.wales/sites/default/files/statistics-and-research/2019-07/understanding-social-housing-evictions-in-wales_0.pdf

Third, while it is impossible to assess the potential scale of the problem it is easy to see that it could be huge. This is because:

- Around 250,000 people in Wales (17% of the total workforce) have already seen their hours cut, been laid off, or made redundant as a result of the Coronavirus outbreak.(CAB Cymru on 20 April 2020)³
- Four out of 10 (42%) people have lost household income because of this crisis, with nearly one in 14 (7%) losing 80% or more of their household income.(CAB Cymru on 20 April 2020)
- One in four people (25 %) have applied or expect to apply for benefits as a result of the coronavirus outbreak. (CAB Cymru on 20 April 2020)
- UC claims have increased substantially in Wales - March (the day the UK Government advised against all non-essential contact and travel) from around 9,000 households a day to a peak of 75,000 households on 29th March and then fell steeply again but by the end of April it was still running at around 21,000 new households per day
- Private renters in Wales pay an average 29 per cent of their income (after housing benefit) in rents.⁴

Despite the Welsh and UK government's measures, millions of households therefore have reason to fear a financial cliff edge when the protections come to an end.

Fourth, current measures still leave significant gaps in the protection offered. These include:

- Universal credit's five-week waiting period and other delays in accessing it allow arrears to build up.
- LHA rates, though now improved, still fall short of covering many rents.⁵
- Single person households are likely to be at high risk because of:
 - lower standard allowances in UC, for those under 25
 - the absence of a UC work allowance (earned income disregards)
 - LHA rates for under 35s based on shared accommodation even for those living in self-contained dwellings
 - lower minimum age rates for people aged under 25
- UC is not available to all those at risk, because of:
 - income limits that relate to pre-crisis conditions
 - some workers not being eligible for UC if they lose their jobs.

The furlough scheme helps to sustain incomes but has a shortfall of 20 per cent if not made good by employers. When the scheme ends people may lose jobs, have lower earnings than before or have used up their savings. Protection against eviction currently ends in June and even if it is extended landlords are still able to service notices to start the process if arrears accrue, resulting in a potentially massive number of eviction actions within a short period.

Fifth, the burden cannot simply be put onto landlords. While they can be expected to play a role, the diverse nature of landlords means that blanket solutions (such as a freeze on all rent payments during the crisis) are not practicable: they could lead to defaults on mortgages and enforced sales which could deplete the sector just when tenancies are most needed.

³ <https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/citizens-advice-cymru-wales-policy-research/new-figures-from-citizens-advice-cymru-lay-bare-the-scale-of-financial-crisis-caused-by-coronavirus-in-wales/>

⁴ ONS - UK private rented sector: 2018

⁵ CIH (2018) *Missing the Target: Is targeted affordability funding doing its job?*

What are the main aims of a ‘post-Covid’ solution?

The epidemic has exposed the fragility of the private rented sector, in particular, which is ill-equipped to handle the crisis. Ultimately, the solutions must include more genuinely affordable housing to rent, and reform of the private rented sector to provide more security for tenants. But in the medium term, a ‘post-Covid’ solution is required which addresses the scale of the problem just described.

The key requirements of such a solution are that it:

- is as comprehensive as possible, covering all the main groups affected in the crisis and filling the gaps in current initiatives
- minimises evictions and hence the burden of homelessness on tenants and on local authorities
- builds on the steps already taken and makes use of the existing support mechanisms – principally universal credit – if possible without requiring new ones to be developed
- leaves neither landlords nor tenants with intractable financial problems resulting solely from the current crisis
- helps restore or build sustainability in the rented sectors (private and social).

What is CIH Cymru’s ‘post-Covid’ solution?

The table annexed to this paper sets out our proposals for a ‘post-Covid’ solution that aims to meet these requirements. The key points are these:

- **Evictions – temporary protection.** Ban to be extended until evictions can take place safely and the pre-action protocol is in place.
- **Evictions – post-Covid.** Ensure that Welsh Parliament approval of [Renting Homes \(Amendment\) \(Wales\) Bill](#) remains a priority in order to end so-called “No-Fault evictions”.
- **Arrears payments.** Require that payment plans for Covid-related arrears will not result in eviction provided the tenant agrees with and complies with the plan over a timescale of up to two years.
- **Reforms to universal credit.** End 5-week wait; temporary suspension of the benefit cap and the two-child limit; increase LHA to 50th percentile of rents for a limited period; reinstate three month protection for claimants who could afford their rent when they entered into their agreement (available in HB but not UC); end ‘shared accommodation rate’ for under 35s.
- **Rent arrears outside scope of UC.** Increase emergency fund for discretionary housing payments and ensure they are more widely available; tenants to be able to repay arrears over two years – no eviction possible if comply with repayment plan.
- **access to UC because of immigration status.** One-year lifting of ‘no recourse to public funds’ and other restrictions on claiming benefits.
- **Landlords’ loss of rental income.** Similar interest-free loan scheme to that proposed in Scotland; landlords given mortgage holidays on rented properties to pass relief onto tenants.
- **LAs and HAs lose rent income.** Consider one-off payments to stabilise landlord accounts where these can be shown to be needed.

- **Housing Support Grant** - A key part of preventing homelessness and evictions is through services such as those funded by Housing Support Grant. which should continue to be protected in future budgets and provision made for further emergency injection of funds?

Please see the table for more details and further proposals not included in this short summary.

Yours sincerely,

Matt Dicks,

A handwritten signature in black ink, appearing to read 'M. Dicks', written in a cursive style.

Director, CIH Cymru

C.C. Emma Williams – Director of Housing & Regeneration

Table: Measures needed to avoid post-lockdown evictions, deal with rent arrears and avoid a substantial spike in homelessness

Problem	Measures already taken by government	What more is needed now?	What more is needed after lockdown?
Evictions			
Evictions – tenants threatened with homelessness <u>during</u> epidemic	Temporary halt to evictions (until June 25) by staying all possession claims and bailiffs’ warrants. Extension of notice periods to 3 months (from 2 months for s.21 and 4 weeks for other grounds)	Temporary ban to be extended until evictions can take place safely, the pre-action protocol is in place and time has been allowed for landlords/tenants to agree plans for paying arrears; temporary ban to include tenancies without security of tenure (e.g. introductory tenancies)	Advice during possession action to check if tenant entitled to any benefit to help with arrears
Evictions – sudden increase when the temporary ban on possession proceedings is lifted, potentially leading to huge homelessness increase and unrealistic demands on local authorities	Possible ‘pre-action protocol for possession claims brought by private landlords’ to give some protection after that date. Difficulty is that non-compliance with protocol does not prevent possession order being made.	<p>If possession claims are resumed before the end of lockdown, suspend use of s.21 and mandatory ground 8.</p> <p>Legislate to require private landlords and HAs to use only discretionary grounds 10 or 11 for rent arrears, giving courts the flexibility either to decide that possession is not reasonable, or to make a suspended order so that the tenant repays the arrears on terms and remains in possession</p> <p>Provide guidance on what are and are not Covid-related arrears, including a start date and end date, and on a recommended two-year period over which arrears can be paid.</p> <p>Pre-action protocol to include reasonable repayment arrangements and time periods, as well as a referral process to local authorities when possession action begins.</p> <p>LA housing options services should have advisors available at court to pick up people threatened with homelessness</p>	<p>Ensure that Welsh Parliament approval of Renting Homes (Amendment) (Wales) Bill remains a priority in order to provide more secure tenancies and to ensure that the legislation takes effect before epidemic ends.</p> <p>Put a ban on evictions that result solely from Covid-related arrears which have arisen since March 2020 until a defined end date, unless tenants fail to agree a plan to repay arrears within two years.¹</p> <p>Specifically require local housing authorities under their relief</p>

Problem	Measures already taken by government	What more is needed now?	What more is needed after lockdown?
		<p>Legal help should be fully funded; maintain the housing possession duty scheme and extend to all courts hearing possession claims. Provide funding for legal advice on welfare benefits so as to reduce rent arrears.</p> <p>LAs to review temporary accommodation requirements and prepare; additional funding needed. Government to enable private sector leasing, to make more effective provision.</p>	<p>duty to take practical steps to help those unable to comply with repayment plans to secure new accommodation</p> <p>Devise and implement a national plan to ensure there is a duty possession scheme in every county court</p> <p>Collect and monitor more granular statistics (e.g. household type, benefit status) of possession proceedings to better identify high risk groups and adjustments made to policy</p>
Rent arrears and access to universal credit			
<p>Rent arrears from loss of income not covered by present UC scheme - inadequate general allowances and a near six-year freeze put household budgets under severe stress reducing resilience to homelessness</p>	<p>Raised LHA rates to the bottom 30th percentile of local rents (but LHA has not recovered its original levels)</p> <p>Work-related conditions for UC suspended for three months during lockdown can be extended if required</p>	<p>Following reforms to UC should take effect asap:</p> <ul style="list-style-type: none"> • end 5-week wait • temporary suspension of the benefit cap and the 2-child limit • increase LHA to 50th percentile of rents for a limited period² • reinstate three-month rule (present in HB but not UC) when claiming help for first-time housing costs, based on actual rent before LHA starts to bite 	<p>Retain £20 increase going forward and conduct independent inquiry into the general adequacy of UC benefit levels with attention to resilience to homelessness</p> <p>Abolish minimum income floor or extend new business start-up exemption period to two or three years</p>

Problem	Measures already taken by government	What more is needed now?	What more is needed after lockdown?
<p>Notional self-employed earnings rule (the 'minimum income floor') in UC assumes income that claimant does not have</p>	<p>Eight-month suspension of minimum income floor</p> <p>Prisoners on temporary release allowed to claim UC/HB until 12 November (can be extended)</p> <p>£20 per week increase in standard allowance for 2020/21</p>		
<p>Rent arrears among single people under 35 who were not expecting to need UC</p> <p>Very low allowances for under 25s, the zero-rated work allowance and a lower minimum wage (especially apprentice rate) mean people in work get no support even at low levels of pay</p>	<p>No special measures – still affected by the 'shared accommodation rate' limit</p> <p>NB. Budget 2020 introduced limited new exemptions for under 25s (at risk of violence/trafficking, etc.) but these are not due to start until 2023/24</p>	<p>End shared accommodation rate for under 35s – they should get one-bed LHA rate unless actually sharing, when they should get 100% of rent³</p> <p>Temporary partial help for those with reduced earnings just outside UC</p>	<p>Permanently withdraw shared accommodation rate</p> <p>Align standard allowances for under 25s with general benefit rates</p> <p>Reinstate the work allowance for childless households</p>
<p>Rent arrears from loss of income – but income level means</p>	<p>Discretionary Housing Payments (DHPs) can be used to help meet</p>	<p>Increase emergency fund for DHPs and ensure they are more widely available</p>	<p>Tenants to be able to repay arrears over two years – no</p>

Problem	Measures already taken by government	What more is needed now?	What more is needed after lockdown?
still not eligible for UC even when strengthened as above	emergency gaps in housing costs.		eviction possible if comply with repayment plan
Rent arrears from loss of income – no access to UC because of immigration status	None except limited emergency funding via LAs	One-year lifting of NRPF and other restrictions on claiming benefits	End this aspect of the ‘hostile environment’ permanently
Loss of landlord income			
Landlords lose rent income; ability to sustain lettings at risk	Scotland – zero interest loans for small landlords; none in England; payment holiday for buy-to-let landlords whose tenants have lost income - landlords are expected to pass on this relief to their tenants	<p>Similar zero-interest loan scheme to that in Scotland, predicated on no evictions for arrears and agreed plan with tenants to pay arrears.</p> <p>Require any landlords given mortgage holidays on rented properties to pass relief onto tenants.</p>	No evictions for arrears reasons while arrears plan is in place and/or loan is in place and tenant is complying with plan
LAs and HAs lose rent income – social landlord finances destabilised, jeopardising tenant services and new investment	None except changes in UC noted above	Just as the government has made payments to LA General Funds, it should consider one-off payments to stabilise social landlord accounts where these can be shown to be needed.	Compensation scheme to apply to local authority HRAs and registered provider accounts for the year 2020/21 where the landlord can show that it has a potential serious deficit that cannot be eliminated by making other reasonable savings.

Problem	Measures already taken by government	What more is needed now?	What more is needed after lockdown?
			In long term, provide substantial funding to allow social landlords to invest in building safe, secure, social housing
Other tenure issues			
Asylum seekers lose supported accommodation once a decision is made on their case	Suspended evictions from Home Office asylum accommodation	Further delay to and then phasing of evictions to reduce the impact on homelessness services Request LAs to provide homelessness assistance now in cases where an asylum application is approved	
Starting a new tenancy is more difficult because of social-distancing requirements	Right to rent checks can be carried out by video calls, and applicants can send scanned documents by email or mobile app; but full checks on these tenancies are required when restrictions end	Suspend right to rent checks, and halt further roll out, completely for duration of the crisis - Do not require retrospective checks once crisis over.	Retain suspension and rollout until current pending Supreme Court case on discriminatory nature of checks is resolved

References relating to the table:

¹ Nearly Legal has pointed out that this requires reform to both s.8, HA 1988 (especially Ground 8, although probably best extended to the other rent arrears grounds) and s.21, HA 1988 (otherwise landlords will just use s.21 to evict and then seek to cut their losses on the unpaid rent by deductions from the deposit). It would be important to extend the same protections to tenants of local authorities and amend the rent arrears grounds under the HA 1985. And, although they are now rare, Rent Act 1977 tenants should be protected in the same way (see <https://nearlylegal.co.uk/2020/05/a-five-point-plan/>).

² The 50th percentile rent is on average around 9% higher than the 30th percentile rent, the cost would be something less than that because the award if based on the actual rent if that is lower than the LHA figure – and also because in some areas (but not very many) the LHA has reached the maximum figure (and presumably would do so in more areas if it was raised to the 50th).

³ Under-35s are one of the groups where there could be a huge increase in possession cases as things stand because the median gap between UC payments and rent is £37 per week and in many cases a lot higher. Resolution Foundation work ('Risky Business', April 2020) shows that 16-24 year-olds are most at risk of losing their job and least able to do their job from home: "Overall, 2.9 million 16-34-year-olds are in the 'shutdown sectors' group, which comprises notoriously low-paid work. Four-in-ten of those working in retail and whole get less than the real Living Wage."