

Zacchaeus 2000 (Z2K) is a small London-based anti-poverty charity supporting some of those suffering or threatened by homelessness or adversely affected by the Government's cuts to Social Security benefits. Each year, we provide advice and support to around 1,000 low-income Londoners, including over 400 disabled and seriously unwell people who we help to challenge DWP's refusal of their claims for Employment Support Allowance (ESA), Personal Independence Payment (PIP) or Universal Credit (UC). Z2K uses evidence from this casework to campaign for reform at a local, regional and national level.

**Q1: Is there anything critical to London's recovery missing from the current set of missions?**

The Covid-19 pandemic has shone an even brighter light on the vital importance on the housing needs of many Londoners, and the chronic shortage of good quality, secure and affordable homes. While it is obviously covered in other missions, we believe housing and especially the alleviation of homelessness and overcrowding is deserving of being defined as a mission in itself. Our answers to Question 3 briefly outline what we think needs to be done to finally turn the corner on the Capital's housing crisis.

**Q2: What are the main issues/challenges that you, your sector and/or your members are facing (in the short, medium and long term) in relation to London's recovery?**

Our clients and the wider community we serve were already suffering severely after a decade of central Government cuts to Social Security benefits and funding for genuinely affordable new social housing. This is exacerbated by the policies and practices of some of the London Boroughs our clients usually live in, especially in relation to the treatment of homeless households and the erosion of the Council Tax Support (CTS) schemes and Local Welfare Assistance (LWA) since their "localisation" in 2013.

For example, the Localism Act 2011 tore significant holes in the homelessness safety net, enabling authorities to discharge their legal duty to statutory homeless families and vulnerable adults through the "offer" of an Assured Shorthold Tenancy in the Private Rented Sector. Beneath the legislation, Ministers and officials have pushed a twisted version of the noble objective of preventing homelessness by encouraging the worst kinds of "gatekeeping" practices by Housing Options Services, which prevent vulnerable homeless people attaining their rights to be provided with accommodation and "reasonable preference" in the allocation of social housing. While Westminster City Council is certainly the worst offender, the recent judgment against Lambeth shows how endemic this malpractice has become.

Similarly, while a third of London Boroughs have retained a local Council Tax Support scheme akin to the previous national system of Council Tax Benefit, which effectively exempts those who are out of work from paying, two thirds are now charging a Minimum Payment of £100 to £500 a year from their meagre Job Seekers Allowance, Income Support or Employment Support Allowance (currently £74.35 a week). We estimate that, since 2013 over half a million CTS claimants have been summonsed to court for late-payment of these new Council Tax bills and over 100,000 of those have subsequently had bailiffs instructed against them to recover these arrears – usually doubling the debt at the same time. Around 20 per cent of the bill is actually owed to the GLA through the Mayor's "precept".

More parochially, we believe the provision of good-quality housing and welfare benefits advice in London falls a long way short of the need after a decade of austerity. There are many good Law Centres, Citizens Advice Bureaux and independent advice charities, but many of those who need advice and advocacy most of all simply aren't able to access it or don't know they can. This is a fundamental denial of justice for London's poorest citizens. For example, recent figures provided by HM Courts & Tribunals Service showed that only one in five of disabled people appealing an ESA or PIP decision at the Tribunal were represented. A majority of the four-fifths who don't still win their appeal, but Z2K and others help over 90 per cent of our clients win, so many more could win too if they had help to present their case. More importantly, many more would actually appeal in the first place.

**Q3: What actions or interventions would address these issues/challenges? Which would have the most impact?**

Until Covid, Z2K would have argued that a significant and sustained increase in the provision of new decent, secure and affordable homes would be the most important contribution the Mayor of London could make to take to tackling poverty and inequality in the Capital. Right now, however, hundreds of thousands of low-income Londoners are peering over a financial cliff-edge as furlough winds down, redundancies increase, savings diminish and living costs grow. As central Government reduces its support, there is a pressing need for the Greater London Authority (GLA) and the Boroughs to step-in and ease the financial burden.

As the GLA evidence base shows, there has already been a dramatic increase in the number of Londoners out of work since the pandemic broke and lockdown began. In London especially, those who have lost their job face a significant reduction in their income as they move onto means-tested benefits, often for the first time. The past decade's shift from a national system of Social Security benefits to a threadbare patchwork quilt of local welfare support will become increasingly apparent.

At the start of the pandemic, alongside the very positive furlough scheme, the Chancellor made three vital changes to Social Security:

- The £20 a week uplift to Universal Credit (UC), bringing it into line with Statutory Sick Pay (£95 a week) after four years of being “frozen”
- Setting the Local Housing Allowance rates of Housing Benefit for tenants in the private rented sector at the 30<sup>th</sup> percentile of market rents
- A £500 million extra Council Tax Hardship fund for local authorities to help those struggling to pay their bills

Each of these positive steps disguised a flaw though. The extra £20 a week for UC claimants was not extended to “legacy benefit” claimants, so the 2.5 million claimants on JSA, ESA or Income Support are still stuck on just £74.35 a week. Ministers have deliberately created a two-tier welfare state with those making a claim for benefit since March receiving an extra £1,000 a year more than those who are disabled or who became unemployed or had babies before the pandemic began. This takes the Government's rhetoric about the “deserving and undeserving poor” to new depths.

LHA rates were originally supposed to be set at the median of local market rates, but this was first reduced to the 30<sup>th</sup> percentile after the Coalition Government came to power and then frozen from 2015 onwards, leaving many tenants facing steep shortfalls between the rent they owe and the HB they get to cover it. The increase back to the 30<sup>th</sup> percentile will therefore help many private tenants pay their rent. Not everyone will benefit, however, as many households were already subject to the Household Benefit Cap and others have now become subject to it or will do shortly.

Finally, the £500 million for Council Tax Hardship Fund in England barely covers the original 10 per cent cut in funding, let alone the billions syphoned out of local authority budgets by central government since 2010. This extra funding apparently now seems to be all local government will get to extend Council Tax Support to the hundreds of thousands of new claimants too. Inevitably, most authorities are having to use it to prop up budgets under intense pressure as a result of the extra social care costs arising from Covid-19. Z2K believes we need to return to the fully-funded national system of Council Tax Benefit.

Responsibility for fixing these flaws clearly lies in Downing Street. However, in the absence of any desire in Number Ten to do so, City Hall must play a greater part.

- Firstly, the Mayor should commit to match-fund all those Boroughs still maintaining a Local Welfare Assistance scheme to those legacy benefit claimants facing destitution or serious financial hardship as a result of the additional costs of Covid have the means to feed and clothe themselves and keep warm this winter.
- Secondly, the Mayor should match-fund all those Boroughs voluntarily topping up their Discretionary Housing Payment pots, so that more renters can be helped with LHA/HB shortfalls and avoid eviction when the suspension lifts.
- Thirdly, the Mayor should waive his 20 per cent Council Tax precept in 2020/21 for all those who are CTS claimants and encourage Boroughs not to charge additional fees or instruct bailiffs against others who are not entitled to CTS, but are still struggling to pay.

Finally, one of the few positives from the Government's handling of this pandemic has been the "Everyone In" campaign to provide hotel accommodation for rough sleepers. In many Boroughs, this has extended to homeless families who would not normally be accommodated either. The decision-making process remains rough and ready and a minority of Boroughs seem not to have implemented this agenda in the spirit hoped for, but the progress has been there for all to see on the streets at night. Much more needs to be done to help those who are entrenched rough sleepers and to provide decent quality hostel accommodation once hotels return to their normal business again, but we have seen what can be done with political will and a bit of extra money.

That won't be possible without a significant expansion in the number of new social homes, especially when so many homeless families are trapped in poor-quality temporary accommodation and others spend years in overcrowded flats, which undermines health and educational attainment. The Right to Buy and swinging funding cuts to the Affordable

Housing Programme have left London with fewer social homes at a time when its population has been rising inexorably. London's Black and Minority Ethnic households are disproportionately affected by both homelessness and overcrowding.

The Mayor's aim of new 33,000 affordable homes a year is laudable, but they have to be genuinely affordable to make a meaningful impact on poverty and equality in the Capital. Shared Ownership, London Living Rent and "Build to Rent" schemes subsidise housing aspirations at the expense of meeting housing needs. The GLA must utilise its funding, land, planning powers and political influence to the maximum to deliver these.

**Q4: In five years time, which pieces of evidence would show that the mission(s) have been achieved?**

**Homelessness** – fewer rough sleepers and families in Temporary Accommodation

**Social Housing** – 150,000 new social homes and the number of overcrowded households falling

**Council Tax** – more Borough scrap or reduce their charges for CTS claimants, and fewer court summons obtained and bailiffs instructed

**Local Welfare Assistance** – every Borough having a meaningful cash-based scheme for those facing destitution of serious financial hardship

**Advice Services** – A stronger sector covering every Borough and ensuring all Londoners have access to advice when challenging flawed DWP or local authority decisions.

**Q5: Who else needs to be involved in responding to Mission 6: a robust safety-net? Please provide specific organisations and/or individuals where possible.**

Z2K welcomes the proactive invitation to submit views to the London Recovery Board and looks forward to further opportunities to engage going forward. The issues we have raised require the intervention of City Hall and the Boroughs if central Government remains unwilling to restore the welfare safety net. Given the critical role social landlords play in housing and often supporting vulnerable people, we assume they will be involved as well. We hope tenants will also be involved directly, for example through the London Tenant Federation, as their experience on the services during the pandemic would be beneficial.

The many Law Centres, Citizens Advice Bureaux, and independent advice charities in London also need to be involved in ensuring that a more robust safety net is in place, not only for a potential second wave of Covid-19 but into the future. For them to be able to do this, there needs to be reinvestment in these services which have been stripped back as a result of cuts to legal aid and local authority funding. Individual challenges to decisions can lead to practice and even policy reform, and so there is always a much wider community benefit from the work of good local advice and advocacy services. We hope our sector can be better supported locally and regionally to help rebuild the safety net Londoners deserve.