

## **Z2K's response to the Housing, Communities and Local Government Select Committee's inquiry into the impact of COVID-19 (Coronavirus) on homelessness and the private rented sector**

1. Z2K is an anti-poverty charity providing advice and support to around 1,000 low-income Londoners every year to prevent homelessness and enable them to access the Social Security benefits and housing they are entitled to. We use evidence from this work to campaign for the changes needed to end poverty and restore fairness and dignity to the Welfare State.
2. We work with rough sleepers, homeless people, and vulnerable tenants in the private rented sector (PRS) in a number of ways. Firstly, we provide advice and casework to those facing homelessness, whether as the result of a sudden loss of income, a stoppage of their benefits, or eviction by their landlord. We support them to resolve their benefits problems, negotiate with their landlord, or make a homeless application, and to challenge negative decisions, including where a local authority has decided it has no duty to accommodate someone.
3. Alongside this, Z2K runs a Private Rented Sector Access Scheme (PRAS), which assists single homeless people to access tenancies with private landlords. Over the past seven years, it has brokered tenancies for over 300 individuals. Having placed someone, we provide ongoing support to sustain the tenancy, and bring tenants together to give collective voice to the issues they face.
4. Z2K welcomes the committee's inquiry into the Government's response to the impact of the Covid-19 crisis on homelessness, rough sleeping and the PRS. Our clients are among those most affected by this and our evidence draws directly from their experiences to bring their voice into the discussion of what needs to happen.
5. Given the enormity of the impact of Covid-19 on these groups, we hope ministers at both MHCLG and the Department for Work & Pensions will respond positively to this inquiry and take further action to address both the immediate concerns and long-term problems that the COVID-19 crisis has thrown into much sharper relief.

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

6. Z2K believes the support provided to rough sleepers is having a varying impact, depending on individual Boroughs' levels of engagement. There is no additional

provision for people who are homeless but not rough-sleeping, for example those in temporary accommodation, staying with friends or in overcrowded housing; or for those living in shared accommodation. The support provided to those in the PRS has also been mixed, with the extension of notice making little difference. The stay on court possessions has had greater impact. The increase in the LHA is positive, but is undermined by the inability of many to secure a tenancy in the first place.

7. On the 26 March, MHCLG wrote to local authorities asking them to *“focus on people who are, or are at risk of, sleeping rough”* by taking a series of actions including *“urgently procuring accommodation for people on the streets”* and providing support for those people once in the accommodation.<sup>1</sup> As guidance rather than legislation, this approach relies on local authorities to step up, but does not provide for enforcement. This means its impact varies widely between different areas. Our caseworkers have come across examples of rough sleepers approaching a Housing Options Service, who are still told they should apply to a different authority instead. This kind of “gatekeeping” leaves people on the street. The £3.2million announced by Government to reimburse local authorities for the cost of accommodation and support for rough sleepers is a start, but not enough. And a more robust approach is needed to ensure that all local authorities are following through on the Government’s pledge, particularly to those who they consider low priority, not usually within their remit, or who have No Recourse to Public Funds.
8. The Coronavirus Act 2020 extends eviction notice periods from two to three months for any notice issued on or after 26 March.<sup>2</sup> This falls short of fully addressing the impact of COVID-19 for many private tenants. Landlords can still issue Section 21 notices, and they will still expire, leaving tenants facing swift eviction when lockdown ends. For those who have lost jobs and whose income has fallen dramatically, the extra month will not prevent them building up rent arrears and being issued with Section 8 notices.
9. One of our clients, Aliyah, is a single woman who has been homeless in the past and now lives in private rented accommodation. She is in receipt of Housing Benefit, but it does not cover her entire rent, so she pays a top-up from other benefits. She lives with constant back pain but has been looking for work as a route out of poverty. Coronavirus has made that impossible.

*“I have been looking for work and I had an interview but it was cancelled because of the coronavirus. I don't have internet at home - I had been using the library to search for jobs and now that is closed.”*

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<sup>1</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/876466/Letter\\_from\\_Minister\\_Hall\\_to\\_Local\\_Authorities.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876466/Letter_from_Minister_Hall_to_Local_Authorities.pdf)

<sup>2</sup> <http://www.legislation.gov.uk/ukpga/2020/7/contents/enacted>

Aliyah received a Section 21 notice of eviction on the day the legislation came into force. Without assistance, she could not afford a deposit to move, and without internet she could not look for a new flat, so it makes little difference whether her notice expires in two months or three.

10. The stay on possession proceedings until 25 June provided by PD51Z has on the other hand gone some way towards temporarily relieving the impact of COVID-19 on private tenants by enabling those threatened with eviction or awaiting court proceedings to remain in their accommodation in relative safety. Z2K has already seen clients who are at the stage of court possession hearing or receiving a bailiff's warrant who have been prevented from being evicted onto the street during this time by the stay on court possession hearings and on bailiff activities.
11. The increase in LHA rates is more positive. Our client, Sarah, worked for years before she was forced to stop because of health problems. She applied for Universal Credit but the housing element didn't cover her rent, and gradually arrears built up until her landlord gave her notice in May 2019. She went to the council for help, and has remained in the flat with a homeless application ongoing since then. In April, she checked her payments and realised that thanks to the rise in LHA the amount to be paid would cover her rent for the first time. Her relief is tempered with the knowledge that if this extra money had been available a year ago, she would never have been evicted. She puts it best:

*"I have been in this flat for 12 years and everything has been ruined in less than a year... I wish this (LHA increase) had happened before. It would have made a big difference."*

12. For those like Sarah, a Housing Benefit level that actually covers rent means that when a crisis hits – whether personal health or a national pandemic – there is a safety net that means you don't just wind up on the street. It is vital that LHA does not drop back down to its former inadequate levels when the current crisis ends.

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

13. Many people are still rough sleeping. "Nadim", is an unpaid carer for an elderly lady living in a studio flat. He goes there to provide her personal care, and is able to shower and cook in the flat, but there is no space for him to stay overnight, and so he sleeps on the street. He wants somewhere safe to be, but has no confidence in the council because when he approached previously, he was simply told to find his own private rental accommodation. He had been trying to do that for months anyway, but this is now almost impossible in light of COVID-19. Being on the street is high risk for him, but also for the woman he cares for, who is particularly vulnerable to the virus.

14. Nadim's lack of trust is understandable. At Z2K we have seen many homeless people who have gone to their council only to be turned away at this initial stage. That is why it is vitally important that ministers follow up their promise to rough sleepers and ensure that doesn't happen right now. This could be done by a temporary legal duty for local authorities to accept and house anyone approaching as a homeless rough sleeper, regardless of background circumstances such as "local connection", priority need or immigration status, and by providing funding to local authorities and charities working with homeless people, that have seen a sudden rise in need.
15. For homeless people who are not rough-sleeping, Z2K's immediate concern is that they are being told that finding them appropriate accommodation will take longer as they are not the priority at the moment, and in the meanwhile they are left in unsuitable and dangerous circumstances.
16. "Paula" is living in an overcrowded studio flat with her teenage son and her ex-partner, who has asked her to leave. Her son's asthma is worsened by the damp in the flat, and there is no second room so he sleeps on the floor. She went to the council for help last year. She and her son should be eligible for emergency accommodation, but as of April this year she is still in the flat. No-one – particularly not someone with a respiratory condition – should be left in limbo in poor conditions and overcrowding that worsen their vulnerability to COVID-19. Yet many people are homeless due to unsuitable conditions and overcrowding, and are awaiting the outcome of a homeless application. Local authorities must speed up the process of housing non-rough-sleeping homeless people during the current crisis.
17. Z2K is also worried about the impact of COVID-19 on homeless families with children who are placed in already unsuitable Bed & Breakfast accommodation, with shared amenities such as kitchens. The Homelessness (Suitability of Accommodation) (England) Order 2003 makes it unlawful for families to be placed there for longer than six weeks, but for most of the past decade at least a thousand have been in such accommodation for longer on any given day. An unknown number of homeless families in B&Bs owned or managed by local authorities are not even covered by this law. Similarly, many London Boroughs have taken to placing families in former office blocks converted into poor-quality accommodation under Permitted Development Rights. We believe MHCLG should issue guidance for local authorities to move all these homeless families into self-contained temporary accommodation as quickly as possible and provide additional funding to facilitate these moves.
18. For tenants in the PRS, particularly for those on very low incomes or reliant on Housing Benefit, the effect of COVID-19 has been to heighten the impact of a pre-existing crisis. Low benefit levels, poor quality housing, and a lack of regulation of the PRS, means that our clients are self-isolating in barely liveable conditions. "Helen", a 60 year old woman with multiple health problems, is doing exactly that, and it makes self-isolating difficult and risky. She finds herself choosing between a

flat where the damp and the infestation worsen her health, and an outside world riddled with a virus she would be especially vulnerable to.

*"It's hard. I can't stay in there, I'll go crazy. I'm just sitting in one room listening to the rats and the mice, sitting in their urine."*

Having contracted a bacterial infection from the squalid conditions in a previous flat, Helen is right to worry. Without effective and enforced licensing schemes, there is little motivation for landlords to maintain properties at a fit condition, and quality is dependent on tenants' understanding of and capacity to enforce their rights.

19. Along with conditions, the size of the properties available to Housing Benefit recipients is an ongoing problem that has become a pressing concern for those now confined to them for the duration of the virus. In London, the common 'studio' flat is comprised of a single, small bedroom, equipped with a sink and hob, and with an attached toilet. "Ahmed", an older man living alone, describes where he lives:

*"It's in the basement and it's so small. There's no natural light, only a small window in the door. I can't cook - the hob is by the bed and if I do even one egg the smell fills the room for 5 or 6 hours. You can sit on the toilet and shower and wash your hands at the same time."*

20. At Z2K we never put our homeless clients somewhere with disrepair or damp, but we often place them in these one-room flats, because that is all that is available at the LHA rate. Another client, "Samuel" says:

*"Its times like this you realise the place you're in is completely inadequate. It's a tiny room, what am I supposed to do? It's crazy how they expect people to live their life in one room."*

Samuel, also formerly homeless, has a background of depression, PTSD and addiction, and isolating in such cramped accommodation risks a serious deterioration in his mental health.

21. COVID-19 makes it essential for tenants like Helen, Ahmed and Samuel to self-isolate, but the fact that doing so puts them at risk by dint of forcing them to stay inside their own accommodation shows the PRS is unfit for purpose.
22. Similarly, tenants up to the age of 35 have been put at increased risk as a result of being eligible only for the Shared Accommodation Rate of housing benefit, which now means they are living in close proximity with other adults, regardless of their health or work situations.

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

23. Z2K is concerned that post-lockdown there will be a surge in evictions unless protections remain in place for private tenants. For anyone like Aliyah, who received a notice of eviction during lockdown, that notice period will have played out in a time when it is extremely difficult to find somewhere else to live, with Government Guidance advising against moving.<sup>3</sup> As lockdown ends and court possession hearings begin again those tenants will find themselves facing eviction proceedings and turning to increasingly overwhelmed services.
24. To prevent this what is needed is a suspension in the issuing of Section 21 eviction notices until the COVID-19 crisis period is over. The Government has consulted on ending Section 21 evictions<sup>4</sup> and committed to implement that in the Renters Rights Bill. This should be taken forward immediately.
25. Many have lost jobs over this period as a result of quarantine, self-isolation, or sickness with the COVID-19 virus itself. Just as mortgagees are being offered payment holidays, it is fair that rent arrears arising during these weeks should not be liable to contribute to the two months' rent arrears period required for a Section 8 notice of eviction.
26. More than a million people have claimed Universal Credit as a result of COVID-19.<sup>5</sup> Most are now reliant on housing benefits, and without some immediate action, this too will result in an increase in evictions after the lockdown lifts. Prior to the rise in LHA, it was at just the 13<sup>th</sup> percentile of market rents<sup>6</sup>, and for most private renters, it did not cover rent. The rise to the 30<sup>th</sup> percentile is a huge improvement but it will still fall short of covering rent for many tenants.
27. Tenants facing a benefit shortfall can apply for a Discretionary Housing Payment (DHPs) to cover the gap. With tenants hit by the Bedroom Tax and Benefit Cap eligible as well as those with a shortfall arising from the erosion in the value of the LHA rates in recent years, each authority's DHP pot is usually already oversubscribed and so they have been strictly rationed. Funding was increased to £179 million in last year's one-off spending round, but this will in no way cater for the huge increase in the number of potential claimants. There is an urgent need for Government to significantly increase funding for DHPs, at least in proportion to the number of new tenants claiming Housing Benefit / UC.

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/876500/Consolidated\\_Landlord\\_and\\_Tenant\\_Guidance\\_COVID\\_and\\_the\\_PRS\\_v4.2.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/876500/Consolidated_Landlord_and_Tenant_Guidance_COVID_and_the_PRS_v4.2.pdf)

<sup>4</sup> <https://www.gov.uk/government/consultations/a-new-deal-for-renting-resetting-the-balance-of-rights-and-responsibilities-between-landlords-and-tenants>

<sup>5</sup> <https://www.theguardian.com/society/2020/apr/01/950000-apply-for-universal-credit-in-two-weeks-of-uk-lockdown>

<sup>6</sup> <http://policyinpractice.co.uk/new-analysis-evidencing-the-link-between-the-local-housing-allowance-freeze-and-homelessness/>

28. DHPs are a short-term solution and the country is unlikely to return to business as usual for a year or more. This means tenants will continue to rely on it, and looking beyond the lockdown to prevent an increase in homelessness Government should commit to moving LHA rates back to the median of market rents.
29. As a concern of the current crisis, we discussed the size and condition of the properties tenants at the lower end of the private rental sector, including our clients, are isolating in. They will remain in these after the lockdown lifts. However, the Government has in this time rightly recognised that powerful measures are needed for those who do fall into crisis, and there is an opportunity to ensure that for the next crisis – personal or national – they are better protected.
30. Maintaining and increasing the LHA rates after the lockdown ends will enable tenants at the lower end of the sector, like Samuel and Ahmed to afford properties that are more suitable to stay in during a crisis. However, this will only be true if the ‘benefit cap’ - which limits how much benefit one individual or household can get - is lifted. Both of them, along with most of our single homeless clients, are subject to it since it was lowered in 2016/17. Aliyah, quoted above, is also hit by the cap, and thus unable to benefit from the LHA rate increase now or in the future.

*“My money is so tiny and it is all on food and rent - it would make a big difference if I could work or get the cap lifted.”*

She is among many vulnerable people living in the PRS who most need the LHA increase – and who are unable to get it. Withdrawing the benefit cap policy is an immediate and long-term measure needed to provide effective support to tenants.

31. Tenants in receipt of the Shared Accommodation Rate would benefit by increasing the level of SAR. This is particularly important in light of the fact that young workers are more likely to be on zero-hours contracts and therefore less likely to be benefitting from the Government employment furloughing scheme.<sup>7</sup> Z2K has long been concerned about the impact of the Coalition Government’s decision to raise the age threshold for the Shared Accommodation Rate to 35 years-old. We hope ministers will be persuaded lower it back down to at least 30 if not 25.
32. When Helen complained to her landlord about the conditions, he simply moved her to another of his poor quality properties. The local authority has known about this landlord for a long time, but says it lacks the resources to deal with him. The only way to consistently ensure decent housing in the PRS is through effective and enforced licensing schemes. Mandatory HMO licensing has been effective, and increasing numbers of local authorities have also implemented selective licensing

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<sup>7</sup> <https://www.statista.com/statistics/398569/share-of-employed-population-zero-hour-contracts-age/> and <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contactsthatdonotguaranteeaminimumnumberofhours/april2018>

schemes.<sup>8</sup> But for most tenants outside those selected areas there is little protection, and even where councils do run licensing schemes, their effectiveness for tenants depends on funding to undertake inspections and enforcement. Now is the time to deal with this problem. To make licensing truly effective, the Government needs to either to bring in mandatory licensing, or to ensure local authorities make use of existing powers and to provide ring-fenced funding to enable them to do so.

## **Conclusion**

33. Z2K believes that homeless people and low income households in the private rental sector are at high risk of contracting the virus as a result of ongoing rough-sleeping, overcrowding, or increased vulnerability due to their current living conditions. Moreover in the long-term they are at increased of eviction immediately after lockdown ends, and of poverty, deprivation and ill-health as a direct impact of COVID-19 and the self-isolation necessary to protect the population.
34. We hope the Committee's inquiry will highlight the need for immediate action to alleviate the impacts of COVID-19 for rough sleepers, homeless people, and renters at risk of eviction, and for longer-term measures to ensure that tenants in the private rental sector do not, as lockdown draws to a close, fall back into the pre-existing crises that have long been a chronic problem for the sector.

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<sup>8</sup> <https://www.londonpropertylicensing.co.uk/selective-licensing>