

# Covid and Homelessness: what has been done? A Position Paper

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28.07.20

## Abstract

The most publicised policy addressing the coronavirus pandemic and homelessness provision was the 'Everyone In' effort to accommodate rough sleepers, but the pandemic continues to affect provision in other, less obvious ways. This is the second in a series of LSE London papers and blogs that review how COVID-19 has affected the need for temporary accommodation; how emergency legislation and guidance have addressed the issues; how the costs are being funded; and how we can manage the challenges of the next few months. The research focuses on London but has resonance across England and the rest of the UK.

As a starting point, we look back on the evidence presented to the House of Commons Select Committee on Housing, Communities and Local Government for their [Inquiry](#) into the Impact of COVID-19 on Homelessness and the Private Rented Sector, and consider the [Government Response to the Housing, Communities and Local Government Select Committee Report on Protecting Rough Sleepers and Renters](#) published on 30th June. Combined with regular government updates and announcements, we are able to reflect on what interventions have already been put in place, and where persistent gaps exist.

## Introduction

Evidence to the Select Committee was provided by central government and its agencies, professional bodies including legal associations, local authorities, housing associations, academics, charities and a range of those affected. The vast majority of submissions dealt with immediate and longer-term issues around rough sleepers, including the constant inflow thereof during lockdown. The uncertain future of private renters was also highlighted.

Below we summarise the main messages from 373 pieces of evidence presented to the Select Committee; ask whether they still have resonance three months on; look at what the Select Committee report recommended, and ask how the MHCLG has responded.

The core themes in early May were:

- Concern about a loss of momentum in supporting rough sleepers;
- Fears about a cliff edge in evictions for tenants in the private and social rental markets;
- The need to maintain or increase the 30% LHA rate and continuing worries about the welfare cap;
- Uncertainty about how best to support those with no recourse to public funds and,
- Concern about insufficient local authority funding for emergency housing, move-on housing and wrap-around support services.
- There was surprisingly little discussion of how the more traditional 'main duty' homelessness services were operating and the challenges they faced.

## Evidence on Homelessness during COVID-19

### Rough Sleepers

In pre-COVID-19 conditions, [Crisis](#) identified 4 types of homeless households: rough sleepers, those in temporary accommodation, hidden homeless and statutory homeless. The initial figure of 6,000 identified homeless on 16th April 2020 only included people sleeping rough and some in shared sleeping sites, [according to MHCLG](#). Nationally, 5,400 (or 90%) of this cohort were successfully housed in TA within the first few weeks of lockdown, 3,196 of which were accommodated by London authorities, according to [London Councils](#). By May, the figure [provided by MHCLG](#) for London was 4,450 out of the total 14,610 for England. The more recently [quoted](#) figure of over 16,000 individuals includes people who had been sleeping rough, people in shared sleeping sites and people who have become vulnerable to rough sleeping during the pandemic.

The common narrative of much of the evidence presented to the Select Committee was praise for the success of efforts to get people off the streets and into safe accommodation, whilst acknowledging the medium and long-term concerns of sustaining this progress. Prof Andrew Hayward and Dr Alistair Story of the UCL Collaborative Centre for Inclusion Health highlighted the success of the UK's approach, which resulted in a Covid-19 infection rate of [less than 4% in UK homeless compared to the 9%-36% in the US](#).

The evidence to the Select Committee raised concerns about the quality and appropriateness of temporary housing being provided, the inadequate health precautions in hostels and the capacity of accommodation providers to give additional support to rough sleepers with health problems, including drug addiction. Evidence from [Phoenix Futures](#) suggested that over 80% of rough sleepers had a mental health need and over 60% a current substance misuse problem. These issues have come up the agenda.

An important source of temporary accommodation for those housed during lockdown has been hotels, as most have been unable to serve their normal clientele because of movement restrictions. The GLA procured 14 hotels to provide for 1,200 out of the 3,200 rough sleepers initially accommodated in London. However, the sustainability of using this type of lodgings is unclear. Moreover, there is little evidence on what other forms of TA have been used - especially in light of the need to vacate night shelters and other non-self-contained accommodation.

**hotel accommodation** is not a sustainable solution for the individuals concerned, businesses, or local authorities (MHCLG [evidence](#))

The [Government Response](#) to the Committee's report indicated that the government taskforce on rough sleeping during the pandemic, whose formation was announced on May the 2nd, is developing interim solutions for rough sleepers alongside longer-term options. No details have yet emerged beside the 24 June announcement of an additional £105 million for local authorities.

Even as the government works out its policies, professional and community organisations and charities have been developing collaborative solutions. The main challenge is now to distinguish responsibilities between stakeholders. Housing First solutions, although not a blueprint fix for all rough sleepers have been recommended in evidence and Government has confirmed that pilots are continuously being assessed for larger-scale rollout viability.

## No recourse to public funds

Another major concern is the proportion of those in emergency accommodation who have no recourse to public funds. Evidence from the [HLPAs](#) summarised the situation for many NRPF individuals:

Where NRPF people lose paid work due to Covid-19, and do not qualify for the government's Coronavirus Job Retention or Self-employment Income Support Schemes, they will be left with no means whatsoever to meet their basic needs let alone their rental liability.

Local authorities are currently funding their accommodation under the auspices of the 'Everyone In' campaign, but as these households are ineligible for benefit support for rent payment boroughs cannot identify sustainable accommodation for them. Boroughs reported that messaging from the government has been unclear, and said they had been following the advice of MHCLG; the response from Government directed attention to guidance published in April and factsheets in May which explain [the support that NRPF individuals can receive](#). Within these guidelines, there is a focus on limiting the use of public funds to the NRPF cohort who are temporary immigrants and are not 'contributing towards the state'. However, the guidelines note the inclusive nature of the Coronavirus Job Retention Scheme and the Self-Employed Income Support Scheme, which do not discriminate against NRPF individuals, and state that local authorities have the discretion to provide basic safety-net support, "if it is established that there is a genuine care need that does not arise solely from destitution".

An [update by the MHCLG](#) on 22nd July explains that there are two categories of NRPF cohorts; those who are EEA nationals and have been supported thus far by local authorities, and those who are not EEA nationals and present a more complex issue that is managed by the Home Office rather than MHCLG. According to Hon Robert Jenrick MP, the local authorities now have adequate funding to deal with the challenges of NRPF and implementation and strategy are now the focus; "I don't think that is a financial problem, it is mostly an issue of adopting the right plan".

## Temporary Accommodation

The constant inflow of rough sleepers has a knock-on effect on the demand for temporary accommodation for single people. This issue is compounded by the fact that there has been little 'move-on' from temporary accommodation during lockdown, and by the decrease in the supply of TA as non-self-contained accommodation also often cannot be used.

“For the rough sleeping cohort, the loss or indeed reduction in supply and access to temporary accommodation and a return to the streets is the key concern” (Kent Housing Group [evidence](#))

## Private Renters

The majority of PRS-related evidence spoke of the growing fears of an increase in evicted tenants post-'eviction holiday', combined with mixed interpretations of mortgage holidays for landlords. Concerns were raised around illegal evictions and the difficulty of enforcing the ban under lockdown conditions, but little hard evidence was offered.

A [survey by Opinium](#) released on the 14th of April 2020 found that 43% of renters whose work had been impacted by the COVID-19 outbreak have struggled to pay rent or to pay for other essential items such as food. According to the same survey, a quarter of renters who had lost work had either voluntarily left their home or requested an early end to the tenancy because of inability to pay rent. [Living Rent](#) summarised the options faced by current tenants:

“UK Government has so far given tenants in the PRS these options: apply for Universal Credit, furlough, negotiate with your landlord”

These statistics are supported by those from the other side of the market. A [survey conducted by the NRLA](#) found 48% of landlords concerned about future difficulties in reclaiming deferred rents via legal/court rules, and 47% feared that they would be unable to find new tenants due to lack of demand. More generally, over 50% had experienced some income loss by May.

[Crisis](#) have called for legal reforms that would allow judges to exercise discretion about ordering evictions of tenants who had complied with affordable repayment arrangements or were awaiting decisions about benefit entitlement. The Government [agreed to extend the pause on eviction](#) by two months until August 25th and has legislated to require landlords to give at least three months' notice of evictions. More wide-ranging tenancy reform will require time and consideration.

The [Northern Housing Consortium](#) expressed their concerns for renters on a national level as well as in the North. Financial stresses are higher in regions such as London where a much higher proportion of income is spent on housing.

Government's own figures suggest that 63% of private renting households nationally have no savings at all, and a recent study by Shelter highlighted that 47% of PRS tenants in the North feel they were no more than a month away from not being able to pay rent relying solely on their savings.

Specific concerns were raised regarding high street agents and their preparedness to address tenant problems helpfully, whilst more positive accounts noted that more landlords are coming forward to

offer accommodation to local authorities and other agencies with longer leases and slightly lower rents.

Looking past the immediate pause on evictions, longer-term solutions include extension of the Coronavirus Job Retention Scheme, encouragement of negotiation between landlords and tenants where possible, and increased welfare payments. The Government has also modified Universal Credit rules so as to ensure that households in central and inner London who are currently subject to the benefit cap will receive an increase in housing support.

## London issues

In the [statement on rough sleeping](#) for mid-May, Peter Hall (Minister for Rough Sleeping and Housing) said that of the 14,610 rough sleepers that local authorities had accommodated, 30% were located in London, making the capital the city with the highest number of rough sleepers.

[Jamie Carswell, Co-chair of London Councils, stated](#) that bringing the existing and new flow of rough sleepers into safety (at that time 1,200 accommodated in GLA-procured hotels and the 2,400 in borough-procured accommodation) represented a strong public health success for London. He said, though, that London boroughs had borne a heavy financial burden due to reliance on hotel accommodation, and that this was unsustainable in the longer term. London Councils also advocated longer-term funding support and clearer solutions from the Government to help people with no recourse to public funds (NRPF), estimating that in London they represented 20 per cent of people brought into rough sleepers' pathways as a consequence of COVID-19.

London boroughs also expect significant increases in arrears from tenants and leaseholders, imposing pressure on Housing Revenue Account budgets. The extension of notice periods for eviction cannot represent a long-term solution for Londoners who have lost or are at risk of losing income as there is little opportunity for them to move into cheaper accommodation due to current market pressures. This lack of security in the private rented sector represents one of the main drivers towards wider homelessness.

## The Select Committee's Recommendations

The Select Committee proposed additional Government funding for three initiatives to protect **rough sleepers**:

1. End rough sleepers through costing and delivering a steady stream of funding to enable local authorities to deliver quality accommodation alongside wrap-around support; this may partially be achieved through accelerated delivery of Housing First
2. Compensate councils for the provision of support to rough sleepers including individuals with NRPF

3. Address the lack of suitable housing for rough sleepers post-lockdown through targeted grant funding for councils and housing associations to acquire properties, and enable the use of Right to Buy receipts.

These recommendations were in line with the views of those giving evidence to the Committee; the main recommendation not echoed by the Select Committee was to increase the welfare cap.

The government's response indicates a gulf in perception about local authorities' discretion to spend on NRPF cases: government refers to its guidance but local authorities do not see that the position is clear or that they have enough funds to address it. The government said it expected the Taskforce to generate long-term solutions through cooperative efforts, but there was no indication that any further funding (after the June announcements) would be provided as requested by the Select Committee. A summary of Government funding and other policy support measures appears in Appendix A.

With regards to protecting **private tenants**, the Select Committee's recommendations were:

1. Amend housing legislation with a short Bill allowing judges to use discretion in deciding whether to allow eviction of a tenant in rent arrears due to the coronavirus crisis for the next 12 months at a minimum
2. Bring forward the Renters' Reform Bill and abolish 'no-fault evictions' under section 21 of the Housing Act 1988 within the next 12 months
3. Guarantee to maintain the LHA rate at the 30th percentile long-term, and explore the impact of raising it further
4. The Government's response suggested clear reluctance to accelerate legislative reform without following standard procedures, but it confirmed that it had no plans to lower or change the LHA rate before the annual review in March next year.

## Conclusions

Progress has undeniably been made through the collaborative efforts of stakeholders dealing with rough sleepers, But, these are emergency responses. As we near the inevitable end of lockdown, the return of the hospitality industry and resumption of eviction and possession proceedings, the focus must turn to the sustainability of the measures adopted so far. But equally, there needs to be far more emphasis on the much larger numbers of households (both families and single people) accepted as homeless by local authorities who remain in temporary accommodation as well as the potential flood of households (who face eviction from the private rented sector as well as other pressures who will need both temporary and settled accommodation.

Government has repeatedly provided tranches of additional funding to local authorities, although the guidelines for its expenditure have not always been clear. Local authorities have had to use their discretion in providing for the existing and new inflow of rough sleepers. The [Local Government Association's latest analysis](#) demonstrated the inadequacy of this funding on a short and medium-term basis. There is also a clear need to consider interactions with the welfare and legal systems, but Government is erring on the side of caution, adopting more temporary amendments to existing policies.

London faces unique challenges in its response to Covid-19 given its rental market, the scale of its NPRF population, and the costs associated with TA and associated support services.

Although there has been a wide range of statistics released by various stakeholders, much of the available material simply relates to numbers at a point in time, to the emergency accommodation provided, or to shortfalls in government funding. What is required is a more comprehensive analysis of (i) the types of people being housed and their different needs (in particular the need to distinguish between 'traditional' rough sleepers who often have long-term support needs and the 'newer' group who have either lost their job and/or their home who may need only short term help; (ii) the opportunities available for intermediate accommodation which local authorities are expected to provide and the knock-on effects on the availability of temporary accommodation more generally; and (iii) detailed costing of different solutions.

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## **Appendix A: Summary of government funding and interventions related to the protection of rough sleepers, and private tenants and landlords**

On 30 June, the Secretary of State for Housing, Communities and Local Government published an official [Government response](#) to the Select Committee report. It emphasised the existing support for rough sleepers provided to local authorities in the form of:

- an initial £3.2 million of emergency funding for local authorities and frontline services
- £3.2 billion for a general response to Covid-19, including to support the most vulnerable and rough sleepers.
- £105 million for the 15,000 plus rough sleepers housed in emergency accommodation (announced on the 24th of June)
- funding for an additional 3,300 new homes to accommodate rough sleepers and similar groups (funded by bringing forward £160 million); this is part of a total of £433 million secured for providing 6,000 units long-term.
- the development of a Taskforce for supporting the most vulnerable in society, spearheaded by Dame Louise Casey
- An update on this initial Government Response indicates that [the Next Steps Accommodation Programme](#), launched on 18th Jul 2020, pledges a further £266 million in competitive 'bid' funding with a deadline of 20th August 2020 for local authorities to submit.

In response to PRS issues, direct and indirect support has been provided through:

- Extension of the suspension of evictions by two months to August 25th
- Discretionary Housing Payments

- Coronavirus Job Retention Scheme
- £6.5 billion investment in the welfare safety net, including £1 billion for the rise in LHA to the 30th percentile
- Encouraging communication and negotiation between tenants and landlords
- Drafting of a pre-action protocol for claims of possession by landlords together with more detailed advice to judges
- The promise of legislation to remove no-fault eviction.