



BRIEFING PAPER

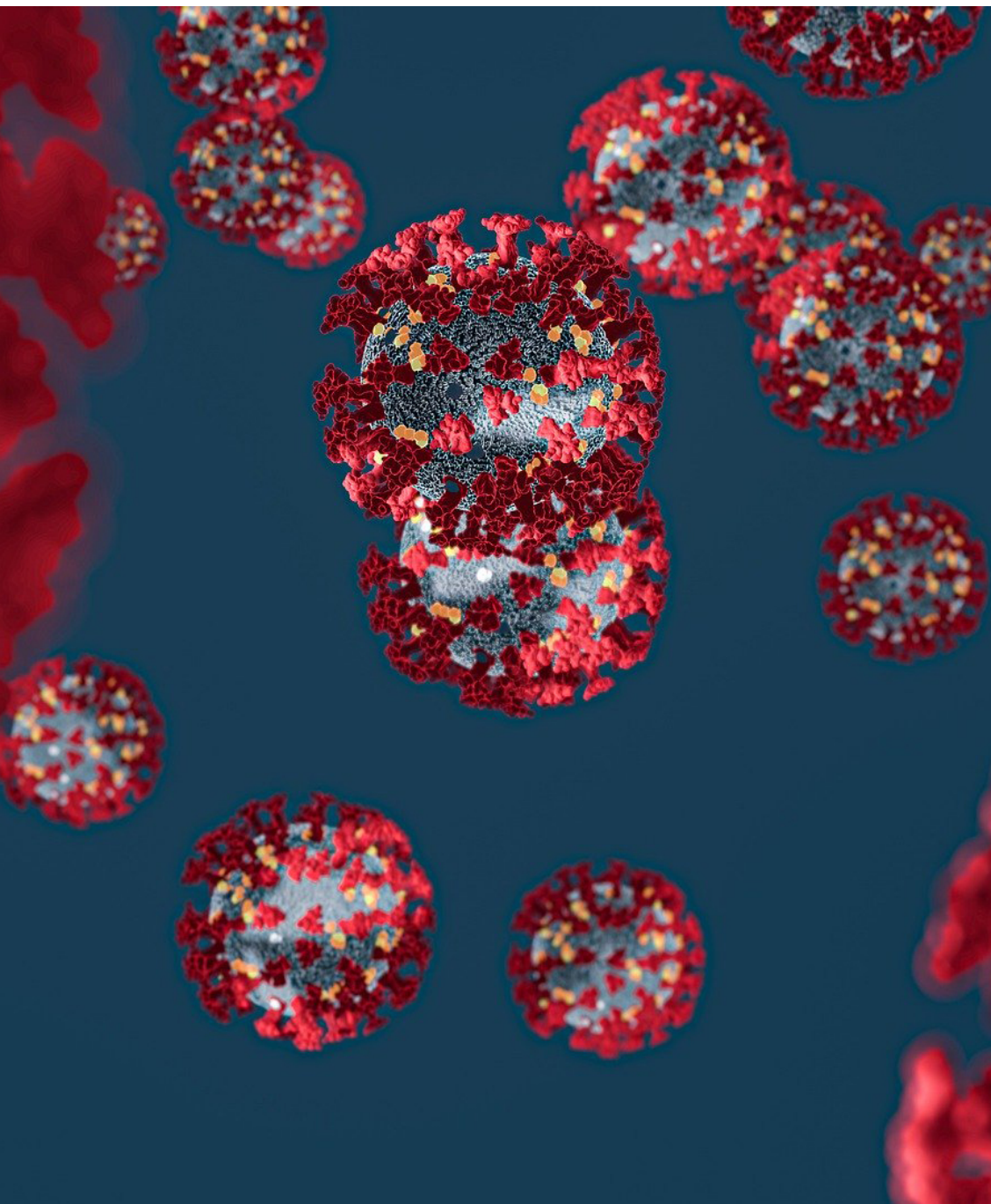
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Coronavirus: Housing support

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Contents:

1. A ban on tenant evictions
2. Help with rent payments
3. Owner occupiers
4. Homelessness



Contents

Summary	3
1. A ban on tenant evictions	4
1.1 Extended notice periods	4
Which tenancies are covered?	4
How long is the notice extension?	5
What about notices served before commencement?	5
1.2 Widening the pre-action protocol for possession claims	5
1.3 Suspension of housing possession claims	6
Which occupation agreements are covered by the suspension of possession cases?	7
What if a possession order was granted before 27 March 2020?	7
1.4 Social landlords	7
1.5 Comment	8
1.6 Scotland and Northern Ireland	10
2. Help with rent payments	12
2.1 A mortgage payment holiday for landlords	12
2.2 Financial support for tenants	12
Local Housing Allowance	13
Comment	14
3. Owner occupiers	16
3.1 A three-month mortgage holiday	16
3.2 Repossessions	17
3.3 Help to Buy	18
4. Homelessness	18
4.1 Rough sleepers (England)	18
4.2 Comment	22
4.3 Scotland, Wales and Northern Ireland	23

Summary

The coronavirus (Covid-19) outbreak has brought significant implications for households' ability to retain their homes and, for those that are street homeless, to be able to secure a safe place in which to follow Public Health England's advice on self-isolation, social distancing and hygiene.

The UK Government has introduced a series of housing support measures:

- Provisions were included in the *Coronavirus Act 2020* to extend the notice periods that certain tenants in **England and Wales** are entitled to receive when a landlord is seeking to recover possession of their homes. The minimum notice period for tenancies within scope is now three months – this applies to notices served in England and Wales **from commencement (26 March) up to 30 September 2020**. Notices served before commencement remain valid.
- Private landlords in **England and Wales** will be required to adhere to [The Pre-Action Protocol for Possession Claims by Social Landlords](#).
- The Master of the Rolls has issued a [Practice Direction](#) to **suspend all ongoing housing possession action in England and Wales from 27 March 2020** for a period of 90 days.
- The Chancellor has announced an increase in Housing Benefit and Universal Credit "so that the local housing allowance will cover at least 30% of market rents" within a Broad Rental Market Area.
- The Financial Conduct Authority (FCA) has issued guidance to lenders advising them to operate payment holidays for owner occupiers and buy-to-let landlords of up to 3 months. Lenders have been advised to exercise forbearance during the crisis.
- The Government has [announced](#) £3.2 million in emergency funding for local authorities in England and has urged authorities to support rough sleepers and other vulnerable homeless people into appropriate accommodation.

Having welcomed the Government's commitment to introduce a "complete ban on evictions", following publication of amendments to the *Coronavirus Bill*, several commentators said that the changes fell short of the initial commitment. However, the suspension of ongoing housing possession action from 27 March is acknowledged as a significant step in providing security of tenure for most tenants in England and Wales during the Covid-19 outbreak.

The **Scottish Government** is also legislating to strengthen tenants' security of tenure, while in **Northern Ireland** "only urgent matters will be addressed by way of a court hearing until further notice."

There are calls to go further, including a further increase in Local Housing Allowance rates to cover the median of market rents and to operate a rent freeze during the period of the crisis.

This paper will be updated to take account of additional announcements and developments.

1. A ban on tenant evictions

1.1 Extended notice periods

On 18 March 2020, the Government announced that emergency legislation would “suspend new evictions from social or private rented accommodation while this national emergency is taking place”.¹

The *Coronavirus Bill 2019-21*, as introduced on 19 March 2020, did not contain emergency housing measures. The Government tabled a raft of amendments to the Bill on 23 March, including housing provisions, which were considered and agreed by a Committee of the whole House. **The provisions affecting residential tenancies extend to England and Wales.**

Section 81 of the Act, entitled **Residential tenancies: protection from eviction**, together with Schedule 29, have extended the notice periods that certain tenants are entitled to receive when a landlord is seeking to recover possession of their homes.

Broadly, a landlord seeking to evict a tenant must first serve a notice in a prescribed form which gives tenants a certain period within which to vacate the premises. The normal statutory notice periods vary depending on the ground for possession under which the landlord is seeking possession. If a tenant does not vacate on the expiry of the notice period, the landlord must obtain a court order for possession.

The extended notice periods provided for in the Act **apply to notices served the day after the Act came into force, i.e. 26 March 2020 until 30 September 2020**; the Act allows for this period to be extended by regulations for up to six months.

Which tenancies are covered?

- Protected/regulated tenancies governed by the *Rent Act 1977*.²
- Assured shorthold tenancies governed by the *Housing Act 1988*.
- Assured tenancies governed by the *Housing Act 1988*.
- Secure tenancies governed by the *Housing Act 1985*.

The extended notice periods also apply to flexible, demoted and introductory tenancies, and notices served in relation to anti-social behaviour. Section 21 notices, which trigger the ‘no fault’ ground for eviction against assured shorthold tenants, have also been extended.

Guidance on amended notices was published by the Ministry of Housing, Communities and Local Government (MHCLG) on 26 March 2020.³

¹ [Ministry of Housing, Communities and Local Government \(MHCLG\) Press Release](#), 18 March 2020

² With some very limited exceptions it has not been possible to create new protected tenancies since 15 January 1989.

³ For [secure tenancies](#) and for [assured tenancies](#).

For those occupying under a licence agreement which is not covered by notice extension, the Government guidance states:

We are urging the landlords of those on licences to occupy to follow the same guidance and to work with renters who may be facing hardship as a result of the response to COVID-19.⁴

How long is the notice extension?

Notices served on or after 26 March 2020 must last for **a minimum of three months**. As noted above, this period may be extended by regulations.

In normal circumstances notice periods vary depending on the status of the tenancy and the ground for possession the landlord is using. For example, a section 21 notice served on an assured shorthold tenant would normally give the tenant a minimum of 2 months' notice to vacate. In some cases of anti-social behaviour, a council/housing association landlord could proceed to court immediately. In rent arrears cases a secure council tenant would usually get 4 weeks' notice, while an assured housing association tenant may get 2 weeks' notice.

What about notices served before commencement?

These notices are still valid – **but see sections 1.2 and 1.3 below**.

1.2 Widening the pre-action protocol for possession claims

On 18 March 2020 the Government also said: “No new possession proceedings through applications to the court to start during the crisis” and went on:

To support this announcement the government has worked with the Master of the Rolls to widen the ‘pre-action protocol’ on possession proceedings, to include private renters and to strengthen its remit. This will support the necessary engagement between landlords and tenants to resolve disputes and landlords will have to reach out to tenants to understand the financial position they are in.⁵

[The Pre-Action Protocol for Possession Claims by Social Landlords](#) sets out a series of steps that a social landlord is expected to take regarding possession claims against tenants. The courts take account of whether the protocol has been adhered to when considering what orders to make. The Residential Landlord Association (RLA) has commented:

Where the landlord has unreasonably failed to meet the pre-action protocol the courts may take this into account and either make an order for costs, adjourn the claim, or strike it out entirely where possession is not sought on mandatory grounds.⁶

The protocol has the following aims:

⁴ MHCLG, [Coronavirus \(COVID-19\) Guidance for Landlords and Tenants](#), March 2020, para 1.8

⁵ [Ministry of Housing, Communities and Local Government \(MHCLG\) Press Release](#), 18 March 2020

⁶ RLA, [Coronavirus – changes to repossession](#), 24 March 2020

- (a) to encourage more pre-action contact and exchange of information between landlords and tenants;
- (b) to enable the parties to avoid litigation by settling the matter, if possible; and
- (c) to enable court time to be used more effectively if proceedings are necessary.

[Government guidance](#) describes the expected impact of the extension of the protocol:

- This will ensure that private sector landlords reach out to tenants to understand the financial position they are in before taking possession action through the courts once the 3-month delay on issuing eviction proceedings has ended.
- It will encourage landlords and tenants to work together to agree an affordable rent repayment plan if their tenants fall into rent arrears.⁷

1.3 Suspension of housing possession claims

On 26 March 2020, MHCLG announced that the Master of the Rolls would issue a Practice Direction⁸ to suspend all ongoing housing possession action in England and Wales:

From tomorrow (27 March 2020) following a decision by the Master of the Rolls with the Lord Chancellor's agreement the court service will suspend all ongoing housing possession action – **this means that neither cases currently in the system or any about to go in to it can progress to the stage where someone could be evicted.**

This suspension of housing possessions action will initially last for 90 days, but this can be extended if needed. This measure will protect all private and social renters, as well as those with mortgages and those with licenses covered by the Protection from Eviction Act 1977. This will apply to both England and Wales.⁹

Although the extension to tenants' notice periods does not affect those served before 26 March 2020, the suspension of housing possession action means that landlords will not be able to obtain court orders for possession against tenants at least for 90 days from 27 March 2020. Eviction of a tenant without a court order can amount to illegal eviction, which is a criminal offence.

The Government guidance explains:

- If you have already been issued with notice of your landlord's intention to seek possession of the property, or if you are issued notice in the next 90 days, your landlord will not be able to take action through the courts to make you move. This suspension will initially apply for 90 days from the 27th March.

⁷ MHCLG, [Coronavirus \(COVID-19\) Guidance for Landlords and Tenants](#), March 2020, section 2

⁸ [Practice Direction 51Z](#).

⁹ MHCLG, [Press Release](#), 26 March 2020

- For landlords, this will mean not expecting tenants to move even where you have already issued notice of your intention to regain possession of the property, or if you go on to issue notice for any reason during the next three months.¹⁰

Which occupation agreements are covered by the suspension of possession cases?

This measure has wider application than the extension of notice periods for certain tenants (see section 1). The Government guidance states that the suspension covers:

All tenants and licensees who benefit from protection from eviction under the Protection from Eviction Act 1977.¹¹

This covers most social housing tenancies and private rented sector tenancies and *some* licensees. Lodgings, holiday lets, hostel accommodation and asylum seeker accommodation are not covered by the 1977 Act. All possession cases covered by the [Civil Procedure Rules Part 55](#) are covered.

What if a possession order was granted before 27 March 2020?

Where a landlord obtained a possession order which was not enforced before 27 March 2020, court bailiffs will be 'stayed' from executing a warrant for possession for a period of 90 days.

1.4 Social landlords

The notice extensions and restrictions on possession cases also apply to social landlords. The Kate Henderson, the CEO of the National Housing Federation, the representative body of housing associations in England, has said:

No one should be evicted because of the coronavirus. We are confident that no housing association will do this, and want anyone affected by the outbreak to be reassured they will not be evicted.

As charitable organisations housing associations recognize that a number of people living in social housing work for low or irregular wages in insecure employment and may be placed in serious difficulties as a result of the COVID-19 pandemic.

We urge anyone living in a housing association home who is worried about financial difficulties to get in touch with their housing association. Housing associations offer extensive financial help and support for people, including help claiming benefits. They are putting in extra support measures during this challenging time and will be doing everything they can to support residents.

We welcome the steps taken so far by government and its commitment to do whatever it takes to support jobs and incomes. However, we urge that the government goes even further to strengthen the welfare system to ensure that

¹⁰ MHCLG, [Coronavirus \(COVID-19\) Guidance for Landlords and Tenants](#), March 2020, para 2.1

¹¹ *Ibid.*, para 2.2

everyone who needs it can quickly get help if their income drops.¹²

The Local Government Association also referred to councils' commitment to work with tenants in difficulty:

Councils are leading local efforts to support communities as they try and cope with the coronavirus outbreak. They will be working with tenants who are experiencing financial challenges as a result to support them to stay in their homes. Many are already suspending debt recovery and will try and use discretionary funding to support struggling household as quickly and effectively as possible.

Councils need the flexibility to ensure hardship funding announced by the Government is best-used to support economically vulnerable people and households and are also seeking clarity on how it can be integrated with other financial hardship support that is being provided locally and through the benefits system.

We are pleased the Government has committed to bringing forward measures to protect tenants from eviction and look forward to seeing the details. This needs to include urgently addressing the growing shortfall before housing benefit and private sector rents that has opened up.¹³

It is reported that the financial impacts of rent arrears in the longer term is emerging as a key concern for social landlords' business plans. A group of housing associations in Scotland has written to the Scottish Communities Secretary asking for an "in principle commitment" from the Scottish Government to "explore a mechanism for compensating social landlords for income which is lost as a result of protecting tenants during the crisis and which cannot realistically be recovered."¹⁴

1.5 Comment

The sector welcomed the Government's commitment to introduce a "complete ban on evictions".¹⁵ Following publication of amendments to the Bill, **several commentators said that the changes fell short of the initial commitment.** For example, Rt Hon John Healey, Labour's Shadow Housing Secretary, responded to the amendments:

With this legislation, Boris Johnson has broken his promise to the country's 20 million renters.

This is not an evictions ban, as Labour argued for, and renters were eventually promised by Boris Johnson. This legislation does not stop people losing their homes as a result of coronavirus, it just gives them some extra time to pack their bags.

It beggars belief that the Government is not willing to make this simple change. We even wrote to Ministers to give them the legislation that would provide the protections renters need: to ban

¹² NHF, [No one should lose their home because of coronavirus](#), 19 March 2020

¹³ [Coronavirus: LAG responds to renters' support pledge](#), 18 March 2020

¹⁴ [Glasgow and West of Scotland Forum of Housing Associations: Letter to Aileen Campbell MSP](#), 24 March 2020

¹⁵ [Ministry of Housing, Communities and Local Government \(MHCLG\) Press Release](#), 18 March 2020

evictions and suspend rental payments beyond the crisis. This is the help already promised for struggling home-owners from Government and mortgage lenders.

Coronavirus is a public health emergency, it need not become a crisis of housing and homelessness too. But this will happen if the Government continues to refuse to take the most basic steps to keep people in their homes.¹⁶

MHCLG turned to [twitter](#) to defend the action taken.

However, the subsequent announcement of the suspension of housing possession cases for a period of 90 days from 27 March 2020 *is* acknowledged as a very significant step in protecting most tenants from eviction during the Covid-19 outbreak.

The following issues have been raised:

- Commentators have noted that when the suspension of housing possession cases is lifted, there could be a wave of eviction cases proceeding to court with implications for levels of homeless.
- The lack of specific measures to address the potential accrual of rent arrears due to income loss/disruption has been criticised. Giles Peaker, partner with Anthony Gold Solicitors has said:

The huge issue, of coronavirus-caused rent arrears, remains to be resolved. Unless that is somehow dealt with, there will be a flood of evictions awaiting the lifting of suspensions. Landlords – quite rightly – get a 3 month (and maybe more) mortgage suspension, and can't then face possession or receivers from the lender at the end of that three months if they don't pay up immediately. Why is there no equivalent provision on coronavirus-related rent arrears?¹⁷

If rent arrears accrue during the extended notice period it is possible that affected tenants may face possession claims once this extended period expires. There is some scepticism over whether private landlords will heed the Government's plea to behave compassionately towards affected tenants.

- Landlord bodies are concerned that the changes leave landlords with limited powers to tackle anti-social tenants:

We are also concerned that there is insufficient protection for neighbours suffering from anti-social or criminal tenants. If landlords are prevented from taking action to protect their neighbours then local authorities must be properly resourced and committed to taking action against anti-social behaviour. Especially at this time where people will be spending more time near their neighbours.¹⁸

¹⁶ Labour: [Healey responds to government amendment to the Coronavirus Bill](#), 23 March 2020

¹⁷ [Nearly Legal: Housing Law News and Comment: All housing possession claims suspended from 27 March – Coronavirus update](#), 27 March 2020. For example, the Financial Conduct Authority has advised that mortgage holidays granted in the current circumstances should **not** be recorded as arrears, nor should they have any negative impact on the customer's credit score.

¹⁸ RLA, [Coronavirus – changes to repossession](#), 24 March 2020

1.6 Scotland and Northern Ireland

On 18 March 2020, **the Scottish Communities Secretary, Aileen Campbell**, set out a [support package for renters](#) during the pandemic which included:

- A call for landlords to be flexible and adaptable to tenants' needs.
- Tenants experiencing problems with rent payments should discuss the situation with their landlords – “We cannot have people being made, or at risk of being made, homeless at this difficult time”.¹⁹
- Social landlords had been written to and urged to be flexible and provide support and advice to tenants experiencing financial hardship. They are expected to meet that challenge.
- Amendments to the *Private Housing (Tenancies) (Scotland) Act 2016* to provide increased security for tenants who accrue rent arrears over a longer period:

We do not want private sector landlords to be disadvantaged by a lack of rent. However, the reality of what we face means that, if landlords do not support their tenants, it is not just the tenants who will be negatively impacted; all of society will pay the price.²⁰
- She commended mortgage lenders for agreeing to a three-month 'holiday' but said she would be writing to UK Finance and the UK Government to urge them to increase the holiday to six months.

The [Coronavirus \(Scotland\) Bill](#) was introduced on 31 March 2020. Section 2 and Schedule 1²¹ of the Bill will provide enhanced security of tenure for tenants on a temporary basis. The following description of the measures in the Bill is taken from [the briefing prepared by the Scottish Parliament Information Centre](#):

Private Rented Tenancies

[The Private Housing \(Tenancies\) \(Scotland\) Act 2016](#) will be amended. Section 51(2) (the First-tier Tribunal's power to issue an eviction order) changes mandatory grounds of eviction to enable the Tribunal to consider the reasonableness of making an eviction order in each case during the relevant period.

Grounds for eviction under [schedule 3 of the 2016 Act](#) are each to be made discretionary during the relevant period.

The length of time that a landlord must give a tenant when issuing a notice to leave under paragraph 62 of the 2016 Act is extended. The exact length of notice will depend on the grounds for repossession used by the landlord but may be up to six months.

Short Assured Tenancies

[The Housing \(Scotland\) Act 1988](#) will be amended, again depending on the grounds for eviction; This means that, depending on the grounds used, eviction may be two, three or six months.

The Bill will also amend the 1988 Act in that, during the relevant period, the First Tier Tribunal (Housing and Property Chamber) will

¹⁹ [SP OR 18 March 2020](#)

²⁰ Ibid.

²¹ Note that section and schedule numbers may change as the Bill progresses.

consider the reasonableness of making an eviction order in relation to all grounds for repossession.

Rent arrears grounds require six months before a notice for possession can be provided.

Tenancies under the Rent (Scotland) Act 1984: eviction grounds to be discretionary.

The Bill will amend the [Rent \(Scotland\) Act 1984](#) to say that during the relevant period the Tribunal will consider the reasonableness of making an eviction order in relation to all grounds for repossession.

An application for repossession in relation to a short tenancy under the 1984 Act can be made not less than six, nor more than nine, months after the landlord has served a notice of intention to apply for repossession.

Scottish Secure Tenancies

[The Housing \(Scotland\) Act 2001](#) will be amended in that the earliest date on which proceedings for recovery of possession can be raised from the current 4 weeks after the date a notice of proceedings is served to 3 months where the ground for recovery of possession is specified is paragraph 2, 6, 7 or 8 of schedule 2 of the 2001 Act.

Where paragraph 5 of schedule 2 is also specified in the notice the earliest date proceedings can be raised is 3 months. It also amends the earliest date on which proceedings for recovery of possession can be raised, from 4 weeks after the date a notice of proceedings is served to 6 months in cases where the ground for recovery of possession is set out in paragraph 1, 3, 4 or 9-12 of schedule 2 of the 2001 Act. The 6 month date applies whether or not any other grounds are also specified in the notice.

This means that eviction for rent arrears cannot be applied for before 6 months.

Short Scottish Secure Tenancies

The date on which proceedings for recovery of possession can be raised has changed from the current 2 weeks after the date a notice of proceedings is served, to 6 months where the tenancy was given under one of the grounds at paragraphs 3-7A of schedule 6 of the 2001 Act.

The date on which proceedings for recovery of possession can be raised for short Scottish secure tenancies given under section 35, or paragraphs 1, 2 or 2A of schedule 6 of the 2001 Act remains at 2 months.²²

At the time of writing the Scottish courts had not announced a suspension of possession hearings for the duration of the coronavirus outbreak.

On 31 March, the Communities Minister, **Northern Ireland**, Deirdre Hargey, announced that the Northern Ireland Housing Executive (NIHE) and the region's housing associations had reached agreement with the Department for Communities (DfC) not to evict tenants struggling to pay their rent during the crisis. The Enforcement of Judgements

²² [The Coronavirus \(Scotland\) Bill – SPICe Briefing](#), 31 March 2020

Office (EJO) in Northern Ireland has confirmed that “only urgent matters will be addressed by way of a court hearing until further notice.”²³

2. Help with rent payments

[Government guidance](#) makes it clear that tenants should continue to pay their rent where possible:

- Tenants should continue to pay rent and abide by all other terms of their tenancy agreement to the best of their ability. The government has a strong package of financial support available to tenants, and where they can pay the rent as normal, they should do. Tenants who are unable to do so should speak to their landlord at the earliest opportunity.
- In many if not most cases, the COVID-19 outbreak will not affect tenants' ability to pay rent. If your ability to pay will be affected, it's important to have an early conversation with your landlord. Rent levels agreed in your tenancy agreement remain legally due and you should discuss with your landlord if you are in difficulty.²⁴

The Guidance urges tenants who experience difficulties to have early conversations with their landlords.

2.1 A mortgage payment holiday for landlords

To support landlords who may suffer an interruption to their rental stream where tenants lose their jobs or are unable to work, the Government announced that a **3 month mortgage payment holiday (see section 3) will apply to buy-to-let landlords:**

Recognising the additional pressures the virus may put on landlords, we have confirmed that the 3 month mortgage payment holiday announced yesterday will be extended to landlords whose tenants are experiencing financial difficulties due to coronavirus. This will alleviate the pressure on landlords, who will be concerned about meeting mortgage payments themselves, **and will mean no unnecessary pressure is put on their tenants as a result.**

At the end of this period, landlords and tenants will be expected to work together to establish an affordable repayment plan, taking into account tenants' individual circumstances.²⁵

2.2 Financial support for tenants

The Government has announced a package of support for workers and changes to the welfare benefits system – both of which may assist tenants in meeting their rent commitments. The

²³ EJO, [Covid-19 – Guidance for Courts](#), 24 March 2020

²⁴ MHCLG, [Coronavirus \(COVID-19\) Guidance for Landlords and Tenants](#), March 2020, para 1.1

²⁵ [Ministry of Housing, Communities and Local Government \(MHCLG\) Press Release](#), 18 March 2020

measures are set out in two Library briefings – the situation is fast moving and the briefings will be updated in due course to take account of additional announcements:

[Coronavirus: Employment rights and sick pay \(update\)](#)

[Coronavirus: Claiming welfare benefits \(update\)](#)

Local Housing Allowance

On 20 March 2020, the Chancellor announced a further package of assistance which included **an increase in support through Local Housing Allowance (LHA):**

As well as keeping people in work, and supporting those who lose their jobs or work for themselves, our plan for jobs and incomes will help keep a roof over your head.

I'm announcing today nearly £1bn pounds of support for renters by increasing the generosity of housing benefit and Universal Credit, so that the local housing allowance will cover at least 30% of market rents in your area.²⁶

LHA is a flat-rate allowance for different sizes of properties within a Broad Rental Market Area (BRMA) – it represents the maximum assistance a claimant might receive towards their rent. It provides help, subject to a means test, for low-income households living in private rented housing. Since April 2011 LHA rates within BRMAs have been based on the 30th percentile of local market rents. In addition, LHA rates for different sizes of properties are subject to national caps. LHA rates were frozen in April 2016 for four years – the Government had announced that the freeze would end in April 2020 with an uprating of 1.7% in line with the Consumer Price Index.

Housing organisations, particularly those working with the homeless, have long linked the freeze in LHA rates with an increase in homelessness. The end of the freeze was welcomed but the point was made that LHA rates remained well below the 30th percentile of market rents in areas of high housing demand.²⁷

The 20 March announcement that LHA rates “will cover at least 30% of market rents” has been described as reversing the four years of the freeze. The [revised LHA rates for 2020/21](#) have been published by the Department for Work and Pensions. When questioned on assistance available for renters in meeting their rent commitments through the crisis, the Government has pointed towards benefit assistance and **[Discretionary Housing Payments:](#)**

Support for rented housing costs are available through Universal Credit and Housing Benefit. Discretionary Housing Payments are also available, these payments are very flexible and can be considered where, in the local authority's opinion, further financial assistance towards housing costs is required.

Last week, the Chancellor announced, in response to COVID-19, that for 2020/21, we will increase the Local Housing Allowance

²⁶ [HM Treasury Press Release](#), 20 March 2020

²⁷ See for example, Chartered Institute of Housing (CIH), [Ok for 2020 – but what about four years of freeze?](#) 21 January 2020

rates for Universal Credit and Housing Benefit claimants so that they are set at the 30th percentile of market rents.

As both the Prime Minister and Chancellor have made clear, the Government will do whatever it takes to support people affected by COVID 19 and we have been clear in our intention that no one should be penalised for doing the right thing. These are rapidly developing circumstances, we continue to keep the situation under review and will keep Parliament updated accordingly.²⁸

Government guidance also refers to potential support for tenants from **a new funding stream:**

Local authorities can provide support for tenants to stay in their homes. If you are experiencing financial hardship, you may be able to access new funding; we have already made £500m available to fund households experiencing financial hardship and are determined to take action to support people in need.²⁹

The Government has confirmed that this funding can be used to reduce the 2020/21 council tax bills of working age people receiving Local Council Tax Support.³⁰

Comment

Commentators have identified a need for more financial support for tenants' rent payments in order to prevent a spike in evictions once the suspension on possession actions is lifted. When asked about the rental debt that is likely to accumulate over the three months, and the possibility of a 'rent holiday' along the lines of that applied to mortgages, the Housing Minister, Christopher Pincher provided the following response:

No such estimate has been made at this time.

Those tenants who can afford to pay should continue to do so. By legislating to prevent landlords starting proceedings to evict tenants for at least a three-month period, we are removing the risk of people losing their homes because they are unable to pay rent – without creating a system where landlords must shoulder the financial responsibility and risk.

At the end of this period, landlords and tenants who had struggled financially will be expected to work together to establish an affordable repayment plan, taking into account the tenants' individual circumstances.³¹

The Government has said that strengthening and extending the pre-action protocol requirement to the private rented sector (see section 1.2) will "help landlords and tenants to agree reasonable repayment plans where rent arrears may have arisen."³² Based on the measures

²⁸ [Rents: Coronavirus: Written question – 30723](#), 25 March 2020

²⁹ MHCLG, [Coronavirus \(COVID-19\) Guidance for Landlords and Tenants](#), March 2020, para 1.2

³⁰ MHCLG, [Government confirms £500 million hardship fund will provide council tax relief for vulnerable households](#), 24 March 2020

³¹ [Private Rented Housing: Coronavirus – 32719](#), 25 March 2020

³² MHCLG, [Measures to protect renters affected by coronavirus \(COVID-19\)](#), 26 March 2020

announced to date, the Government has said that they do not believe a rent holiday “is necessary at this stage”.³³

The increase in LHA rates has been widely welcomed, with some caveats. For example, **Shelter and others** have pointed out that covering only the 30th percentile of market rents will leave a majority of those potentially facing a drop in income with a shortfall in assistance:

It will make a huge difference to private renters claiming housing benefit, or those who will need support from the system in the coming months. As we [recently set out](#), after a decade of cuts and freezes, previous LHA rates in most areas are nowhere near the cost of renting a typical home. In fact, 97% of England is unaffordable to families on LHA. This broken system has led to spiralling homelessness and hardship for those who are reliant on it. And it would not meet the essential role needed in the fight against Covid19.

However, these are extraordinary times. Though many who are employed but cannot work are having most of their salaries paid by the government, many have already lost their jobs. Others, like the five million self-employed people, are likely to have substantially less or no income during this period. As a result, over [half a million people have applied for Universal Credit](#) in the last nine days alone.

And even with these changes, the majority of renters will not have their full rent covered by LHA, with 70% of private rented homes above the LHA rate. This will limit the power of housing benefit to prevent hardship and homelessness. It will place huge pressure on renters, most of whom will have no option to increase their income during this time. And remember, services are shutting down and everyone is being told to stay put, so people are very unlikely to be able to move to somewhere cheaper during this period.³⁴

The **Joseph Rowntree Foundation** (JRF) has called for:

- A temporary increase in LHA rates to cover median rents.
- The lifting of the national cap on LHA rates so that tenants in high-cost areas are not penalised.³⁵

Generation Rent has called for a freeze on rent increases in addition to benefit changes to provide more support for renters during the Covid-19 outbreak:

- **A benefits system that protects renters from debt and homelessness.** The five-week wait for Housing Benefit must be scrapped, and Housing Benefit must actually pay the rent, so the government should raise it from the levels frozen since 2016 to the median local rent. This would prevent increasing numbers of renters claiming Housing Benefit from falling into arrears, or choosing between rent and other essential bills or food, protecting their health in a crucial period.

³³ [Rents: Coronavirus: Written question – HL2766](#), 30 March 2020

³⁴ Shelter, [New LHA rates: what do they mean?](#) 26 March 2020

³⁵ JRF, [Coronavirus – it’s unthinkable that anyone should be made homeless now](#), 27 March 2020

- **A freeze on rent hikes.** Renters already hand over almost half of their income to their landlords. Unaffordable rent hikes force tenants to move, often losing their community and support networks in the process. Freezing rent increases would protect renters whilst ensuring landlords can't exploit a new, higher housing benefit rate.³⁶

Regarding the five-week waiting period before Universal Credit is paid, the Government has emphasised that advance payments are available – these payments are recoverable. **Evidence submitted by Shelter** to the Treasury Committee's inquiry into the Government's coronavirus financial package calls for the removal of the five-week wait and for advance payments to be paid as a grant rather than a loan.³⁷

3. Owner occupiers

3.1 A three-month mortgage holiday

On 17 March 2020, the Chancellor announced a series of measures to help businesses and individuals, including the following commitment by mortgage lenders:

Mortgage lenders have agreed they will support customers that are experiencing issues with their finances as a result of Covid-19, including through payment holidays of up to 3 months. This will give people the necessary time to recover and ensure they do not have to pay a penny towards their mortgage in the interim.³⁸

The Financial Conduct Authority (FCA), which regulates homeowner mortgages, has issued [guidance](#) which is intended:

...to describe the standards of skill and care we consider may reasonably be expected of lenders in the mortgages market in the current exceptional circumstances of coronavirus. **If, therefore, a lender does not follow this guidance, that could call into question whether it is meeting the requirements of the 2008 Regulations, even if the lender is not regulated under FSMA.**³⁹

The guidance states that once a lender is notified that an individual may experience payment difficulties as a result of Covid-19, and that they wish to receive a payment holiday, **"a firm should grant a customer a payment holiday for the 3 monthly payments that follow that interaction."**⁴⁰ Alternative payment holiday periods may be considered in the best interests of the customer. This could include a payment holiday of fewer than 3 months if requested by a customer. Lenders are not prevented from offering customers more favourable forms of assistance. Lenders should ensure that **no additional fees or charges (other than accrued interest)** should be levied as a result of the payment holiday.⁴¹

³⁶ [Generation Rent: How to protect renters affected by coronavirus](#), 17 March 2020

³⁷ [Submission: Treasury Committee inquiry into government's coronavirus financial package](#), Shelter, 20 March 2020

³⁸ [HM Treasury Press Release](#), 17 March 2020

³⁹ FCA, [Mortgages and Coronavirus: our guidance for firms](#), 20 March 2020

⁴⁰ Ibid.

⁴¹ Ibid.

The guidance suggests that affected customers should contact their lender to request a payment holiday. There is no specific process for contacting lenders. Lenders should also proactively ask customers if they are interested in a mortgage holiday if, during an interaction, the customer states that they may potentially experience payment difficulties. The guidance states that there is “no expectation that the firm investigates the circumstances surrounding a request for a payment holiday”.⁴² The requirement for the lender to assess affordability does not apply.

Regarding repayment, lenders are advised that they should:

...ensure that the manner in which it will seek to recover any sums covered by a payment holiday and any increase in the total amount payable under the mortgage contract once the payment holiday has ended is compatible with Principle 6.⁴³

Mortgage holidays granted in the current circumstances should not be recorded as arrears, nor should they have any negative impact on the customer’s credit score.⁴⁴

The guidance applies regardless of whether a customer has outstanding mortgage arrears and makes clear “Customers in payment shortfall should not receive less favourable treatment than other customers.”⁴⁵

Outside of the FCA guidance, the specific terms of a mortgage holiday will be a matter for the lender to determine.

It is possible that a firm that contravenes the above-stated principles may be subject to regulatory action.

3.2 Repossessions

The aforementioned FCA guidance advises lenders to exercise forbearance during the period of this crisis:

Firms should not commence or continue repossession proceedings against customers at this time, given the unprecedented uncertainty and upheaval they face, and Government advice on social distancing and self-isolation. This applies irrespective of the stage that repossession proceedings have reached and to any step taken in pursuit of repossession. Where a possession order has already been obtained, firms should refrain from enforcing it.

We consider that commencing or continuing repossession proceedings at this time is very likely to contravene Principle 6 and MCOB 2.5A.1R - absent exceptional circumstances (such as a customer requesting that proceedings continue). We will not hesitate to take appropriate action where necessary.

Firms should also ensure that their customers are kept fully informed, and discuss with them the potential consequential impacts of their suspending any moves towards repossession. For example, the effect of remaining in the property on the

⁴² Ibid.

⁴³ i.e. A *firm* must pay due regard to the interests of its *customers* and treat them fairly.

⁴⁴ FCA, [Mortgages and Coronavirus: our guidance for firms](#), 20 March 2020

⁴⁵ Ibid.

customer's remaining equity should be explained. See our information for consumers regarding mortgages during the coronavirus situation.⁴⁶

The JRF has called for a reduction in the waiting period for eligible home-owners to be able to access Support for Mortgage Interest (SMI) to immediately after the three-month holiday period.⁴⁷

3.3 Help to Buy

On 18 March 2020, the Government announced that people who have benefited from a Government-backed Help to Buy Equity Loan "will be offered interest payment holidays if they are struggling to pay due to coronavirus".⁴⁸

4. Homelessness

£1.6 billion of the £5 billion Covid-19 fund announced in the [Budget 2020](#) has been allocated to local authorities to help them respond to Covid-19 pressures across all the services they deliver. This includes increasing support for services helping the most vulnerable.⁴⁹

The Government has announced a raft of welfare and employment support measures, which together with legislation to protect tenants from being evicted (see section 1), are intended to help prevent a rise in homelessness.

On 28 March 2020, the Home Office also announced the suspension of all evictions from asylum accommodation (sometimes known as NASS accommodation) for three months. This measure is expected to help relieve pressure on local authorities.⁵⁰

However, concerns remain about the impact of Covid-19 on rough sleepers and homeless people in temporary accommodation.

4.1 Rough sleepers (England)

Those sleeping rough are especially vulnerable during the Covid-19 outbreak; rough sleepers are more likely to have underlying health conditions than the wider population and face difficulties in following Public Health England's advice on self-isolation, social distancing and hygiene. They can also face barriers in accessing healthcare and public health information.

On 17 March 2020 the Government [announced £3.2 million in emergency funding for local authorities to help rough sleepers](#) during the coronavirus outbreak.

⁴⁶ Ibid.

⁴⁷ JRF, [Coronavirus – it's unthinkable that anyone should be made homeless now](#), 27 March 2020

⁴⁸ [Ministry of Housing, Communities and Local Government \(MHCLG\) Press Release](#), 18 March 2020

⁴⁹ [Written Question 29818, 23 March 2020](#)

⁵⁰ Inside Housing, [Home Office announces it will not evict asylum seekers during coronavirus crisis](#), 31 March 2020 [subscription required]

Local authorities in England will be reimbursed for the cost of providing accommodation and services to rough sleepers, and those at risk of rough sleeping, who are at risk of, or who have been diagnosed with, Covid-19. Local authorities will be notified of the provisional maximum amount they will be entitled to claim back, which will be based on the number of rough sleepers reported in the [Autumn 2019 snapshot](#).

Announcing the emergency funding, the Communities Secretary, Robert Jenrick, said:

Public safety and protecting the most vulnerable people in society from coronavirus is this government's top priority. We are working closely with councils and charities to ensure they have the support they need throughout this period.

The initial funding that I've announced today will ensure councils are able to put emergency measures in place to help some of the most vulnerable people in our society to successfully self-isolate.

I would urge anyone who is concerned about someone sleeping rough to use the government's StreetLink app to alert local support services who can reach out to those in need at this difficult time.⁵¹

StreetLink can be accessed via the app or online:

www.streetlink.org.uk/.

The Government has confirmed that the £3.2 million emergency funding represents "the first steps to help local authorities and frontline services put emergency measures in place. We recognise that more support will be required and are working to develop this as a matter of urgency".⁵²

The Minister for Local Government and Homelessness, Luke Hall [wrote to local authority leaders](#) on 26 March 2020 to update them on plans to protect rough sleepers during the Covid-19 pandemic. The letter asked local authorities to "bring in those on the streets to protect their health and stop wider transmission" and to **support rough sleepers and other vulnerable homeless into appropriate accommodation by the end of the week**.

The letter set out the following principles and actions for local authorities:

The basic principles are to:

- focus on people who are, or are at risk of, sleeping rough, and those who are in accommodation where it is difficult to self-isolate, such as shelters and assessment centres
- make sure that these people have access to the facilities that enable them to adhere to public health guidance on hygiene or isolation, ideally single room facilities
- utilise alternative powers and funding to assist those with no recourse to public funds who require shelter and other forms of support due to the COVID-19 pandemic

⁵¹ MHCLG, [£3.2 million emergency support for rough sleepers during coronavirus outbreak](#), 17 March 2020

⁵² [Written Question 29925, 19 March 2020](#)

- mitigate their own risk of infection, and transmission to others, by ensuring they are able to self-isolate as appropriate in line with public health guidance

This should be done by taking the following programme of actions:

1. Convening a local coordination cell to plan and manage your response to COVID and rough sleeping involving the local authority (housing, social care and public health) and local NHS partners together. This would then report in to wider local COVID structures.
2. Seeking to stop homeless people from congregating in facilities such as day centres and street encampments where there is a higher risk of transmission.
3. Urgently procuring accommodation for people on the streets if you have not already done so – MHCLG will support you to do so if you are struggling to procure sufficient units.
4. Triaging people where possible into three cohorts driven by medical advice:
 - those with symptoms of COVID19;
 - those with pre-existing conditions but without symptoms; and
 - those without any of the above.

Attached to this letter is additional guidance on the approach that agencies should be taking to triaging agreed with NHS England and Public Health England.

5. Getting the social care basics such as food, and clinician care to people who need it in the self-contained accommodation. It is likely that you will need to utilise your commissioned homeless services to provide support to people in this accommodation and we urge you to work with the commissioned and non-commissioned sector to make sure there are adequate levels of support provided.

6. If possible, separating people who have significant drug and alcohol needs from those who do not.⁵³

On 16 March 2020 Public Health England (PHE) and the Ministry of Housing, Communities and Local Government (MHCLG) published [guidance](#) to assist hostel or day centre providers of services for people experiencing rough sleeping. This guidance has **now been withdrawn** and the website states that “Public Health England will be issuing updated guidance for those working with people who are experiencing rough sleeping and living in hostel environments as soon as possible”.

Sector response

In response to the Minister’s [letter to local authority leaders](#) of 26 March 2020, the Chairman of the Local Government Association, Cllr James Jamieson, said:

This will be a huge task given the shortage of accommodation available with many councils now affected by the recent closures

⁵³ MHCLG, [Letter from Minister Hall to local authorities on plans to protect rough sleepers](#), 27 March 2020

of hotels and the difficulties some have faced where rough sleepers refuse to engage or take up the offer of help.

To help these efforts, some councils will need to call on the government for urgent help to find accommodation and enforce this and have access to funding if they need to cover staffing and support costs.⁵⁴

Jon Sparkes, chief executive of Crisis, also noted that “Questions remain about how local councils will be supported to do this and whether additional funding, or assistance securing hotel rooms, will be made available”.⁵⁵

There are reports of local authorities securing hotel rooms or other en-suite accommodation (e.g. B&Bs and halls of residence) for rough sleepers.⁵⁶ Under the Government’s coronavirus measures, this type of accommodation is allowed to remain open where it is providing rooms to support homeless and other vulnerable people.⁵⁷

The Mayor of London, Sadiq Khan, with financial support from the Government, has launched a trial scheme in which City Hall has booked 300 hotel rooms for rough sleepers who need to self-isolate during the Covid-19 outbreak. The Mayor’s team has worked with Intercontinental Hotels Group (IHG) to block-book the rooms in two London hotels for twelve weeks.⁵⁸

Voluntary sector

The voluntary sector plays a key role in providing emergency accommodation and other support services, including food assistance, to rough sleepers.

The Government has included ‘charities and workers delivering key frontline services’ in the [list of key workers](#) who are critical to the Covid-19 response. Schools and childcare providers are being asked to continue to provide care for the children of these key workers, if required.

Homeless Link, the largest national membership charity for homelessness organisations, is [advising](#) local areas to establish a homelessness and Covid-19 task force, including the police, housing, health, homeless people with lived experience, the wider voluntary sector, and other relevant stakeholders. The charity is providing [information and guidance](#) to support members with putting plans and practice in place to protect the people they support.

There are a number of initiatives emerging to help charities access pools of volunteers and emergency funds. The charity Crisis, for example, has established an [emergency grants fund](#) to support local groups who

⁵⁴ Inside Housing, [‘Government ‘tells councils to house all rough sleepers by the weekend’](#), 27 March 2020 [subscription only]

⁵⁵ Ibid.

⁵⁶ See for example: Inside Housing, [Greater Manchester to put 1,000 rough sleepers in hotels amid coronavirus outbreak](#), 26 March 2020 [subscription required]

⁵⁷ CO & MHCLG, [Coronavirus guidance – closing certain businesses and venues](#), updated 27 March 2020

⁵⁸ Mayor of London, [London’s rough sleepers to be offered hotel beds to self-isolate](#), 21 March 2020

provide services to those experiencing homelessness. Homeless Link has collated current information on potential funding sources: [Homelessness and Covid-19 funding opportunities](#).

4.2 Comment

Chief executives of charities that provide accommodation to people experiencing homelessness, including St Mungo's, Centrepoin and Depaul UK, have called on the Government to introduce further urgent measures to keep homelessness services running, including:

- Providing an urgent package of financial support for homelessness accommodation services, for example by mirroring the grants available to businesses.
- Making bloc payments of housing benefit to homelessness accommodation providers.
- Ensuring all homelessness accommodation service providers have Personal Protection Equipment, including thermometers and access to testing facilities.
- Ensuring all homelessness service providers can access emergency self-contained accommodation, allowing service users to safely self-isolate where necessary.
- The support and resourcing needed to ensure all local authority homelessness services remain open, so that anyone at risk has a gateway into support.
- Welfare reform which protects against hardship and increased risk of homelessness.⁵⁹

The chief executive of Shelter, Polly Neate, has identified the need for greater Government support for homeless families in temporary accommodation:

In the last few days, the government has acted swiftly to help renters and people sleeping rough by putting in place strong emergency measures to help safeguard these groups during the coronavirus crisis. It must now do the same for homeless families in shared and one-room temporary accommodation.

Thousands of families with children are in this situation, living in cramped emergency B&Bs and hostels. It can be more difficult for them to follow NHS isolation guidance when they are sharing kitchens and bathrooms with strangers, living a single room or even sharing a bed. And we don't know how children will cope being stuck in these conditions when schools close.

We need to protect families already experiencing the trauma of homelessness from greater risk of coronavirus. That's why we're urging the government to follow suit with additional funding and support for councils to help those currently in shared temporary accommodation and prevent anyone else ending up there. This is a key way we can keep more people safe.⁶⁰

⁵⁹ [COVID-19: A Letter To Boris Johnson](#) from Chief Executives of charities that provide vital accommodation to people experiencing homelessness, March 2020

⁶⁰ ['With a household becoming homeless every 4 minutes, better protection against coronavirus is needed for families in emergency accommodation'](#), Shelter Press Notice, 19 March 2020

4.3 Scotland, Wales and Northern Ireland

The Scottish Government, Welsh Government and Northern Ireland Executive are working with the UK Government to respond to the Covid-19 pandemic.

Housing policy is a devolved area and further information on the Covid-19 response in Scotland, Wales and Northern Ireland is available online:

Scottish Government - [Coronavirus in Scotland](#)

Welsh Government - [COVID-19: guidance for substance misuse and homelessness services](#) (19 March 2020) and [Coronavirus \(COVID-19\): local authority support for rough sleepers](#) (24 March 2020).

Northern Ireland Executive - [COVID-19: Guidance for Homeless Providers in Northern Ireland](#) (20 March 2020) and Department for Communities, [Housing support crucial in this crisis – Hargey](#), 27 March 2020.

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