

# **Crisis evidence to the National Assembly for Wales – Equality, Local Government and Communities Committee scrutiny of the Renting Homes (Amendment) (Wales) Bill**

March 2020

## About Crisis

Crisis is the national charity for people experiencing homelessness. We help people directly out of homelessness, and campaign for the changes needed to solve it altogether. We know that together we can end homelessness.

## Crisis' view on homelessness and the private rented sector

- 1. Having a home is a basic human need but we are not currently meeting that need for everyone in Wales.** On any given night in 2017, around 5,200 households across Wales were homeless, including people rough sleeping; in unsuitable/dangerous accommodation; or in hostels and bed and breakfasts with no plan to move on.<sup>1</sup>
- 2. Evidence shows that new social homes are a large part of the housing solution for people who have experienced homelessness or who are on low incomes.**<sup>2</sup> Increasing the supply of social rented housing should be part of any strategy to end homelessness. However, housing needs assessments should be informed by the scale of homelessness and provide for a choice for tenants, including accommodation in the private rented sector, social rent, intermediate rent, shared housing etc.
- 3. The private rented sector in Wales has grown and can meet some people's housing need.** While it currently does play a role in ending homelessness for some people, it can also be a source of poor housing and/or housing instability. People can struggle to get through barriers to the PRS, including not being able to afford accommodation or being pushed back into different forms of homelessness due to the pressures they experience in their tenancies.

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<sup>1</sup> Crisis blog (2018) 'What is the scale of homelessness on any given night?'. Accessed 16 January 2020 on <https://www.crisis.org.uk/about-us/the-crisis-blog/what-is-the-scale-of-homelessness-on-any-given-night/>

<sup>2</sup> Bramley, G. (2018) *Housing supply requirements across Great Britain: for low-income households and homeless people*. London: Crisis and National Housing Federation

## Crisis' view on the Bill

4. From both the evidence and our work to support people directly into housing, Crisis recommends increasing the security of tenure for contract holders in the private rented sector. **We welcome the Renting Homes 2016 Act and the proposed amendments in this Bill. However, the amendments fall short of open-ended tenancies that we would like to see offered to contract holders. Evidence from Scotland, where this is the case, suggests fewer contract holders worry about becoming homeless as a result.**<sup>3</sup>
5. Crisis agrees with the premise of the Bill and **our comments focus on how the Welsh Government and its partners should remove barriers to implementation**, discussed in the paragraphs below.

## Improving homelessness prevention in the PRS

6. **People are still being pushed out of the private rented sector and into homelessness due to the pressures they are facing.** The loss of rented accommodation has become a leading cause of homelessness in Wales, covering just under a third of all recorded cases where households were threatened with homelessness in 2018-19.<sup>4</sup>
7. The duties on local councils to prevent and relieve homelessness have successfully prevented many households from becoming homeless at the 56-day crisis point. However, **to mirror this Bill's extension of the notice period to 6 months the existing prevention duty should also be extended.** It should also apply to public bodies and not just housing services.
8. **Any threat of eviction should lead to homelessness prevention support – and if someone has already lost their home then rapid rehousing support is needed to help them into new accommodation with support.** This could happen voluntarily in the same way social landlords are currently trying to end evictions from social housing into homelessness. There is potential to learn from Scotland, where since 2009 there has been a duty on housing associations, private landlords and mortgage lenders to notify the relevant local authority when they begin possession proceedings (with the tenants' consent).<sup>5</sup> Other European countries operate similar measures.<sup>6</sup>

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<sup>3</sup> Shelter (2019) *The new private rental tenancies: evaluating changes to rental agreements in Scotland*

<sup>4</sup> StatsWales (2019), Households found to be threatened with homelessness during the year. Main reason for being threatened with homelessness by type of household (Section 66), 25 July 2019

<sup>5</sup> Homelessness etc (Scotland) Act 2003, Section 11

<sup>6</sup> Gerull, S. *Evictions Due to Rent Arrears: A comparative analysis of evictions in fourteen countries.* Alice Salomon Hochschule Berlin, Germany. Published in European Journal of Homelessness Volume 8, No 2, December 2014

## Covering the cost of private rents

9. **Local Housing Allowance rates, which are not devolved, are not covering the cost of private rents.** Cuts to the rates have left many households across Wales locked in a struggle to pay their rent, on top of trying to cover the cost of food and bills. For many, the constant pressure is too much and people lose their home. 4 in every 5 private rented properties in Wales (82%) were unaffordable to single people or couples or small families who needed LHA in 2018-19, according to analysis for Crisis and the Chartered Institute of Housing by Alma Economics.<sup>7</sup>
10. In the meantime, pending any change in approach from the UK Government the **Welsh Government should use its limited welfare powers to help relieve some of the pressure on households**, including promoting take up of the council tax reduction scheme and making maximum use of discretionary funds.
11. In Scotland there have been moves to cap rent costs and control rents locally. But the proposals have been unworkable in practice, largely because of the shortage of data to enable local authorities to demonstrate (as required) that rents are rising excessively in a given area, causing undue hardship to existing tenants and having a detrimental effect on the authorities' broader housing services.<sup>8</sup> There are also mechanisms for tenants to have rent increases reviewed if they are dissatisfied and for both parties to access a tribunal for 'appeals'.<sup>9</sup> **We need to understand private rent levels more in Wales, so should use Rent Smart Wales to collect annual data on private rent levels, and look at ways to put reasonable limits on in-tenancy rent increases.**
12. Crisis' research in England and our experiences supporting people directly out of homelessness show that **investment in effective tenancy sustainment support ensures more landlords can be helped to house people moving on from homelessness**.<sup>10</sup> Crisis recommends all local authorities across Wales should provide a tenancy relations service and tenancy sustainment as part of delivering their duties against the Housing (Wales) Act 2014.

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<sup>7</sup> Basran, J. (2019) *Cover the Cost: How gaps in Local Housing Allowance are impacting homelessness*. London: Crisis

<sup>8</sup> Robertson, D. & Young, G. (2018) *An evaluation of Rent Regulation Measures within Scotland's Private Rent Sector. A report to Shelter Scotland*. Scotland: Shelter

<sup>9</sup> Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S., Watts, B., Wood, J., Stephens, M. & Blenkinsopp, J. (2019) *The Homelessness Monitor: Scotland 2019*, London: Crisis.

<sup>10</sup> Reeve, K et al (2016) *Home: No Less will do – Homeless people's access to the Private Rented Sector*. London: Crisis

## Access and sustainment support needed

13. To ensure the private rented sector helps us to end homelessness in Wales, **we cannot only focus on the crisis point of eviction but also on helping people get into and sustain tenancies in the PRS**. Evidence from England suggests tenancy creation can be more difficult than sustainment.<sup>11</sup>
14. The new Housing Support Grant<sup>12</sup> that includes homelessness prevention and Rent Smart Wales is the best vehicle to ensure we provide support to create and support tenancies but the **HSG needs more financial investment, as recommended by this committee in recent Budget scrutiny**.<sup>13</sup>
15. **Each area needs to provide a local tenancy relations service for both landlords and tenants**. Crisis has worked in Denbighshire with local partners to deliver the Renting Ready training. This aims to help people who have had or might have difficulties in a tenancy, and includes a wide group of people who have experienced different forms of homelessness. The course looks at housing options; tenancy rights; landlords' responsibilities; money management; and managing issues with flatmates/neighbours. It is also offered to Housing Support Grant/Supporting people providers. Other measures needed include **national provision of a bond scheme to ensure Wales-wide access to support for tenancy deposits**.
16. **Crisis would also like to see local authorities using best practice to prevent and end homelessness**. The Welsh Government is clear that it expects the Housing (Wales) Act 2014 duties to be the "last line of defence"<sup>14</sup> and make sure there is best practice around rent in advance/fees, rent arrears support, help to move between tenancies when there is a risk of eviction etc. Crisis agrees with the Homelessness Action Group's recommendation last year that Wales needs to ensure that people who are homeless can "access the support they need, by addressing barriers and misunderstandings that currently prevent this happening", including priority need, local connection, and intentionality tests.<sup>15</sup>

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<sup>11</sup> Rugg, J. (2014) *Crisis Private Rented Sector Access Development Programme: Year Two to April 2013*. York: University of York.

<sup>12</sup> Welsh Government (2020) *Housing Support Grant Guidance – Practice Guidance for Local Authorities* <https://gov.wales/sites/default/files/publications/2020-02/housing-support-grant-practice-guidance.pdf>

<sup>13</sup> National Assembly for Wales (2020) Equality, Local Government and Communities Committee - Welsh Government draft budget 2020-21, p.15. Accessed on <https://www.assembly.wales/laid%20documents/cr-ld12990/cr-ld12990%20-e.pdf>

<sup>14</sup> Welsh Government (2019) *Strategy for Preventing and Ending Homelessness*

<sup>15</sup> Homelessness Action Group (2019) *Preventing rough sleeping in Wales and reducing it in the short-term*. Accessed on 20 February 2020 on <https://gov.wales/sites/default/files/publications/2019-10/homelessness-action-group-report-october-2019.pdf>