

Building back better – leaving no-one behind



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In market towns and new towns, in cathedral cities, coastal communities and the countryside, our district councils are on the frontline helping families on the breadline to avoid homelessness, to build a positive future, and to participate in local growth.

The pandemic has hit many people very hard – nine in ten districts saw increases in the use of foodbanks and in homelessness, it's more visible and drawing more attention as people rally to help those in need. But it could have been so much worse without the unprecedented Government interventions through furlough, the Hardship Fund and more; the Everyone In programme demonstrated what Districts and Government can do together.

As the economy recovers, we have an opportunity to build on our efforts to ensure that no-one is left behind, and to refocus on ending homelessness by preventing it in the first place. To achieve this, we must:

- **Retain measures to prevent hardship and support growth**
- **Rewire the local safety net to end hardship and homelessness by preventing it**
- **Retreat carefully from significant interventions that protect people during the crisis**

The risks of inaction are huge. 87 percent of councils expect sharp increases in homelessness should pandemic help unwind without reform, escalating challenges and costs¹. Nationally and locally we are working together to build back stronger, and we must ensure no-one is left behind.

Retaining measures to prevent hardship and support growth

The Government has stepped in with unprecedented levels of support to protect jobs and livelihoods. These protections can't all continue indefinitely but they can't all end immediately either, it would unravel the support provided across the pandemic and create a wave of need at a vulnerable time for families and the economy.

We must look to continue those protections that most efficiently and effectively protect livelihoods in the years ahead. While the welfare system is complex, at its heart is the affordability of housing. The temporary increase in Local Housing Allowance (LHA) helped provide critical housing stability for families during the pandemic, this same stability is critical to help people find and progress in jobs to drive our recovery.

In fact, investing £1.9billion into unfreezing LHA rates over a six-year period creates a net benefit of over £1 billion from welfare gains and savings², but the Office for Budget Responsibility has projected the freeze will reduce LHA by £0.7billion by 2026³. Freezing LHA rates puts us backwards, reducing the availability of private rented housing even for many of our Covid heroes in low paid employment. Rents are still likely to rise making more housing unaffordable; even after the global financial crash rents rose higher than their pre-downturn peak within two years⁴.

Many people at the sharp end are pushed into homelessness as the freeze bites⁵, pushing costs into other expensive services such as council temporary accommodation spending, and people into hardship with scarring effects for them and the economy.

2 https://www.crisis.org.uk/media/240978/alma-economics_local-housing-allowance-options-for-reform-002.pdf

3 <https://obr.uk/efo/economic-and-fiscal-outlook-november-2020/>

4 https://www.savills.com/research_articles/255800/300939-0

5 <https://www.local.gov.uk/publications/local-housing-allowance-freeze-and-homelessness>

We recommend that the Local Housing Allowance rates are unfrozen and uprated permanently to reflect the 30th percentile of rents, adjusted for inflation going forward as originally intended. In the short term we recommend that an increase in the rates cover median rents to allow a catch up to the growth cycle.

We recommend that the £20 uplift in Universal Credit should be retained beyond September 2021. UC caseloads have increased significantly during the pandemic, highlighting the limits of the local safety net⁶, withdrawing the uplift will be a shock to many at a critical period.

We recommend a review of the application of the Shared Accommodation Rate to different groups, in particular to young people that will be most impacted on by the pandemic due to loss of jobs in key sectors and growing insecurity in emerging sectors.



⁶ <https://www.telegraph.co.uk/politics/2021/01/22/rishi-sunak-must-see-20-uplift-universal-credit-investment-rather/>

Rewire the local safety net to end hardship and homelessness by preventing it

As the revenue and benefits, housing, and homelessness authorities across our towns and cities, Districts are the glue binding together the local safety net in the places people belong to. Districts know communities like no one else, and with this leadership, levers and partnerships we are uniquely able to end homelessness by preventing it in the first place.

The pandemic has reinforced the sense of locality and responsibility within people to support community. Districts are capitalising on this - we know the landlords, the voluntary and faith groups, the employment, health, and justice partners, and the businesses and job creators - with the tools and resources we can rewire the local safety net to focus on prevention, working flexibly to end problems before they start.

To achieve this Districts need the support and resources to respond flexibly, working with people and partners to be fleet of foot in solving problems before they escalate in difficulty and cost. The Discretionary Housing Payments (DHP) and Council Tax Support are critical tools for councils to undertake this role, used differently by councils in their different circumstances.

It's disappointing that the Government has cut DHP at this precarious time, because now is the time to grow this capacity for prevention and encourage flexible problem solving in community. It is also disappointing that funding to support similar prevention efforts has been allocated to county councils that do not have the same level of experience and delivery mechanisms.

We recommend reversing recent reductions to Discretionary Housing Payments as other support for families are phased out, to help empower Districts to respond quickly and flexibly to solve problems before they escalate.

We recommend going further and introducing a flexible prevention pot for districts to help people experiencing hardship, debt and other issues, with expectations that the funding would also bring together partners to rewire a local safety net focused on prevention. The initiative would build on the principles of the DHP and Homelessness Prevention Grant, allowing districts to build on their knowledge of individuals and moving away from 'one size fits all' approaches.

We recommend all future funding for addressing hardship, poverty and homelessness is routed through District councils due to their duties, delivering mechanisms and partnerships, and that the Government review the success of the Covid Winter Support Grant and Local Welfare Assistance Fund.



Retreat carefully from significant interventions that protect people during the crisis

Huge efforts have been taken to reduce hardship and homelessness across the pandemic, many interventions such as the furlough scheme and evictions ban can't and shouldn't continue forever. Retreating carefully from such profound interventions is fundamental to preventing a wave in hardship, to protecting the investments already made by those interventions, and to promoting employment and growth.

It's been estimated that up to 200,000 private renters in England could face eviction in the UK over the next year⁷. We know that renters are twice as likely than mortgagors to have lost their job, and that more renters are furloughed than home owners, reflective of their employment sectors and income levels⁸. Despite the eviction ban, almost half of Districts reported an increase in the need to mediate with landlords to support tenancies during the pandemic, and three quarters expect sharp increases in homelessness once the eviction ban is lifted.

As social landlords and working with housing associations, Districts are able to offer protections to social tenants experiencing hardship. Although there are a range of levers to shaping the local private rented sector⁹ they are less able to influence private landlord behaviour where rents are higher, housing generally less good quality, and tenancies less secure. The Government has understood this, and has looked to review the wider private rented sector including a proposal to end no fault evictions.

We recommend extending the eviction ban beyond May 31st at which point restrictions are fully lifted, and ideally linked to the end of the furlough scheme and perhaps also to the introduction of the private rented reforms for ending Section 21 no fault evictions.

⁷ <https://www.resolutionfoundation.org/publications/coping-with-housing-costs-six-months-on/>

⁸ <https://www.resolutionfoundation.org/publications/coping-with-housing-costs-six-months-on/>

⁹ <https://districtcouncils.info/reports/district-councils-and-the-private-rented-sector/>

We recommend Government consider transitioning out of the Coronavirus Job Retention Scheme in a phased approach, removing the scheme's support for different hard hit sectors, such as hospitality and leisure, gradually to align with the likely timing of growth across these different sectors.

We recommend that the phasing out of the Coronavirus Job Retention Scheme and the eviction ban is taken together with a planned approach linked to the adjustments to the national welfare state in section 1, and the scaling up of a local preventative safety net in section 2.





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