

'Autumn cliff edge'

- an urgent call to UK government

The economic impact of the COVID-19 pandemic has led to a big increase in people claiming benefits, including many who have never done so before. During the last 18 months the UK government introduced unprecedented support which has prevented more people from falling into destitution.

However, with the end of the furlough system, increasing energy bills, the end of the extra £20 weekly allowance in Universal Credit (UC) and Working Tax Credit (WTC) across the UK, many households now face a 'cliff edge' where their total income will no longer meet their basic household bills.

This confluence of interrelated factors is combining to create a 'perfect storm' of rising costs and falling wages for many households. This makes maintaining a home difficult for people and will lead to increases in poverty and homelessness.

CIH are calling on the UK government to act now to prevent this cliff edge by:

- Restoring the £20 per week uplift to UC and WTC and extend them to relevant legacy benefits for all householders
- Raising Local Housing Allowance (LHA) to the 50th percentile and in line with local rent inflation thereafter so that all private renters who need help with their housing costs can find property within the LHA rate
- Ensuring a minimum of one-year lifting of 'no recourse to public funds' and other restrictions on claiming benefits because of immigration status
- Reviewing the benefit cap and seek to increase it in areas with high affordability pressure
- Ending the Shared Accommodation Rate (SAR) or suspend it for anyone who has claimed benefit for the first time during the pandemic

What is shaping the cliff edge?

Help with housing costs - The impact of the pandemic has driven a sharp increase in people seeking help with housing costs. Removal of the £20 UC uplift alongside LHA rates becoming increasingly misaligned with actual rents, will drive demand for support.

Furlough, jobs and employment - The furlough scheme has been a vital source of support across the UK. The end of furlough will further test the resilience of businesses impacting upon household incomes.

Arrears and evictions - All four UK governments put in place enhanced protections for tenants and mortgage holders for the period of the pandemic, to prevent households becoming homeless. Rent arrears have increased across the UK during the pandemic. Household debt and the financial resilience of households is likely to result in a further spike in arrears across tenures.

Fuel prices - Fossil fuel prices are rising at an unprecedented rate, exacerbated by the collapse of a number of energy providers. The resulting rise in energy bills will make it difficult for many people to meet other vital living costs.

Homelessness - The decreasing financial resilience of households from the ending of pandemic-related support measures, and housing market forces that limit choice and availability of long-term housing solutions, has the potential to fuel a sharp increase in homelessness and the need for housing-related support.

Taking Stock

COVID-19 support - what worked well

The UK and devolved governments' responses to the pandemic, whilst not always perfect, did save many lives and prevent households from becoming homeless. The 'Everyone In' scheme (and similar measures in the devolved nations) effectively found accommodation for rough sleepers. Nearly 30,000 people (in England) were assisted off the streets by the end of September 2020. The Welsh Government has assisted more than 10,000 into accommodation since the start of the pandemic. Also important was the use of hotels and other accommodation (closed by the pandemic) to house rough sleepers.

At the October 2020 [APPG on ending homelessness](#), academics from UCL stated that:

"The [UK] Government's response to the Covid-crisis has been internationally recognised as an exemplar of great practice which has undoubtedly saved many lives."

The temporary lifting of 'no recourse to public funds' (NRPF) rules for the duration of the pandemic, and the unconditional housing of people who have NRPF has been extremely important in preventing rough sleeping.

Changes to the welfare system were also successful, particularly uplifts to LHA & UC. [Research by Crisis](#) showed that returning LHA rates to the 30th percentile significantly increased the number of properties available to claimants. The £20 per week increase in UC has been vital in enabling households to meet increased costs. Finally, enhanced protections for tenants and mortgage holders proved important in keeping people in their homes.

COVID-19 support - what didn't work well

CIH welcomed the £20 per week uplift to UC and returning LHA rates to the 30th percentile. However, most legacy benefits claimants, disproportionately social renters, did not receive the £20 uplift, whereas non-householders claiming UC did. Despite the restoration of 30th percentile rent for LHA the surge in UC claims by private renters means that nationally there are now more private renters on UC than properties available at the LHA rate.

CIH also welcomed enhanced protections for tenants and mortgage holders during the pandemic. However, as this has ended, there is a real risk of a significant rise in evictions.

The pandemic and its effects have exposed a long-term policy failure by successive governments, to build enough genuinely affordable (social) housing. Had we been building an adequate amount of social housing, many of the problems we now see would have been considerably reduced. Lower (social) rents mean more disposable income to help absorb the impact of lost income and increased cost of spending more time in their home.

Other useful links:

[CIH has joined with Crisis, Shelter, and the National Housing Federation](#) in calling on government to invest in building 90,000 homes at the lowest social rents every year for 10 years, to end the housing crisis, provide much needed jobs and boost the post-pandemic economy.

CIH's [UK Housing Review 2021 highlights the loss of 210,000 of our most affordable social rented homes between 2012 and 2020](#) due to Right to Buy sales and the conversion of social rents to affordable rents on relet.

CIH makes [these proposals](#) to protect tenants from arrears, evictions, and homelessness.

[We have urged government to retain the £20 per week uplift to universal credit permanently and extend this to legacy benefits.](#) Although the impact when this is lifted is cause for concern. CIH has produced [these proposals](#) to protect tenants from arrears, evictions, and homelessness post-pandemic.

[CIH has joined NHF in calling for changes to the rules around people with NRPF](#) - this is key to ending rough sleeping particularly in cases of migrants experiencing domestic and other forms of abuse.

Scottish Government investigated the impact of COVID-19 on [fuel poverty and the housing market in general](#). The Scottish Housing Regulator has published monthly dashboards including information on the impact of COVID-19 on social landlords and their tenants.

[Citizens Advice Scotland has published a briefing](#) showing an increase in people seeking advice about housing and arrears with particular concerns about private renters.

Welsh Government has implemented a new [monthly data collection](#) to provide information on people placed into temporary accommodation and rough sleepers.

Northern Ireland [Planning Statistics](#) have been improved and were awarded National Statistics status by the Office for Statistics Regulation.

Across England and Wales: [effects of the initial lockdown and associated policies on deaths of homeless](#) people due to COVID-19 and housing indicators for England and Wales.

CIH supports the call for all new homes to be developed to higher accessibility standards, to ensure that everyone has a safe and decent home that enables them to participate fully in society, education and employment: [Housing Made for Everyone \(HoME\)](#). We also support calls for a more proactive approach for healthy homes and neighbourhoods, the need for which has been reinforced by the experience of the pandemic: [Healthy Homes Bill](#).



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