

# Briefing: Struggling renters need a lifeline this winter

This new research highlights that renters in Great Britain are struggling to stay afloat as we approach winter and continue to navigate the coronavirus crisis. Around 2.5 million households are worried about how they will pay their rent over the winter months, 700,000 households are already in rental arrears, and households are being put in impossible situations, having to make trade-offs on essentials like food and electricity for their families.

Some renters are faring particularly badly. A total of 42% of Black, Asian and Minority Ethnic (BAME) renters, 36% of renters with children in their households, and 32% of renters with an income under £25,000 per year are worried about paying their rent through to February in comparison to 29% of all renters. Over half of renting households who have had a fall in income since March, and 61% of renters who expect a fall in income in the coming month are worried about paying their rent through to February as well, highlighting just how significant labour market impacts are for households to meet their expenses.

The Government needs to do the right thing by supporting renters as we navigate the pandemic – it's clear that renters are struggling already, and without a lifeline, many will be cast adrift. This briefing outlines a clear plan to deliver that support now.

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### To ensure that no renter loses their home because of the pandemic, the Government must:

1. Fully reinstate the pause on courts hearing repossession and eviction cases until lockdowns, and the risk of further lockdowns, are lifted. This will help to prevent a wave of homelessness this winter and hold renters who have fallen into arrears steady.
2. Direct immediate financial support for renters in arrears through boosting the funding for Discretionary Housing Payments (DHPs), and tweaking the way they are set up and administered.
3. Put the rental market on a more sustainable footing by ensuring that renters can cover their housing costs and stay in their homes by making the £20 a week uplift to Universal Credit permanent, extending the uplift to legacy benefits, build more housing for social rent, and continue to increase Local Housing Allowance (LHA) rates in line with local rents.

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## Introduction

Our new research shows that around 2.5 million renting households in Great Britain (GB) are worried about meeting their housing costs over the period from the end of October to the end of January, as we enter winter. Despite the Government putting in place some welcome protections for renters, such as the eviction ban, LHA and Universal Credit increases, and furlough support, these protections haven't been enough to stop 700,000 renting households from falling into arrears with rent, and 1.7 million with household bills like council tax and electricity, putting households in impossible positions, having to make tough trade-offs with household essentials.

Polling<sup>i</sup> of 2,989 private and social renters was undertaken between 20 and 27 October, only a few days before the second national lockdown was announced in England, the 'firebreak' lockdown had been announced for Wales, and Scotland's central belt was in Tier 3 restrictions. As such, this research provides useful insight into households' financial resilience before millions in GB entered tougher restrictions.

This research emphasises that while we're all in the same storm, we're clearly not all in the same boat. A total of 42% of BAME renters, 32% of renters in households with an income of under £25,000 per year, and 36% of renters with children in their households are disproportionately worried about how they will meet their housing costs over the next three months in comparison to 29% of all renters. Our findings also highlight how COVID-19's impact on the labour market is affecting households' ability to pay rent. Despite government support through furlough, 54% of renting households who have had a fall in income since March, and 61% of those who expect a fall in income in November, are worried about paying their rent over the next three months.

The Government must do the right thing to ensure that renters can stay in their homes and pay rent. This briefing outlines a clear plan for helping renters weather the storm.

We recommend the Government immediately fully reinstate the pause on courts hearing repossession and eviction cases in England and Wales until lockdowns, and the risk of further lockdowns, have lifted. This will help prevent a wave of homelessness and provide renters with the security of staying in their homes this winter.

We also recommend the Government direct immediate financial support to households in rental arrears, through boosting DHP funding, and tweaking the way it is administered to ensure all financially vulnerable, low-income households can access support. This support should remain in place until lockdowns, or the risk of further lockdowns, have lifted. It will help steady renters and landlords to navigate the crisis and should be in addition to further local welfare reform for other types of arrears, such as council tax.

Finally, the Government must also ensure that incomes and housing costs are better matched so that we do not return to the high levels of unaffordability and insecurity found in the rental market pre-COVID-19. Building more social homes for social rent, making the Universal Credit uplift of £20 a week permanent and extending it to legacy benefits, and continuing to increase LHA rates in line with local rents, will be key steps to ensuring a just economic recovery that keeps struggling households afloat.

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## **COVID-19's impact on the labour market is having a serious impact on the ability of renters to pay their rent**

The coronavirus crisis has hit household incomes and earnings hard across the UK. Despite the furlough scheme, in Quarter 3 this year redundancies reached a record high of 314,000; an increase of a record 181,000 over the course of the quarter (ONS, 2020). The Resolution Foundation also found in their Living Standards Audit 2020 that non-pensioner household incomes were down 4.5% in May 2020 from in 2019/10 (Brewer et al, 2020).

### **Renters are worried that their incomes will fall in the coming month**

The uncertainty associated with the COVID-19-related restrictions for businesses means that households have less security over their income and jobs. A total of 18% of households with at least one adult in work in the private rented sector, and 16% in the social rented sector, are expecting a negative income event such as a redundancy, reliance on job support schemes, or a fall in earnings or hours, in the next month.

The majority (61%) of renter-households who are expecting a negative income event in the next month are worried about paying their rent in the next three months. While the extension of the furlough scheme at 80% until March 2021 will go some way to easing this pressure, it is unlikely to be enough to eliminate the concern about paying rent. At the same time, the last-minute nature of the extension of the furlough scheme undermines its effectiveness.

For many workers, the news of the furlough extension through lockdown will have come too late. They will have already lost their jobs because their employers anticipated a continued reduction in trading capacity and less generous support to retain jobs through the winter (McDonald, 2020).

### **Millions of renters have had a fall in income since March, and many have been put in impossible situations with spending on household essentials**

A third of all private renters (33%, 1.5 million households) and a quarter (27%) of social renters (1.2 million households) had a fall in their household's overall net income since March.

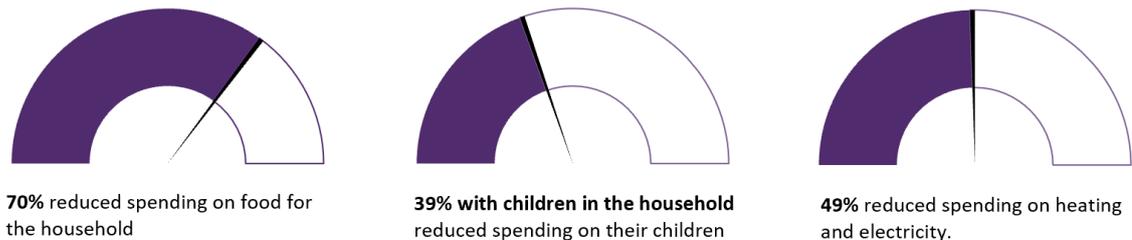
These falls in income have had a significant impact on the ability of renters to meet their costs, with more than half of Great Britain's renting households who have experienced a drop in income since March worrying about being able to pay their rent through winter. A total of 55% of private renters and 51% of social renters who have had a decrease in income since March are worried about paying their rent over the next three months.

Of those who have had a decrease in income, 60% of private renters and 56% of social renters who saw a drop in income have reduced their spending to offset the loss in income.

Renting households (both private and social renters) are being forced into impossible situations with their reduced spending. Chart 1 below shows how key areas of essential housing spending have seen reductions as a result.

### **Chart 1: Spending reductions on essentials made by renting households in Great Britain who have reduced spending to offset a loss in income**

Source: JRF research conducted by YouGov 20 to 27 October 2020



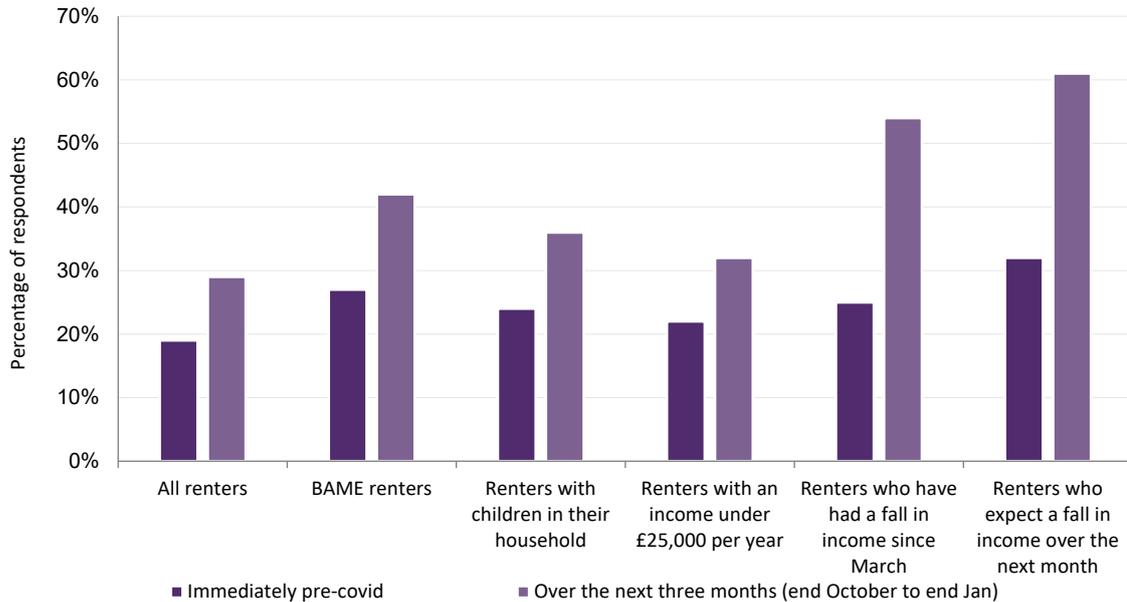
This reflects that many renters have very little in the way of savings to fall back on. In the UK, a total of 42% of private renters, and 65% of social renters have savings of less than £500 (JRF analysis of Wealth and Assets Survey). For those on reduced incomes trying to keep up with their expenses this financial resilience may already be exhausted as we enter a winter of increased restrictions and further economic uncertainty.

A total of 41% of private renters and 34% of social renters who have seen a drop in income since March have used their savings to offset their lost income. For many households, using savings has not been enough to make ends meet on its own: 56% of private renters and 44% of social renters who saw a drop in income and used their savings, also decreased spending on food for adults.

### **Some renters are a lot more worried than others, highlighting that while we are all in the same storm, we're not all in the same boat**

Our research shows that far from acting as the great leveller, the impacts of coronavirus have been felt unevenly across the country and in some cases have exacerbated existing inequalities. Graph 1 below illustrates this, showing how some groups of renters are faring much worse than the group as a whole.

**Graph 1: Some groups of renters are more worried about paying rent over the next three months than others**



Source: JRF research conducted by YouGov 20 to 27 October 2020

### **Lower-income households in the private rented sector are struggling the most**

COVID-19 has affected us all, but the economic impacts of the pandemic have fallen hardest on those who were already struggling to stay afloat. Sectors employing large numbers of low-paid workers in roles that have close contact with colleagues or customers have been particularly hard hit (Bestwick et al, 2020).

This story is illustrated with the research showing a high number of lower-income households worried about their housing costs. Over a third (38%) of households in the private rented sector with an income under £25,000 per year are worried about paying their rent in the next three months, compared to 26% immediately pre-COVID-19. And for those who are expecting a fall in income over the next month, things are worse again. A total of 70% of all renting households with an income under £25,000 per year who are expecting a negative income event in the next month are worried about paying their rent in the next three months.

### **Households with children also appear to be more worried than renters as a whole**

A total of 600,000 private renting households with children in their household (39%) are worried about paying their rent in the next three months, an additional 200,000 households compared to immediately pre-COVID-19 (25%). A total of 475,000 social renting households with children (33%) are worried about paying their rent in the next three months, an additional 130,000 households compared to immediately pre-COVID-19 (24%).

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## **BAME adults are disproportionately worried about paying their rent, and the coronavirus crisis has worsened this**

Across all renters (both private and social) 42% of BAME adults are worried about paying their rent in the next three months, compared to 27% of white adults. BAME adults were as worried about paying their rent before COVID-19 (27%) as white adults are over the next three months (27%).

Over the course of the crisis, the gap between BAME and white adults being worried about paying their rent has widened. Immediately pre-COVID-19, there was a percentage point (ppt) difference of 9.4 for adults worried about paying their rent, whereas for adults worried about paying rent over the next three months, there is a ppt difference of 14.5.

## **Renters in areas hit hardest by coronavirus are struggling**

Several areas that have been hit hard by rising coronavirus cases are now seeing increasing numbers of households worried about paying their rent compared to before coronavirus hit.

The North West, has been hard hit by local lockdowns and has seen a notable increase in the proportion of private renters worried about paying their rent over the next three months to almost a third (32%), up from 17% immediately pre-COVID-19, an increase of 15 percentage points. Similarly, for Yorkshire and the Humber, which has had several areas impacted by local lockdowns, 29% of private renting households are worried about paying their rent in the next three months, up from 16% immediately pre-COVID-19, an increase of 13 percentage points.

Our research was conducted after the ‘firebreak lockdown’ in Wales had been announced, as the Welsh Government looked to regain control of coronavirus. Our research shows that Wales has seen the proportion of private rent households worried about paying their rent increase from 19% immediately pre-COVID-19 to 35% worried about paying in the next three months, an increase of 16 percentage points. In Scotland, which has also had large areas impacted by local lockdowns since late Summer, the proportion of social rent households worried about paying their rent has increased from 18% immediately pre-COVID-19 to 29% worried about paying in the next three months.

While London has not faced the same intensity of lockdown restrictions as the North and in Wales, a high proportion of households are worried about meeting high housing costs in the capital. A total of 41% of London’s private renting households are worried about paying rent in the next three months, up from 23% immediately pre-COVID-19, an increase of 19 percentage points. A total of 32% of London and 32% of East of England social renting households are worried about paying rent in the next three months, up from 16% and 20% respectively immediately pre-COVID-19.

These findings are worrying for renters. It’s clear that more support is needed for renters to help keep them afloat as the crisis continues. Without it, the impact on landlords and the numbers of rough sleepers and people in poverty, could be stark.

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The Government must do the right thing and act quickly to provide much-needed support to renters now, as outlined below.

## **Government support has been welcome but has not gone far enough to help renters weather the crisis**

It is right that the Government has taken some steps towards protecting renters through interventions such as the eviction ban, the LHA increase and the furlough schemes through the coronavirus crisis. However, while these may have helped some renters, they haven't been enough to stop renters from falling into arrears with both rent and household bills, and thousands in England and Wales are dealing with the threat of eviction as the second wave hits due to protections not going far enough.

Despite these protections, the proportion of renters who are worried about paying their rent has increased since coronavirus struck. A total of 30% of all private renting households (1.3 million households) are worried about paying their rent in the next three months, compared to 19% (850,000 households) immediately pre-COVID-19.

It is a similar story for social renters, where 27% of all social renting households (1.2 million households) are worried about paying their rent in the next three months, compared to 18% (800,000 households) immediately pre-COVID-19.

## **Arrears in both rent and household bills are growing across Great Britain**

The economic fallout from coronavirus and the limited support available to renters is feeding into a mounting arrears burden. Around 700,000 (8%) of all renting households in Great Britain are currently in arrears with their rent, up from 450,000 (5%) immediately pre-COVID-19. A total of 1.7 million of all renting households (19%) in Great Britain are currently in arrears with their household bills, such as council tax and electricity, up from 1.25 million (14%) immediately pre-COVID-19.

The total rental arrears burden is stark. Of the roughly 200,000 (5%) households in rental arrears in the private rental sector, around 80,000 (40%) have arrears of more than £1,000, and 15,000 (7%) have arrears more than £3,000. In the social rented sector, of the approximately half-a-million (12%) households in arrears, 125,000 (25%) have arrears of more than £1,000.

What is more in Great Britain, almost half of households in rental arrears are in at least two months of arrears. In total, around 100,000 private renting households (46% of private renting households in arrears) and 250,000 social renting households (48% of social renting households in arrears) are in more than two months arrears. Around 50,000 private renting households (25% of private renters in arrears) and 150,000 social renting households (27% of social renting households in arrears) are more than three months in arrears.

Unfortunately, the amount of support provided to help address these arrears has fallen far short of demand. As a result, to manage these arrears, households are having to turn to borrowing. A total of 20% of private renters who are in rent arrears have

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tried to manage their arrears by borrowing from a lender, bank or building society, and as such will have likely incurred interest costs on top of the borrowed money. A total of 42% of private renters already in arrears with rent have borrowed from either a bank or building society, payday lender, or friends and family to manage their arrears.

### **Thousands of households are facing the threat of eviction despite new lockdown restrictions**

Despite the ban on evictions having been in place for renters in England and Wales from 31 March to 20 September, since 21 September housing possession cases have been able to be heard again in court. A total of 350,000 households (4%) have had their landlord discuss eviction with them already. A total of 5% of households in the private rented sector and 4% of households in the social rented sector have either been issued with a formal eviction notice, or eviction has been mentioned to them by their landlord. For households with children, this rises to 7% for private and 6% for social rented sectors. For households expecting a fall in earnings over the next month, and therefore at greater risk of not being able to address areas like arrears, this rises to 7% for private and 11% for social renting households.

### **We can do much more to help renters weather this storm**

To ensure no renter loses their home because of the coronavirus crisis, the Government needs to act quickly and implement the following policy changes:

1. Fully reinstate the pause on courts hearing repossession and eviction cases until lockdowns, and the risk of further lockdowns, are lifted. This will help to prevent a wave of homelessness this winter and hold renters who have fallen into arrears steady.
2. Direct immediate financial support for renters in arrears through boosting the funding for DHPs and tweaking the way they are set up and administered.
3. Put the rental market on a more sustainable footing by ensuring that renters can cover their housing costs and stay in their homes by making the £20 a week uplift to Universal Credit permanent, extending the uplift to legacy benefits, building more housing for social rent, and continue to increase LHA rates in line with local rents.

### **Reinstate the pause on courts hearing repossession and eviction cases to prevent a wave of homelessness this winter**

The initial pause on evictions allowed many families to keep their homes during the first national lockdown. It was an essential lifeline for households adversely affected financially by coronavirus, and key to ensuring that they were able to remain at home, follow Government advice, and help control the spread of the virus.

That initial pause on evictions ended on 21 September in England and Wales. Since then, we have welcomed the Government taking steps to ensure that some of the initial protections remain, including extending the eviction notice period a landlord must give a tenant from two to six months. Further guidance mandating that there will

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be a pause on bailiff action until 11 January across England is also welcome as restrictions have tightened again.

However, these measures do not replicate the totality of protections available to renters during the last national lockdown, and do not go far enough. Rather, this approach is piecemeal and lacks clarity with a risk that renters fall through the cracks.

Unlike the eviction ban in the first national lockdown, this pause does not put a stop to proceedings and cases will still be heard in court. There is a risk that households receiving an eviction notice, unaware of the moratorium on enforcement, do not wait until the court date or until the spring and move regardless. This is supported by data from charities which shows that at least 90,000 renters have been threatened with homelessness since April, and more than half have already lost their accommodation during this time (Marsh and Walker, 2020). Households receiving an eviction notice also face a turbulent time of insecurity over their housing, which is difficult in normal times, and distressing during a pandemic.

Furthermore, some groups who were supported through the first eviction ban could be omitted from these protections, with the Government publicly considering excluding those with outstanding and substantial pre-COVID-19 arrears from eviction enforcement protections (Peaker, 2020). If this decision is taken, many financially vulnerable households will be at risk of losing their home.

Finally, the legality of these more limited protections is not watertight. Although bailiffs' associations have agreed not to enter any property during this period, there is growing concern that this is not legally binding, as the protections are only provided for in mandated guidance by the Lord Chancellor (Peaker, 2020). At a minimum, this protection should be enacted in legislation to provide certainty to renters.

Given the bold action taken to ensure that struggling renters were not forced from their homes during the first lockdown, the Government knows these protections are vitally important for renters. To continue providing that protection, it should do the right thing and ensure that support is water-tight, comprehensive, and easy to understand.

The Government must take immediate action to fully reinstate the pause on evictions in England and Wales until lockdowns (or the risk of lockdowns) are lifted, and ensure that it applies to all cases of rent arrears.

### **Provide immediate financial support for renters to help with arrears**

Our findings have demonstrated that many households face worsening arrears in both rent and household bills like heating, and many more are cutting back on the essentials or borrowing to get by. As outlined above, renters' financial resilience is limited, and even those with savings are also needing to reduce their spending on essential household items. Without action which seeks to address growing arrears, any ban on eviction or enforcement only delays the inevitable, with renters vulnerable to losing their homes again as restrictions are lifted. Accordingly, a pause on evictions or

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enforcement over winter must be complemented with a clear plan to deal with rental arrears.

The best way to achieve this is through additional grants which allow renters to gain control of their finances and support landlords to maintain tenancies. This time-limited and targeted support can act as a re-set for the rental market, helping household finances and debt, easing pressure on landlords, and avoiding a wave of evictions as restrictions are lifted.

Our research estimates that the current total household arrears burden runs into the hundreds of millions (as a conservative estimate there is approximately £400 million of rent arrears for both private and social renters in England and Wales)<sup>ii</sup> and without intervention this is likely to continue to rise.

Shelter, the National Residential Landlords Association, ARLA Propertymark, Crisis, Citizens Advice and Generation Rent have also conducted research which on arrears and has found a similar picture with arrears for private renters. We endorse their collective call that Government invest in £270 million of grants to support renters to pay down their arrears (Shelter, 2020), but recommend that this be extended on a similar basis to cover arrears for social renters. This fund should be targeted at low income households who are at risk of eviction and have limited means of resolving those arrears outside of this additional support.

The Government should establish a targeted grant programme to support private and social renters who have fallen into arrears which they will otherwise struggle to pay.

This support should remain in place until lockdown or the risk of further lockdowns have lifted. In addition, this additional spending should sit alongside wider improvements in the local welfare assistance system such as those proposed by the Trussell Trust to ensure a broader range of support is offered to households who are struggling financially (Thompson et al., 2020).

We recognise that in directing support Government has been keen to utilise mechanisms already in existence over establishing new programmes. Discretionary Housing Payments (DHPs) are an existing grants mechanism providing support, which if tweaked, could quickly and effectively deliver support to households with arrears who are in need. If using DHPs, we also propose the following tweaks to their administration and guidance to ensure that they can effectively deliver support:

### **1. Ring-fencing a rent-arrears fund within DHP allocations.**

DHPs are calculated to support households in balancing the negative impacts of the Benefit Cap, Removal of the Spare Room Subsidy and the gap between LHA and rents.

Before the pandemic hit, 4 in 10 (41%) of local authorities in England and Wales were already spending more than their allocation of DHP (DWP, 2020a) and were topping-up this funding to support households facing rent shortfalls, putting pressure on budgets and diverting funds from services that would be used elsewhere. DHP funding for this financial year in England and Wales totals £179.5 million (DWP, 2020b), which includes £40 million of additional funding to address affordability pressures in the 2019

Spending Round. However, even with this additional investment, the allocation is insufficient to mitigate both the growing shortfalls in housing costs and arrears that existed pre-COVID-19, as well as supporting renters impacted by COVID-19. As such, DHP's need to be boosted to ensure that there is enough support for all renters who are struggling to meet housing costs.

The Government should ensure that any increase in funding to address rent arrears is in a ring-fenced fund for that purpose and is additional to existing budgets.

In administering any additional funding, the Government will need to consider a formula for how this is allocated across the country to individual councils. Government may already hold some data on the rental arrears that are being built across England and Wales, or it could use a proxy with variables relating to rents, local earnings, and the localised impact of the coronavirus, including the impacts of localised restrictions.

In addition, our research has found that BAME adults are disproportionately worried about meeting their housing costs. In fact, BAME respondents were more worried about paying their rent prior to the coronavirus crisis than white respondents are about paying theirs for the coming winter, after experiencing eight months of the pandemic's economic and social restrictions.

The Government should ensure that ethnicity is considered a variable in determining how grant funding is allocated.

## **2. Providing guidance to local authorities to ensure that DHP funding goes to people that need it.**

Guidance on DHPs makes clear that they can be used to address rent arrears and there is legal precedent for this (DWP, 2019). However, the guidance also recognises the complications that surround the granting of DHPs for this purpose. For example, renters in arrears who have worked with their landlord on a repayment plan are excluded from DHP support because arrears cannot currently be supported through DHPs if they are included in your rent payments.

To avoid being penalised for working with landlords to address rent arrears, the Government should look to temporarily amend regulations which limit DHPs being used to cover increases in rent designed to pay back arrears.

To be effective, any additional funding committed to struggling renters will need to be guided to those in need. Key to this is renters knowing the support which is available to them. DHPs are not integrated into the Universal Credit (UC) system. With many people moving onto UC for first time, in order for support to get where it is needed, proactive and clear signposting to this financial support must be improved to encourage take-up. This is particularly important as our research found only 15% of renters in arrears had approached their local council for financial support.

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The Government should work with local authorities to ensure that they are actively engaging those who are in, or at risk of, rent arrears to signpost them to support. This should recognise those most in need with a particular focus on outreach to BAME groups who this research found to be particularly worried about paying their rent.

More conditions are present in councils' administration of DHPs than in the social security system more broadly (DWP, 2015; Meers, 2020). This includes conditions placed on applications seeking to ensure claimants are reducing so-called 'lifestyle issues', such as quitting smoking and reducing expenditure on entertainment subscriptions and other non-essential outgoings. Poorly applied conditionality can discourage people from accessing the support and disengage them from the benefits system (Ghelani, 2015), further compounding issues of access and awareness.

The Government should issue guidance to councils on conditionality to ensure that the criteria applied to households does not act as a barrier to accessing financial support, and that the support goes to the people that need it.

### **3. Helping those without access to the social security system.**

Increasing DHPs will direct support to many of those in need. However, increasing DHP funding alone will not help those on low incomes that are not in receipt of Universal Credit or Housing Benefit, or those who would otherwise be eligible for benefits but have no recourse to public funds. In the current jobs climate with so many households on furlough or working reduced hours, we need to ensure that support is fit for purpose so that people on low incomes can stay in their homes and have security over their living situation while we navigate through the storm of this crisis.

In addition to any increase in DHPs, the Government should temporarily lift restrictions on access to discretionary welfare which excludes those with no recourse to public funds, or provide a parallel funding pot which provides access to support with rent arrears for use by those without access to the benefit system.

### **Ensure renters can cover their housing costs and stay in their homes**

A pause on evictions matched with an effective and properly resourced grant scheme designed to address arrears can avoid a tidal wave of evictions.

However, we must also look forward and avoid a return to a situation where arrears are being amassed on this scale by ensuring that renters can weather the current lockdown and future uncertainty without a return to mounting arrears. We know that renters in Great Britain were struggling immediately pre-COVID-19, with just under one fifth of renters (19% of private renters and 18% of social renters) worried about paying their rent. For private renters earning under £25,000 per year, 26% were worried about paying their rent immediately pre-COVID-19.

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Going forward, the Government must take steps to ensure that renters have adequate incomes to ensure they can meet their costs, or housing that is affordable on their incomes, particularly against a background of ongoing restrictions and economic uncertainty.

Building more housing that is affordable to those on low incomes is key, particularly more homes for social rent, as we are currently only building 7% of the social rent homes that we need per year (Baxter and Earwaker, 2020). However, we also entered this pandemic with a social security system that was not giving families adequate support. Rather than being the strong lifeline that it is right that our society provides for us, it had become weak and was not anchoring people against being swept into poverty.

The Government recognised the need to strengthen our social security system and took swift action, implementing a £20 a week lifeline for those on Universal Credit and increasing Local Housing Allowance so that it was set at the 30<sup>th</sup> percentile of local rents. These interventions have enabled many families to stay afloat.

The Government did the right thing by taking these steps, but it needs to ensure that this progress is not undone.

It must now make the £20 a week uplift permanent and throw the same lifeline to people on legacy benefits. It must also commit to building more housing for social rent, and continue to increase Local Housing Allowance rates in line with local rents to ensure the benefit keeps pace with increases in housing costs, rather than the lower rate of inflation that LHA was updated in line with prior to the pandemic.

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## Notes

<sup>i</sup> All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 10,719 adults, of which 2,989 were renters. Fieldwork was undertaken between 20 - 27 October 2020. The survey was carried out online. The figures have been weighted and are representative of all Great Britain adults (aged 18+). Calculations of the number of households were made by combining polling data with figures from the Annual Population Survey 2019.

### **<sup>ii</sup> Details of methodology and figures used to calculate estimates of total rent arrears.**

Calculations of the total amount of rental arrears were made by JRF using the polling data. To calculate the total amount of rent arrears in England and Wales we asked respondents whether they were currently behind on their rent payments. Those respondents who indicated that they were behind on their rent payments were asked to estimate the total amount (in pounds) to the nearest £10. In our sample, 201 renters indicated that they were behind on their rent. Of these, 141 gave an estimate of their total rent arrears.

Using this data, we calculated the mean and 95% confidence intervals for rent arrears per household in arrears, with a weighted sample to calculate a lower, central and upper estimate of the average amount of rental arrears for households behind on rent. To extrapolate these figures out to all renters in England and Wales, we calculated the proportion of renters in rent arrears in our weighted sample, along with the 95% confidence intervals for this figure. We then applied these figures to the number of households living in rented accommodation in England & Wales (calculated from the ONS Annual Population Survey 2019), to calculate a lower, mid and upper estimate of the number of households in arrears.

To calculate our lower estimate of total rent arrears, we then multiplied our lower estimate of average rent arrears (per household in arrears) with our lower estimate of the number of rented households in arrears. Our central estimate multiplied the central estimate of average rent arrears (per household in arrears) with our central estimate of households in arrears. Our high estimate multiplied the higher estimate of average rent arrears (per household in arrears) with our high estimate of the number of households in arrears.

In the briefing, we have used our lower estimate of total arrears. This figure represents a conservative estimate of the amount of rent arrears in England & Wales. Due to uncertainty inherent in these figures, they should not be treated as an exact estimate of total rent arrears. Instead, they are intended as a guide to help identify the level of intervention needed in any policy proposal aimed at tackling arrears in the rental sector. Figures in the table below have been rounded to the nearest thousand.

	<b>Rent arrears, per household in rent arrears (£)</b>	<b>Rented households in rent arrears (%)</b>	<b>Total number of rented households in England &amp; Wales</b>	<b>Number of rented households in rent arrears</b>	<b>Total amount of rent arrears in England &amp; Wales (£)</b>
<b>Lower estimate</b>	745	6.4	8,096,000	517,000	385,263,000
<b>Central estimate</b>	1,065	7.4		600,000	637,225,000
<b>Upper estimate</b>	1,385	8.4		678,000	939,938,000

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## About the Joseph Rowntree Foundation

The Joseph Rowntree Foundation is an independent social change organisation working to solve UK poverty. Through research, policy, collaboration and practical solutions, we aim to inspire action and change that will create a prosperous UK without poverty.

We are working with private, public and voluntary sectors, and people with lived experience of poverty, to build on the recommendations in our comprehensive strategy - [We can solve poverty in the UK](#) - and loosen poverty's grip on people who are struggling to get by. It contains analysis and recommendations aimed at the four UK governments.

All research published by JRF, including publications in the references, is available to download from [www.jrf.org.uk](http://www.jrf.org.uk)

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