

Cynulliad Cenedlaethol Cymru / National Assembly for Wales  
Y Pwyllgor Cyfrifon Cyhoeddus / Public Accounts Committee  
Ymchwiliad i drefn reoleiddio Cymdeithasau Tai / Inquiry into Regulatory oversight of Housing Associations  
Ymateb gan Shelter Cymru / Evidence from Shelter Cymru

6<sup>th</sup> January 2017

## Our vision

Everyone in Wales should have a decent and affordable home: it is the foundation for the health and well-being of people and communities.

## Mission

Shelter Cymru's mission is to improve people's lives through our advice and support services and through training, education and information work. Through our policy, research, campaigning and lobbying, we will help overcome the barriers that stand in the way of people in Wales having a decent affordable home.

## Values

- Be independent and not compromised in any aspect of our work with people in housing need.
- Work as equals with people in housing need, respect their needs, and help them to take control of their lives.
- Constructively challenge to ensure people are properly assisted and to improve good practice.

## Introduction

Shelter Cymru welcomes the opportunity to provide a written response to this inquiry. We feel that our evidence has most relevance for the question on whether the current regulatory regime is effective in managing and mitigating sector-wide risks.

We would like to draw your attention to our recent report entitled '*Accessing and sustaining social tenancies: exploring barriers to homelessness prevention*'.

The 2015 Public Accounts Committee inquiry on how local authorities have responded to welfare reform expressed concern about a number of issues regarding access to, and the sustainability of, social tenancies. Shelter Cymru explored this issue, looking at registered social landlords (RSLs) as well as local authority tenancies. Our full report can be found [here](#)<sup>1</sup> and the executive summary [here](#)<sup>2</sup>.

### Accessing social tenancies

We noted a number of potential barriers for people on low incomes to accessing accommodation with RSLs. We found evidence that some Welsh RSLs have denied households a tenancy on affordability grounds on the basis of a pre-tenancy financial assessment, including in cases where the rent would be fully covered by Housing Benefit. In addition, many RSLs we spoke to told us that they charge rent in advance, seeing this as a measure to reduce arrears caused by the introduction of Universal Credit. However, this can be a significant barrier for households.

We feel there is an urgent need for more transparency and clarity regarding the financial assessment process and the use of rent in advance and more work should be undertaken to identify methods to ensure that RSLs are providing accommodation for people on very low incomes. At present there is a lack of monitoring information on the demographics of applicants refused a tenancy on affordability grounds. We feel this information is essential in order to prevent households being excluded from RSL properties when it is inappropriate and unfair to do so.

This will become even more important next year when Housing Benefit to social tenants will be capped at Local Housing Allowance levels, including the

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<sup>1</sup> <https://sheltercymru.org.uk/wp-content/uploads/2015/02/Accessing-and-sustaining-social-tenancies-exploring-barriers-to-homelessness-prevention.pdf>

<sup>2</sup> <https://sheltercymru.org.uk/wp-content/uploads/2015/02/Exec-summary-16-Sept.docx.pdf>

shared accommodation rate for single under-35s. Other [research](#)<sup>3</sup> has indicated that changes in management skills and practices are required if RSLs are to continue to provide accommodation for this group. Some landlords may be considering not housing under-35s at all unless they are work-ready. This is a great concern since privately rented accommodation is already unaffordable for under-35s in many parts of Wales and is often poor quality.

### Sustaining social tenancies

As part of our study we estimated the cost of evictions from social housing to the Welsh economy.

In general, information on how many people are evicted by Welsh social landlords is not publicly available, let alone more nuanced data on household type, numbers of children, extent of vulnerabilities and so on.

Using estimates we found that in 2015/2016, 517 households were evicted from RSLs in Wales. Of these, 178 evictions involved families with children (34% of evictions). From this we used available data on the impacts of eviction to estimate that the annual cost of evictions from RSLs to the Welsh economy is £13,644,619.

In addition to the financial cost, our research found that the personal impact of eviction is devastating with evicted tenants finding themselves without support to transition into stable housing, facing long-term homelessness and developing, or experiencing deterioration of, support needs such as mental and physical health conditions and substance misuse. Many of the evicted tenants we interviewed were still homeless more than six months post-eviction, suggesting that eviction from social housing is a life event that is difficult to recover from.

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[http://chcymru.org.uk/uploads/events\\_attachments/FINAL\\_Report\\_on\\_viable\\_housing\\_models\\_for\\_under\\_35s\\_-\\_Final\\_2016.pdf](http://chcymru.org.uk/uploads/events_attachments/FINAL_Report_on_viable_housing_models_for_under_35s_-_Final_2016.pdf)

Our research found that approaches to eviction prevention vary considerably between landlords. Despite evidence that many RSLs were employing innovative and proactive approaches to eviction prevention, we also noted examples of inconsistency and a lack of communication between other housing departments and support services. In some cases we found a discord between policy and practice – sometimes well-developed and inclusive policies were not followed by staff. However, we feel it is essential that policy consistently matches practice. At present, there is the danger that two people facing eviction could receive a different response from the same social landlord. While we welcome a tailored approach to eviction prevention, it is essential that all tenants facing eviction receive a consistent minimum standard of response and assistance to resolve the crisis. Early prevention will save both the financial and personal trauma of taking a tenant to court and, in some cases, evicting them.

We found a worrying practice of the use of section 21 notices by RSLs. A section 21 notice, or ‘no fault’ eviction notice, allows a landlord to regain possession of their property but only at the end of an assured short-term tenancy or fixed term tenancy agreement. This option denies tenants the right to defend their actions and doesn’t allow the court any discretion in preventing the eviction. The use of ‘no fault’ eviction grounds for social tenants in rent arrears goes against existing Welsh Government guidance<sup>4</sup>.

Next, we found that some RSLs routinely issue high numbers of ‘Notice of Seeking Possession’ (NoSPs). In one HA, approximately 1,500 were served in a year. This is despite tenants who faced eviction telling us that the issuing of the NoSP (without offers of accompanying support) actually hampered their desire and ability to engage with their landlords to resolve the issue that has led to the threat of eviction. We found that tenants in rent arrears were often likely to have poor mental health, and we found evidence that mental health conditions can be exacerbated by threats of eviction, causing people to disengage and withdraw. In this way, we conclude that in some

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<sup>4</sup> Welsh Assembly Government (2004) *The Use of Introductory and Starter Tenancies: A Good Practice Note to Welsh Social Landlords from the Welsh Assembly Government*

cases, efforts by RSLs to reduce arrears are in fact counter-productive to the aim of getting the rent paid.

Another significant barrier to eviction prevention is unrealistic payment plans being set by the social landlord. One tenant we spoke to during the research told us how they struggled to make the arrears repayments and had little help from the RSL when they pleaded with them to reduce the repayments to a more manageable amount. Only the intervention of independent advocacy resulted in the repayments being reduced to a level they could afford.

Overall, our evidence suggests that more can be done to ensure that Welsh social housing is continuing to meet the needs of people on very low incomes and the regulation of RSLs has a large role to play in this. Our recommendations are grouped into four main themes:

- *Establishing a Wales-wide approach to financially inclusive lettings* – this would need to be developed in collaboration with the sector as a whole, the aim being to ensure some consistency around policies such as rent in advance
- *Avoiding unnecessary court actions* – we asked the Welsh Government to replace the current pre-action protocol with a set of pre-action *requirements*, as is the case in Scotland, to guarantee that no tenant will be taken to court before their landlord has carried out certain basic steps such as checking there are no outstanding Housing Benefit issues
- *Developing a knowledge base on tenant engagement* – to help landlords to engage with tenants, using evidence-based approaches
- *Supporting local authority Housing Solutions teams to prevent homelessness* – for example, by improving referrals for tenants at risk of eviction.

An important first step, in our view, is to improve data collection on eviction practices. Landlords in receipt of public funds should be publicly

accountable on the question of how effectively they help to prevent homelessness. This should include publicly available data on how many eviction notices are issued, how many court actions taken, how many households evicted, and how different groups of people are affected particularly those with protected characteristics.

For more information please contact Jennie Bibbings, Campaigns Manager