

Monday 06 November 2023

WMCA Homelessness Taskforce submission to the Public Bill Committee for the Renters Reform Bill

Sent by email: scrutiny@parliament.uk

We hope that this information will be of assistance to the Public Bill Committee for the Renters Reform Bill, in its scrutiny of this legislation.

We are writing to you on behalf of the West Midlands Combined Authority Homelessness Taskforce; comprising the seven constituent local authorities of the West Midlands Combined Authority (WMCA), key public sector agencies, voluntary and community sector organisations and representation from the business community, as well as a Members Advisory Group made up of Cabinet Members with responsibility for homelessness from each of the seven constituent authorities, bolstering political leadership and accountability.

We very much welcome the introduction of the Renters Reform Bill and its aim to deliver a fairer, safer and secure private rented sector, supporting tenants with fewer unwanted moves. We further fully acknowledge the Bill's key objective of simplifying tenancy structures through the removal of Assured Tenancies and Assured Shorthold Tenancies, moving all tenants (with some exceptions) onto a single system of periodic tenancies.

However, we wish to make the Committee aware of an important unintended consequence of the planned proposals to a critical accommodation offer for young people transitioning into employment, who have experienced homelessness, known as **stepping stone accommodation**.

The WMCA Trailblazer Deeper Devolution Deal announced earlier this year includes a vital commitment from government to work with us to pilot the expansion of the Live and Work model of accommodation for young workers who have experienced homelessness. The model provides stepping stone accommodation at deflated rents for a period of time to enable young apprentices and young workers to Live and Work and be benefit free, encouraging work, financial management and improving lifeskills.

The [St Basils' pilot](#) in Sandwell has seen over 170 young people benefit from the scheme since 2015 with none claiming benefit, all working, saving deposits, and moving into the private rented sector when ready to move on. The model, independently evaluated, demonstrated that for every £1 that went into the scheme, there is a £14 return to the public purse.

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The housing model makes the critical link between homes and jobs, particularly for those young people who do not have access to family support or resources. The model however, does not fall into the category of supported accommodation, nor is it Key worker accommodation and therefore does not meet the tests within the Renters Reform Bill for non-periodic tenancies.

We believe that unless there is a minor amendment to the Bill, the stepping stone model would be seriously compromised and the pathway from expensive supported accommodation into employment would be made more difficult for some of our most vulnerable citizens.

We are therefore supporting the call for an amendment to cater for this model from organisations including the Chartered Institute of Housing, St Basils, Centrepont and National Housing Federation. The attached briefing from Centrepont further explains the rationale for the requested amendment.

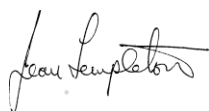
This is a new and innovative model, which we hope to extend and test at some scale across our region, making the critical transition out of homelessness through access to good employment.

Ultimately, we share the Bill's aim in seeking to provide safe and secure accommodation for everyone, including young people. We therefore request that the Bill Committee considers in detail the identified risks, not only to the commitments made by government within the WMCA Trailblazer Deeper Devolution Deal, but to all stepping stone accommodation provided across the country. We ask that you support our proposals for a minor change.

Yours sincerely,



Andy Street
Mayor of the West Midlands



Jean Templeton
**Chair of the WMCA Homelessness
Taskforce**



Councillor David Welsh
**Chair of the WMCA Homelessness
Taskforce Members Advisory Group
and Cabinet Member for Housing and
Communities, Coventry City Council**



Stepping stone accommodation briefing

This is a briefing from Centrepoint, St Basils, the National Housing Federation (NHF) and the Chartered Institute for Housing (CIH) relating to Stepping Stone Accommodation and the Renters (Reform) Bill. Stepping Stone Accommodation is mainly provided by Registered Providers of social housing and provides people, who would otherwise struggle to access social rented accommodation and/or afford private rented housing, with places to live at reduced rents for a defined period of time, on the condition that they are in employment or an apprenticeship.

Centrepoint, St Basils and the NHF fully support the goals of the Renters (Reform) Bill, in particular the ending of Section 21 Evictions, and would like to see the Bill successfully passed into law. However, one unintended consequence of the Renters (Reform) Bill is the impact on Stepping Stone Accommodation, as proposed reforms to tenancies and grounds for possession mean that the model is likely to become unviable.

Centrepoint, St Basils and the NHF are, therefore, keen to ensure that Stepping Stone Accommodation is able to continue by amending the Renters (Reform) Bill. This amendment will not obstruct any of the important reforms that the Renters (Reform) Bill will introduce. Rather, it will be an addition to the legislation that allows Stepping Stone Accommodation to continue supporting those who would otherwise struggle to access the private and social rented sectors.

Conditions of Stepping Stone Accommodation

Sub-market rents - meaning rents are deflated below LHA or social rent levels: Rates of rent may be calculated as a proportion of income (One third in Centrepoint's Independent living programme) or as a flat, deflated rent (£45 in shared student style flats for St Basils Live and Work programme).

Conditionality around work or apprenticeships: As residents are paying reduced rents, enabling them to save money to move on to the wider housing market, their tenancies are linked to employment (either through work or apprenticeships) with allowances for them to find jobs or apprenticeships within a defined time limit when needed.

Time limited tenancies: Under the current model all tenancies are limited to fixed terms of up to 3 years. This allows tenants to gain understanding of working and paying rent whilst preparing them for the wider housing market.

Stepping stone accommodation and the Renters (Reform) Bill

The Renters (Reform) Bill will end fixed term tenancies, meaning that Registered Providers of Stepping Stone Accommodation will no longer offer 3 year tenancies. Moreover, Registered Providers will only be able to end tenancies on legal grounds such as rent arrears or anti-social behaviour.

Both of these changes would mean that tenants living in Stepping Stone Accommodation could remain in their properties for as long as they wanted at sub-market rents. Furthermore, it would limit turnover of tenants and, subsequently, mean that types of Stepping Stone Accommodation would fail. To safeguard Stepping Stone Accommodation, we require an amendment to the Renters (Reform) Bill that provides legal grounds to end tenancies related to Stepping Stone Accommodation.

The future of the Stepping Stone Accommodation Model is at risk

Not to include legal grounds to allow Stepping Stone Accommodation to continue is at odds with the government's aims to support young people into employment and enable them to lead independent lives. This would also damage the Trailblazer Deeper Devolution Deal in the West Midlands (which mentions St Basil's Live and Work Programme), and impede the development of ongoing and future housing innovations.

We need to amend the Renters (Reform) Bill to enable these schemes to continue, and are currently working to draft a suitable amendment to the current legislation. We would be very happy to discuss this issue with you, and would welcome your support in promoting the continuation of the Stepping Stone Accommodation model.

For more information, please contact Tom Kerridge, Centrepoint Policy and Research Manager, at t.kerridge@centrepoint.org