















Renters' Rights Bill: House of Commons Report Stage

Duties on local authorities: care leavers – amendment NC6

This briefing provides information in support of amendment NC6 to the Renters' Rights Bill. If inserted into the Bill this provision would provide increased support for care leavers seeking to rent in the private rented sector.

The amendment states:

- "Duties of local authorities: care leavers
- (1) Where it is requested of a local housing authority by, or on behalf of
 - (a) a relevant child as defined by section 23A of the Children's Act 1989, or
 - (b) a former relevant child as defined by section 23C of the Children's Act 1989,

the local housing authority shall provide assistance to the individual making the request, or the individual on whose behalf the request is made, in paying or guaranteeing any deposit required to agree a tenancy.

(2) The assistance to be provided under subsection (1) may include, but not be limited to, the payment of a deposit on behalf of an individual listed in subsection (1), or acting as a guarantor for any deposit paid by or on behalf of an individual listed in subsection (1)."

1. Purpose of Amendment

The Renters' Rights Bill provides an opportunity to deliver more support to tenants who have traditionally struggled to access housing in the private rented sector. Young people who have grown up in foster or residential care frequently struggle to access private rented properties. Most landlords demand rent upfront alongside a deposit which can be very difficult for care

leavers to provide due to their low income and lack of familial financial support. Landlords can also require that there is someone who can act as a guarantor in the event of non-payment of rent which is again a significant challenge for young people who don't have family members who can perform this role.

This amendment would provide a clear and practically applicable duty on local authorities to mirror some of the support that many parents give their adult children when they first move into their own property. It would make it significantly easier for young people to find a suitable and safe place to live when they first leave care reducing the risk of care leavers ending up in unsafe properties or homeless.

2. Barriers care leavers face in accessing accommodation in the private rented sector

Ensuring young people who have grown up in care have a suitable and safe place to live is vital. However, evidence shows that care leavers often end up living in poorer quality accommodation including in less desirable areas of a city which can make accessing jobs or education difficult. It is estimated that one in three care leavers becomes homeless in the first two years immediately after they leave care¹. Young people also report feeling forced to take properties where they have felt unsafe, including moving into shared accommodation with much older adults².

The Prime Minister announced in September 2024 that care leavers should get priority access to social housing, wherever they choose to live³. This is a very important and welcome reform; especially as social housing may often be a preferred option for care leavers for many reasons. However, ensuring these young people have access to the private rental market is also important particularly given the shortage of social accommodation⁴ and length of waiting lists⁵.

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"It was a nightmare getting a deposit or having a guarantor, the deposit and four week bond needed. I couldn't do it, I had no one who could give me that money. I ended up living in some nasty places."

Alan, aged 19

There has been a reduction in the availability of private rented properties in England⁶ in recent years – which has resulted in more competition for homes with landlords increasingly able to pick and choose which tenants they take. This can disadvantage people who face additional challenges in their lives such as care leavers. A survey by Centrepoint found that 13% of care leavers has been refused housing because landlords refused to rent to them⁷. The same survey also found that 40% of care leavers reported not having

¹ APPG for Ending Homelessness (2017) appg for ending homelessness report 2017 pdf.pdf

² Barnardo's (2021) No Place Like Home: experiences of leaving the care system | Barnardo's (barnardos.org.uk)

³ Sir Keir Starmer speech to Labour Party Conference (2024) <u>Keir Starmer speech at Labour Party Conference 2024 – The Labour Party</u>

⁴ Social housebuilding in England is at its lowest rate in decades. Since 1991, there has been an average annual net loss of 24,000 social homes – <u>The housing deficit in 2023 | HA Magazine</u>

⁵ More than one in ten households are on council waiting lists for more than five years – see <u>Allocating social housing (England)</u> – <u>House of Commons Library (parliament.uk)</u>

⁶ Renting: Number of UK homes available down by a third - BBC News

⁷ Centrepoint (2017) From care to where - Centrepoint report

enough money for a deposit to enable them to rent a property.

In 2021 the then Government commissioned Josh MacAlister to undertake an independent review of the children's social care system in England. The final report identified that problems with finding suitable accommodation were significant for care leavers which was due to a range of reasons including the absence of parents to act as a guarantor. In light of this evidence, the Review recommended introducing a stronger safety net to prevent care leaver homelessness, including providing a rent guarantor scheme.

3. The provision of rent deposit and guarantor schemes for care leavers

Some care leavers can access support from their local authority who provide help with deposits or act as a corporate guarantor. These schemes reduce the barriers young people face when seeking to rent private properties. Local authorities also report that by offering support to both young people and landlords they can reduce the risk of default and therefore such schemes do not pose a significant financial risk. For example, Kent County Council, which provides a joint rent deposit and guarantor scheme for care leavers had no defaults in rent in the first three years of operation.

However, not all local authorities have such schemes, and access can be a postcode lottery. NYAS (National Youth Advocacy Service) have recently done an FOI request of all local authorities and found that care leavers in less than half of England's local authorities were able to access such schemes.

A recent FOI request by

NYAS found that in England,
only 48 local authorities
(42.48% of those who
responded) reported that
they would act as a
guarantor for a care leaver
wishing to access privately
rented accommodation.

One local authority told NYAS

The same FOI also found that even when a local authority will act as a guarantor or provide a rent deposit, not all care leavers in the area can access these offers. In England, 60% of local authorities that will act as guarantors will only do so if a care leaver meets specific eligibility criteria.

Examples of these arbitrary criteria include:

- Only if the care leaver is enrolled in university
- Only where the care leaver has completed a needs assessment showing they are motivated
- A requirement to provide evidence of maintaining a previous accommodation with no issues

"Acceptance is not automatic; you have to apply, and you have to be able to show that you are good at managing your money, you have made a budget and can, afford the place you want to rent".

It is also unlikely that in the current climate many more local authorities will be able to provide rent guarantor and deposit schemes without the assistance of central government. Pressures on children's social care are at an all-time high. There are now over 80,000 children growing up in

care in England – an increase of 21% over the last decade⁸. The cost of any residents not being able to access tenancies is also vast, with councils spending at least $\mathfrak{L}1.74$ billion a year on temporary accommodation⁹.

Amending the Renters' Rights Bill to require all local authorities to provide assistance to care leavers seeking to rent – including the possibility of providing assistance with rent deposits and guarantors - would send a clear signal of the expectation that this support should be provided.

We would also recommend that the amendment should be accompanied by funding provided to local authorities to help with the initial set up costs associated with such schemes. Barnardo's has calculated that a one-off investment of £30m would be needed to establish such schemes across England, along with a much more modest ongoing cost of around £6.4m per year 10 .

Action you can take

We are asking all MPs to consider adding their support to this amendment and hoping as many as possible will speak in support of this issue when the Bill returns to the Commons at Report stage.

For more information and to discuss this issue further please contact Nicola Smith, Senior Policy Adviser, Barnardo's at nicola.smith4@barnardos.org.uk. We would be happy to provide an oral briefing if this would be helpful.

About Barnardo's

At Barnardo's, our purpose is clear - changing childhoods and changing lives, so that children, young people, and families are safe, happy, healthy, and hopeful. Last year, we provided essential support to 356,200 children, young people, parents and carers through 760 services and partnerships across the UK. For over 150 years, we've been here for the children and young people who need us most – bringing love, care and hope into their lives and giving them a place where they feel they belong. www.barnardos.org.uk

⁸ Statistics from the Department for Education Statistics: looked-after children - GOV.UK

⁹ Generation Rent (2024) Local councils facing temporary accommodation crisis - Generation Rent

¹⁰Barnardo's (2023) Rent guarantor - FINAL.pdf