

NEW AFFORDABLE HOMES:

What, for whom and where have Registered Providers been building between 1989 – 2009?

Appendices

May 2011

Contents

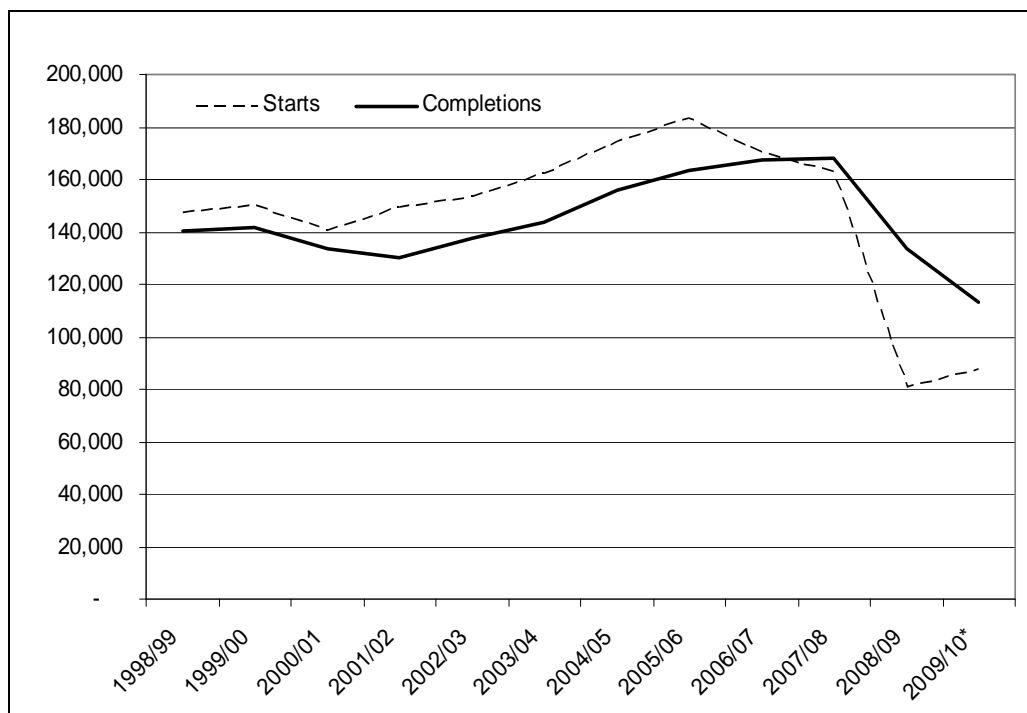
Appendix 1: What has been built now, compared with in the past, in terms of tenure and type/size?	3
Appendix 2: Who has been getting new build social housing?.....	13
Appendix 3: Lessons from the literature and existing studies	31
Appendix 4: Regional picture of General Needs social housing	46
Appendix 5: Regional picture of deprivation and tenure context of new affordable housing.....	74
Appendix 6: Derivation of tenure mix categories.....	79
Appendix 7: Selection of deprivation index components	81
Appendix 8: Spatial moving averages	84
Appendix 9: References	85
Glossary	88

Appendix 1: What has been built now, compared with in the past, in terms of tenure and type/size?

1.1 Starts and completions in England

Housing starts in England fell by 83% from 147,190 in 1998/99 to 80,360 in 2008/09 (Chart 1). This was less than half of the level they reached when the market peaked in 2005/06. However, the provisional figure for housing starts in 2009/10 showed they were 8% above the lowest point seen in 2008/09.

Chart 1: Housing starts and completions, England 1998/99–2009/10



* Provisional figure provisional and subject to revision

Source: DCLG (2010) House building: March quarter 2010, England, *Housing Statistical Release*, Table 1a

Housing completions in England were down by 5% to 133,830 in 2008/09, from 140,260 in 1998/99 (Chart 1). The decline became steeper after 2007/08 – a 26% fall between 2007/08 and 2008/09, and another 18% fall between 2008/09 and 2009/10.

1.2 Housing completions by tenure

Private enterprise housing completions increased from 132,500 in 1990/91, reaching a peak of 145,680 in 2006/07 (Table 1). Annual completions then fell to 107,710 in 2008/09, 26% below the peak. By comparison, completions by Registered Providers (RPs) increased from 14,580 in 1990/91, reaching a peak of 31,380 in 1994/95. Completions then fell to 13,080 in 2002/03 before rising to 25,550 in 2008/09, 19% below the peak. Housing completions by local authorities (LAs) have dropped even more dramatically from 12,960 in 1990/91 to only 570 in 2008/09, reflecting the change in the funding regime.

Table 1: Housing completions by tenure, England 1990/91–2009/10

	Private enterprise		Registered Providers		Local authorities	
	Completions	% change on previous year	Completions	% change on previous year	Completions	% change on previous year
1990/91	132,500		14,580		12,960	
1991/92	132,050	0%	15,970	9%	7,110	-82%
1992/93	115,910	-14%	23,970	33%	2,580	-176%
1993/94	116,050	0%	30,210	21%	1,450	-78%
1994/95	125,740	8%	31,380	4%	850	-71%
1995/96	123,620	-2%	30,230	-4%	760	-12%
1996/97	121,170	-2%	24,630	-23%	450	-69%
1997/98	127,840	5%	21,400	-15%	320	-41%
1998/99	121,190	-5%	18,890	-13%	180	-78%
1999/00	124,470	3%	17,270	-9%	60	-200%
2000/01	116,640	-7%	16,430	-5%	180	67%
2001/02	115,700	-1%	14,100	-17%	60	-200%
2002/03	124,460	7%	13,080	-8%	200	70%
2003/04	130,100	4%	13,670	4%	190	-5%
2004/05	139,130	6%	16,660	18%	100	-90%
2005/06	144,940	4%	18,160	8%	300	67%
2006/07	145,680	1%	21,750	17%	250	-20%
2007/08*	144,740	-1%	23,100	6%	300	17%
2008/09*	107,710	-34%	25,550	10%	570	47%
2009/10*	88,610	-22%	24,540	-4%	270	-111%

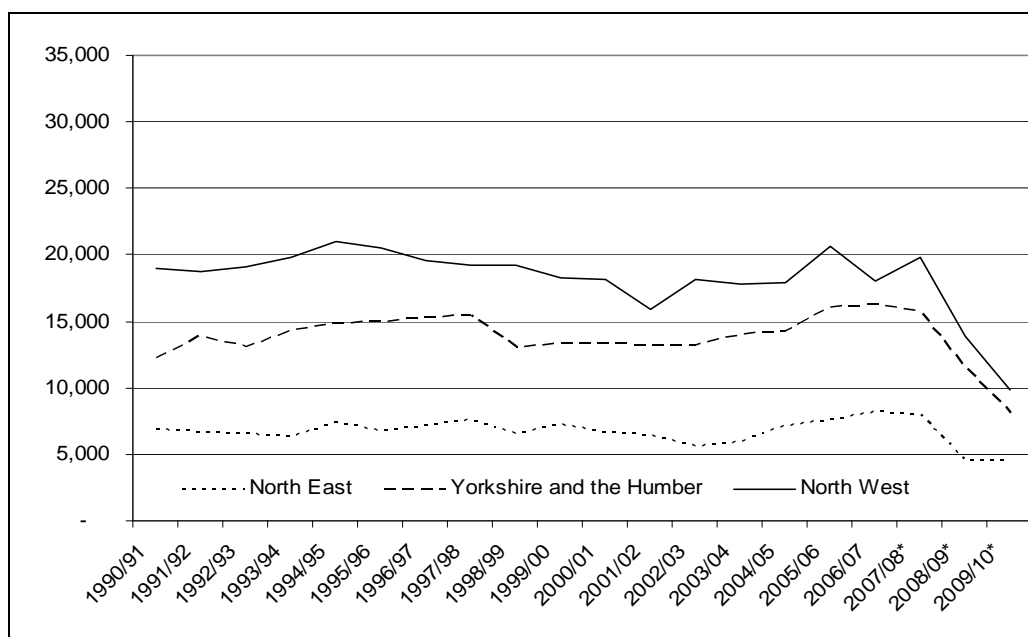
* Provisional figure provisional and subject to revision
Source: DCLG Live Table 253

1.3 Regional trends in housing completions

Regional figures shown in Charts 2a–2c are based on the DCLG Live Table 232. Eight out of the nine regions experienced a fall in annual completions between 1990/91 to 2008/09, only London experienced a rise of 11% (see Charts 2a, 2b and 2c). During this period, the number of housing completions was the highest in the South East and the lowest in the North East. In 2008/09, completions in the South East accounted for 21% and 3% in the North East respectively, of completions in England.

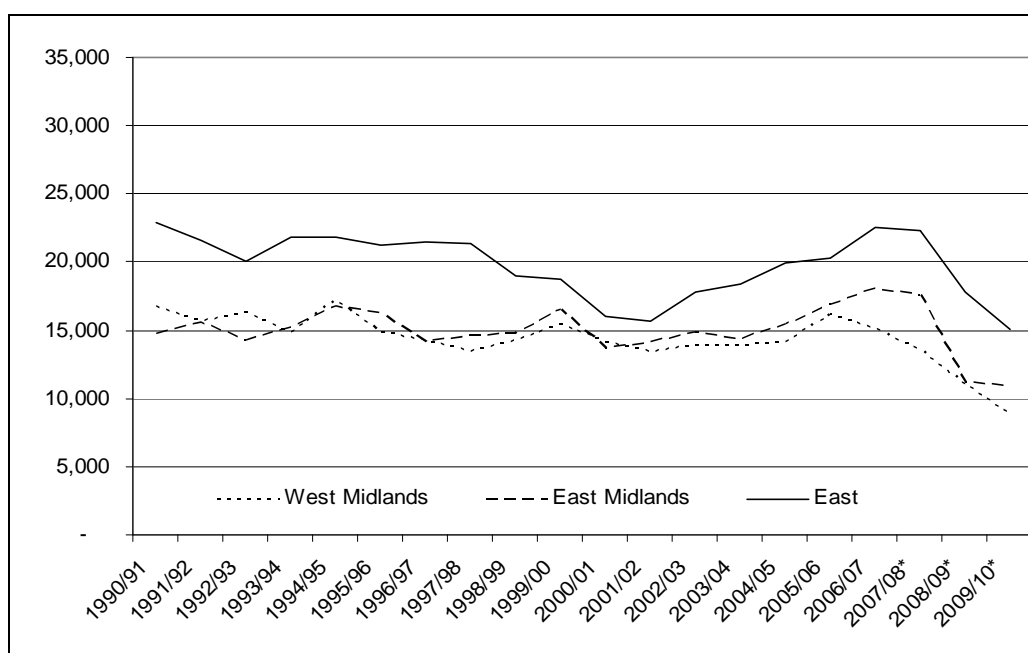
Completions were higher in London (1%) in 2009/10 than in 2008/09. In all other regions, completions were lower. The largest falls were experienced in the Yorkshire and The Humber (42%), the North West (41%), the West Midlands (27%) and the South West (26%).

Chart 2a: Trends in housing completions in the North East, North West and Yorkshire and The Humber, 1990/91–2009/10



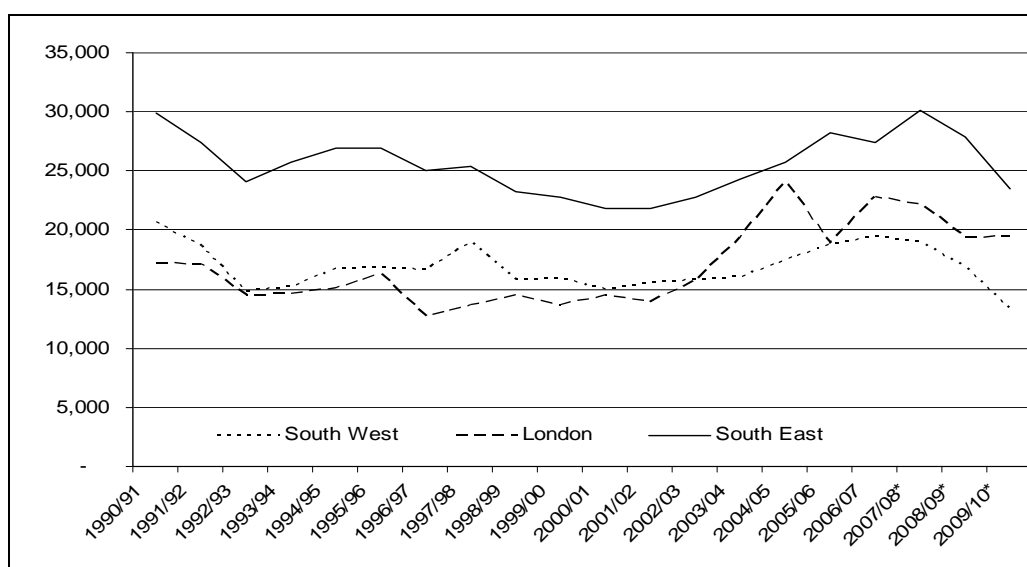
* Provisional figure provisional and subject to revision
Source: DCLG Live Table 253

Chart 2b: Trends in housing completions in the East of England, East Midlands and West Midlands, 1990/91–2009/10



* Provisional figure provisional and subject to revision
Source: DCLG Live Table 253

Chart 2c: Trends in housing completions in London, the South East and South West, 1990/91–2009/10

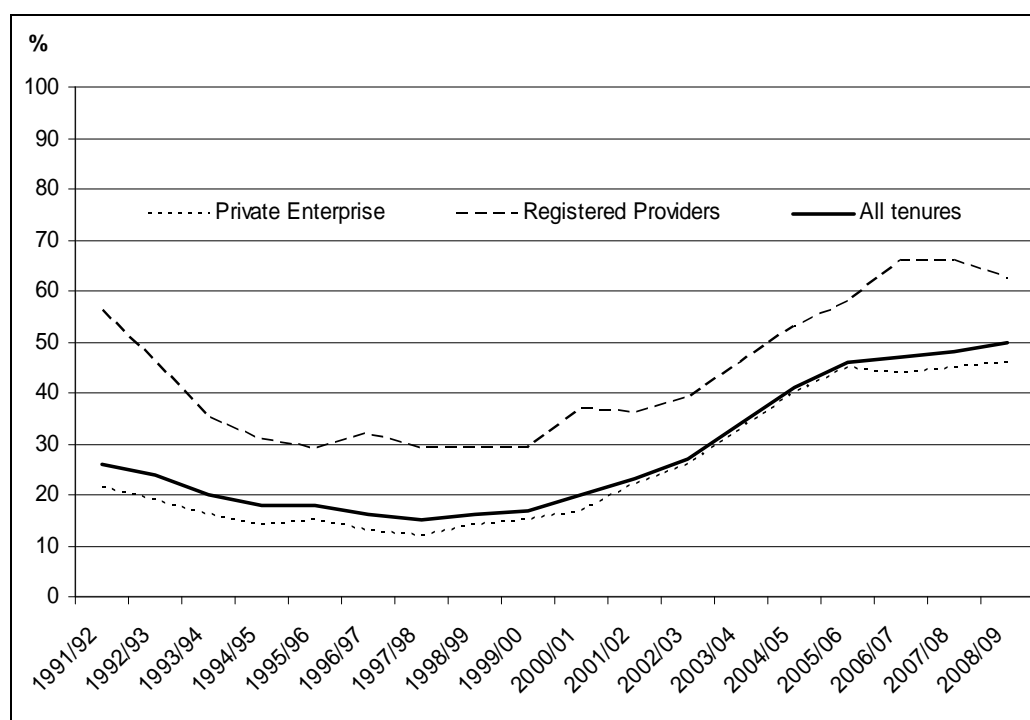


* Provisional figure provisional and subject to revision
 Source: DCLG Live Table 253

1.4 Housing completions by property type

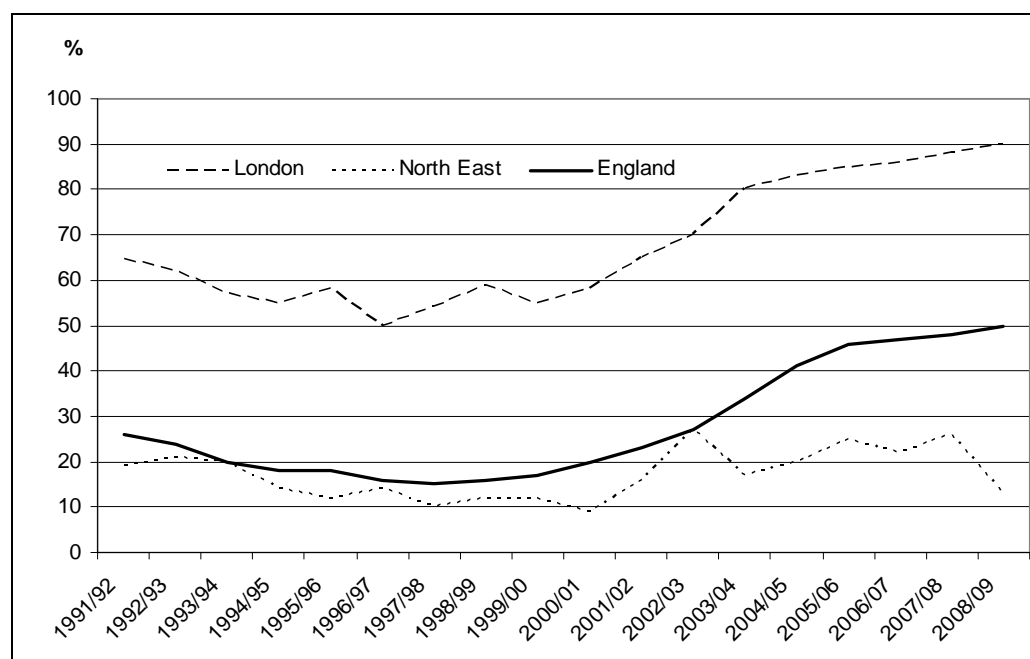
An increasing proportion of housebuilding output in England are flats. Newly built flats accounted for 26% of all permanent dwellings completed in 1991/92, but by 2008/09, half of them were flats (Chart 3a). Proportionally, RPs have built more flats than private developers. The proportion of flats in all completions by RPs fell from 56% in 1991/92 to 29% in the years of 1997/98 to 1999/2000, then rose steadily afterwards, reaching a peak of 66% in 2006/07 and 2007/08, before falling to 62% in 2008/09. By comparison, the proportion of flats in all private sector completions increased from 21% in 1991/92 to 46% in 2008/09.

Chart 3a: Proportion of flats in all permanent dwellings completed in England, 1991/92–2008/09



Source: DCLG Live Table 254

Chart 3b: Proportion of flats in all permanent dwellings completed in London and the North East, 1991/92–2008/09



Source: DCLG Live Table 254

Regionally, the proportion of flats in all completed dwellings has always been highest in London. Newly built flats in London accounted for 65% in all permanent dwellings completed in 1991/92, they fell slightly to 50% in 1996/97, but started to rise steadily afterwards and reached 90% by 2008/09

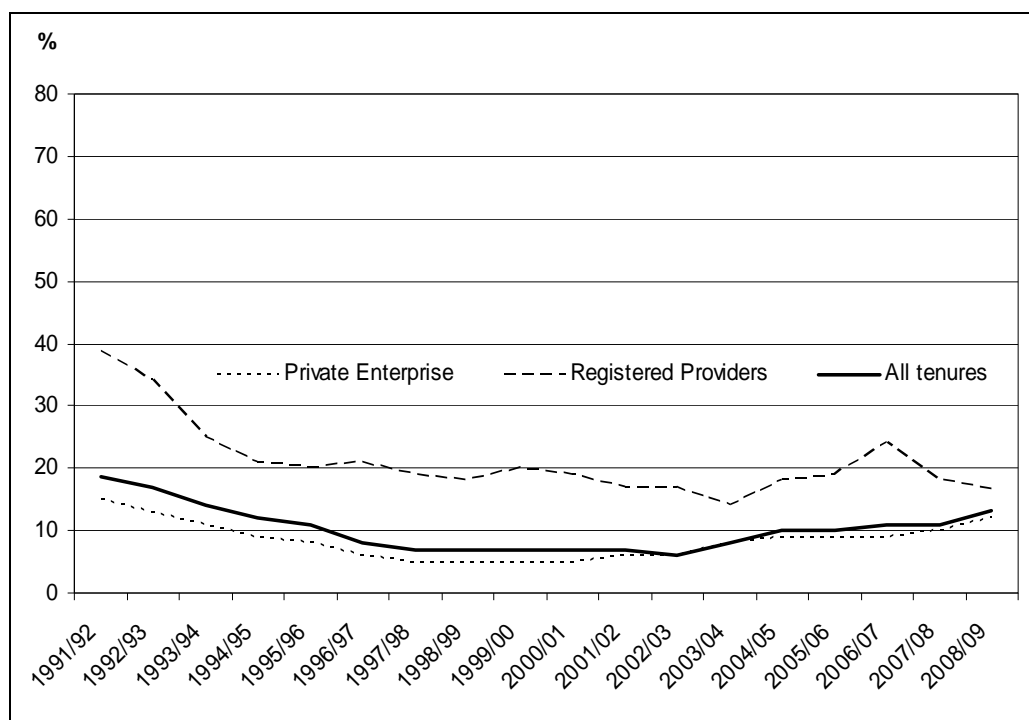
(Chart 3b). In all other regions, except the East Midlands, Yorkshire and The Humber, and the North East, proportions of flats in all completions were close to the national average. The North East had the lowest proportions of flats in housing completions which fell from 27% in 2002/03 to 13% in 2008/09.

1.5 Housing completions by bed-size

Charts 4a–4c provide information about housing completions in England by bed-size for both houses and flats. They show clearly the increasing trend in building two-bed dwellings. Newly built dwellings with two bedrooms accounted for 32% of all permanent dwellings completed in 1991/92, and by 2008/09, they were 46% (Chart 4b). Proportionally, RPs have built more two-bed dwellings than the private sector. The proportion of two-bedroom dwellings in all housing completions by RPs increased from 41% in 1991/92 to 45% in 2002/03, then rose sharply afterwards and reached to 61% in 2008/09. By comparison, the proportion of one-bed dwellings completed fell throughout the period (Chart 4a). One-bed dwellings completed by RPs fell from 39% of all completions in 1991/92 to 17% in 2008/09. RPs have also built fewer larger dwellings (Chart 4c). The proportion of dwellings with three or more bedrooms rose from 20% in 1991/92 to over 30% in the period between 1993/94 and 2003/04, then fell afterwards to 22% in the years of 2007/08 and 2008/09.

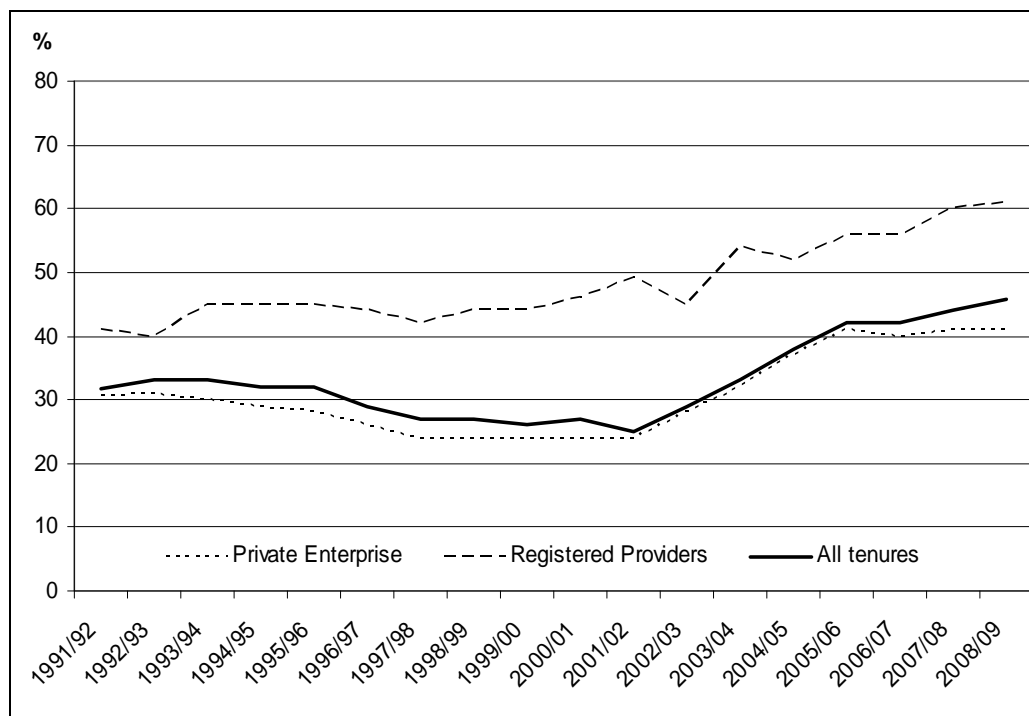
The proportion of two-bedroom dwellings in all completed dwellings was highest in London (Chart 4d). Newly built two-bedroom dwellings in London accounted for 37% of all permanent dwellings completed in 1991/92, rising steadily to 50% in the years of 1998/99 to 1999/2000 and then to 64% in 2008/09. Proportions of two-bed dwellings completed in all other regions, except the East Midlands, Yorkshire and The Humber, and the North East, was close to the national average. Once again, the North East has the lowest proportion of two-bedroom completions which was within the range of 30% throughout the period.

Chart 4a: Proportion of one-bedroom in all permanent dwellings completed in England, 1991/92–2008/09



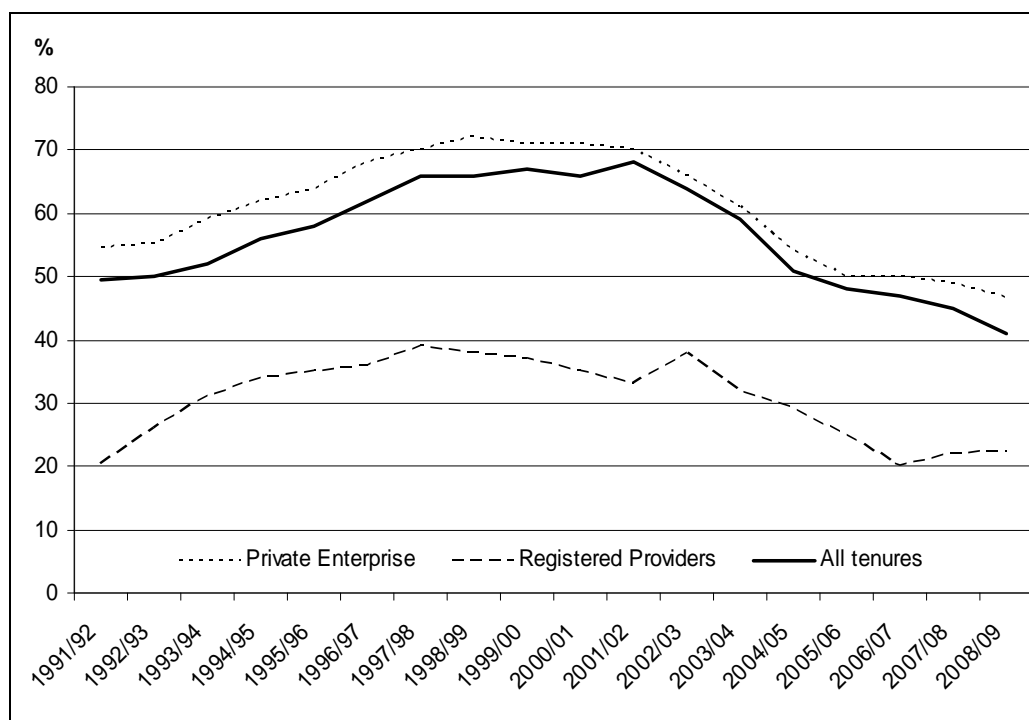
Source: DCLG Live Table 254

Chart 4b: Proportion of two-bedrooms in all permanent dwellings completed in England, 1991/92–2008/09



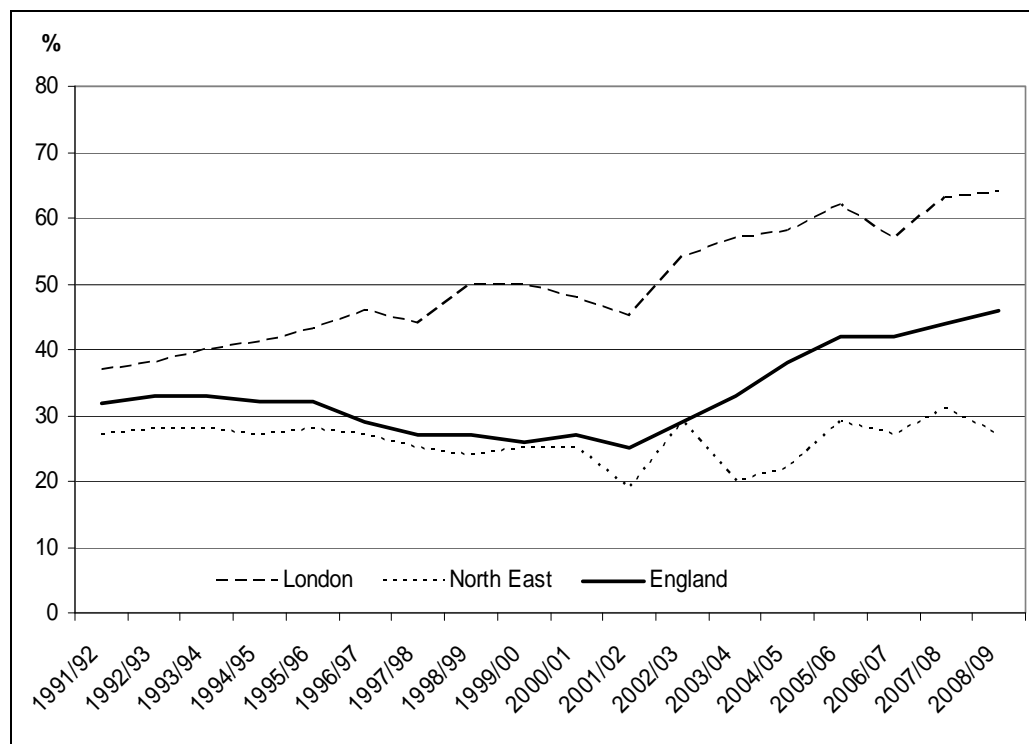
Source: DCLG Live Table 254

Chart 4c: Proportion of three+ bedrooms in all permanent dwellings completed in England, 1991/92–2008/09



Source: DCLG Live Table 254

Chart 4d: Proportion of two-bedrooms in all permanent dwellings completed in London and the North East, 1991/92–2008/09



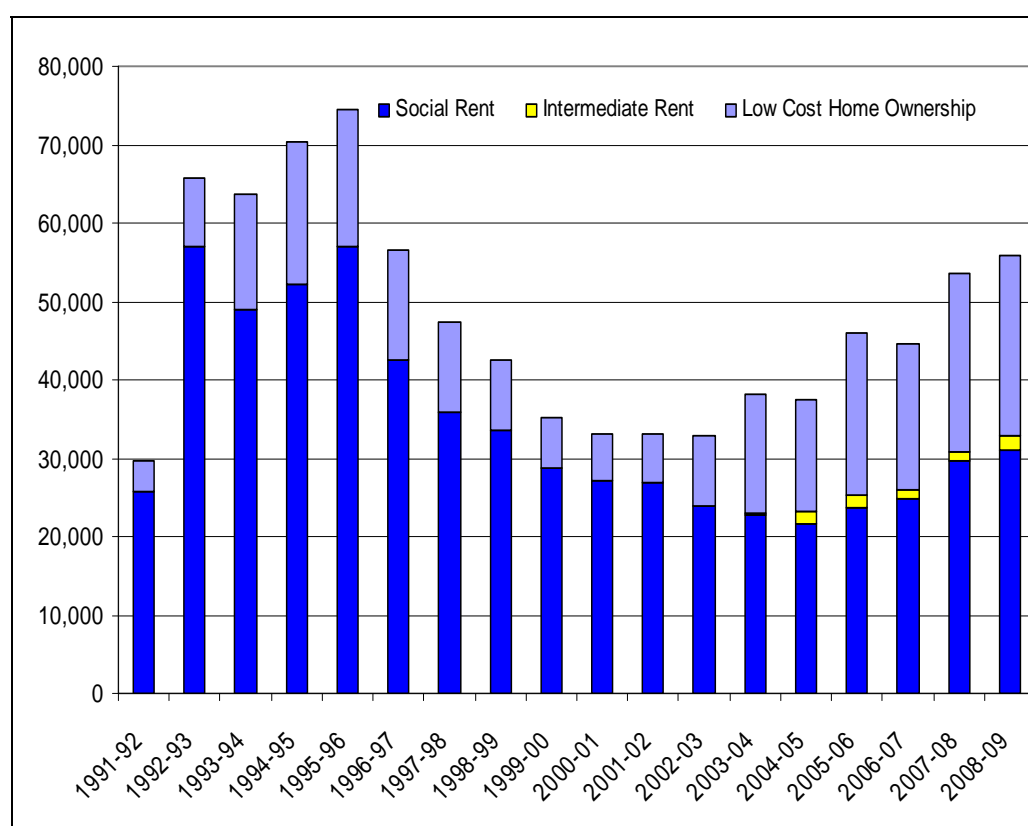
Source: DCLG Live Table 254

1.6 Additional affordable homes in England

The number of additional affordable homes (the sum of social rented housing, intermediate rented housing and low cost home ownership housing (LCHO)) in England increased by 88% from 29,680 in 1992/93 to 55,770 in 2008/09 (Chart 5a). As the role of LAs in delivering new social rented housing has faded out (see Table 1), almost all the social rented homes delivered are now built by RPs funded mainly or partly by government grants. The number of additional social rented homes increased dramatically from 25,710 in 1991/92 to over 57,000 in 1992/93, then remained at a relatively high level up to 1996/97, then fell to 21,670 in 2004/05, but climbed up again and reached 31,090 in 2008/09. RPs have also increasingly developed large numbers of low-cost and open market homes for purchase. The annual output of low cost home ownership homes rose from 3,970 in 1992/93 to 22,970 in 2008/09, accounting for 41% of all additional affordable homes in England.

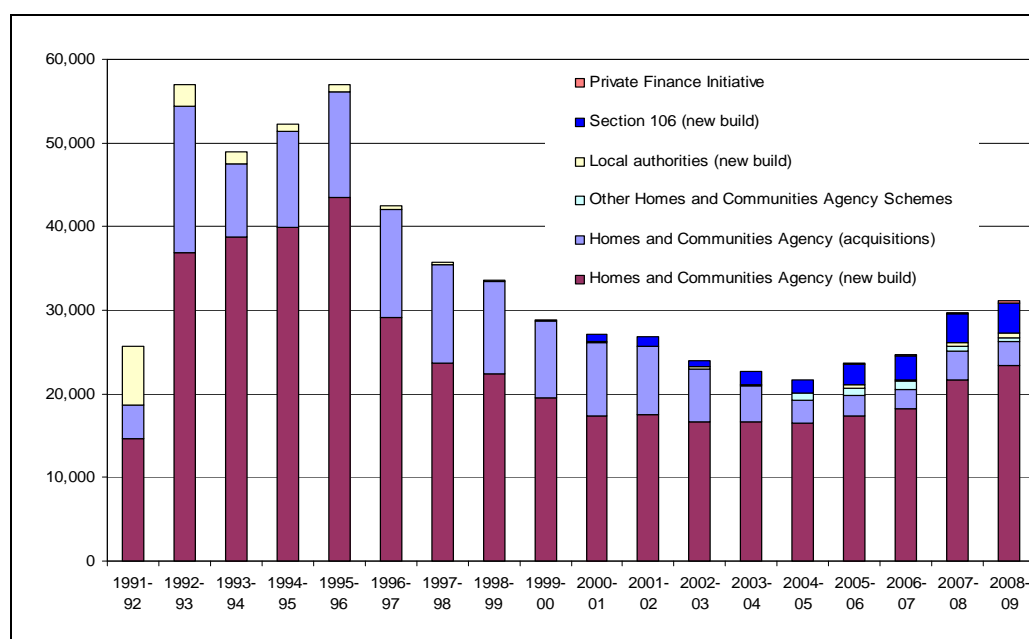
Chart 5b looks exclusively at additional social rented housing. The majority of additional social rented housing was funded by the Homes and Community Agency (HCA). Nevertheless, there was an increase in the contribution from Section 106 (S106) to new social housing. In 2000/01, S106 new build accounted for only 3% of all additional social rented housing, but it had risen to over 10% by 2005/06. These two latter proportions relate only to new social housing built exclusively using developer contributions through S106. Many of the other categories were also delivered through S106 but with the additional aid of public subsidy.

Chart 5a: Additional affordable homes provided in England, 1991/92–2008/09



Source: DCLG Live Table 1000

Chart 5b: Additional affordable social rented housing by type of scheme in England, 1991/92–2008/09

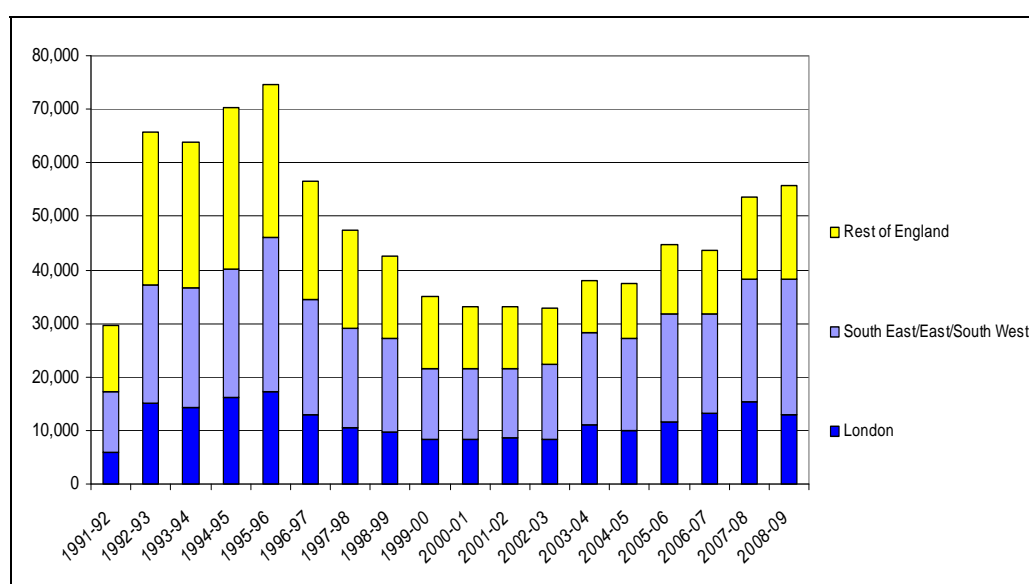


Source: DCLG Live Table 1000

1.7 Regional trends in additional affordable homes

All nine regions experienced an increase in additional affordable homes (the sum of social rented housing, intermediate rented housing and low cost home ownership housing) between 1991/92 and 2008/09 (Chart 6). During this period, numbers of additional affordable homes were always the highest in London and the lowest in the North East. In 2008/09, London had 23% of all additional affordable homes in England, while the North East had only 3%.

Chart 6: Additional affordable homes (the sum of social rented housing, intermediate rented housing and low cost home ownership housing) provided by region, 1991/92–2008/09



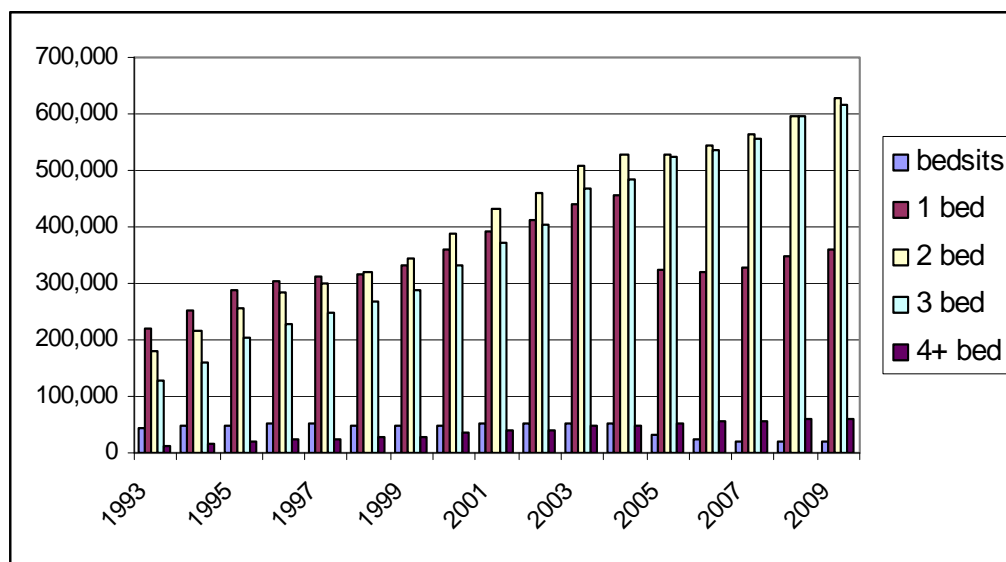
Source: DCLG Live Table 1000

Appendix 2: Who has been getting new build social housing?

2.1 New tenants of General Needs new lets made by RPs

Over the past 20 years, the social housing stock owned by RPs has grown in size.

Chart 7a: General Needs (stock) owned by RPs by bed size, 1993–2009



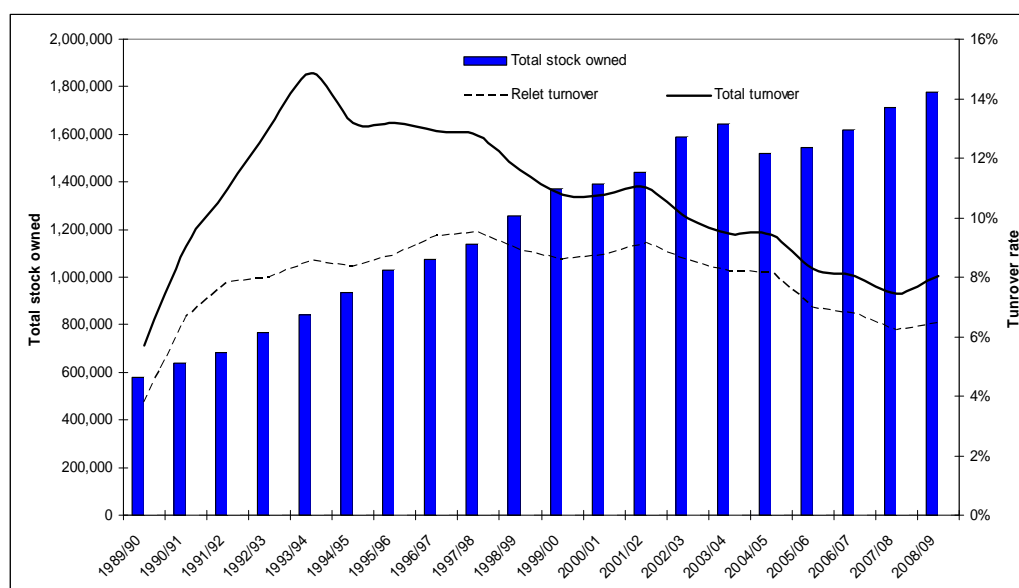
Source: Regulatory Statistical Return (RSR) 1993-2009

Chart 7a shows General Needs social housing stock by bed-size. While the total stock has grown, there has been a striking increase in two-beds and three-beds, a small increase in four+ bed, and a fall in bedsits. This chart does not record hostel bedspaces but they too have fallen sharply and are now less than half their number in 1993.

The main reason for the growth of the stock owned by RPs has been stock transfer from LAs. This is illustrated in Chart 7b below. The 'blip' in 2004 and 2005 marks the removal of sheltered housing from General Needs to supported housing.

Chart 7b also shows the turnover rate of General Needs social rented housing, i.e., the sum of new lets and re-lets as a proportion of the stock. In the early 1990s, the number of lettings rose. However, since 1993/94, lettings began to fall, and as the chart shows, this was because of a decline in new build. Overall, the chart shows the huge impact of the decline in new builds and the growth of the sector through stock transfer.

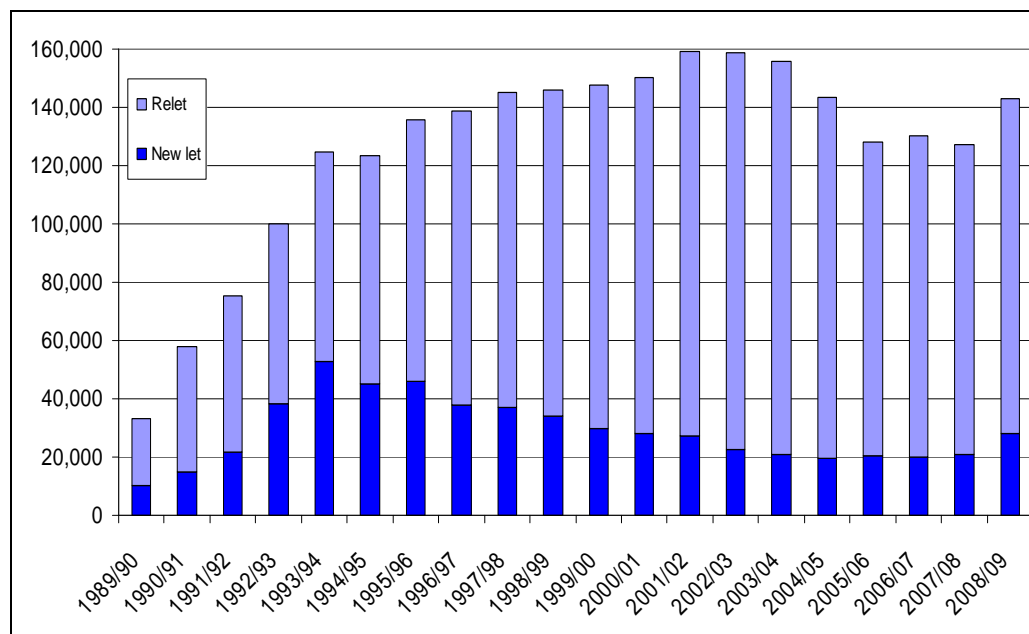
Chart 7b: General Needs stock and turnover, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

Chart 8 shows the trend of re-lets and new lets in General Needs social housing. The proportion of new lets has declined since the early 1990s. This suggests that in 1993/94, a new tenant had a higher chance of getting a new home than today because the sector has grown through stock transfers while new build has declined.

Chart 8: General Needs lettings made by RPs, 1989/90–2008/09

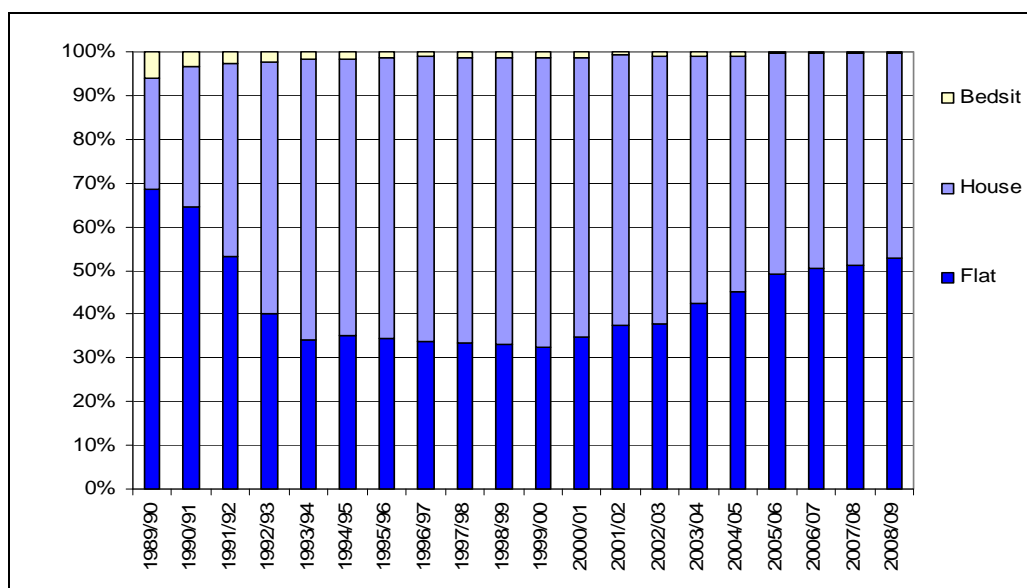


Source: HA CORE GN 1989/90–2008/09

Looking exclusively at new lets, flats are now around 52% of the total (see Chart 9a). This was a rise since the mid-90s/early 2000s when they were only about 35%, but lower than during the last recession in 1989/90 when flats were 66% of all new build social housing. This pattern is quite striking

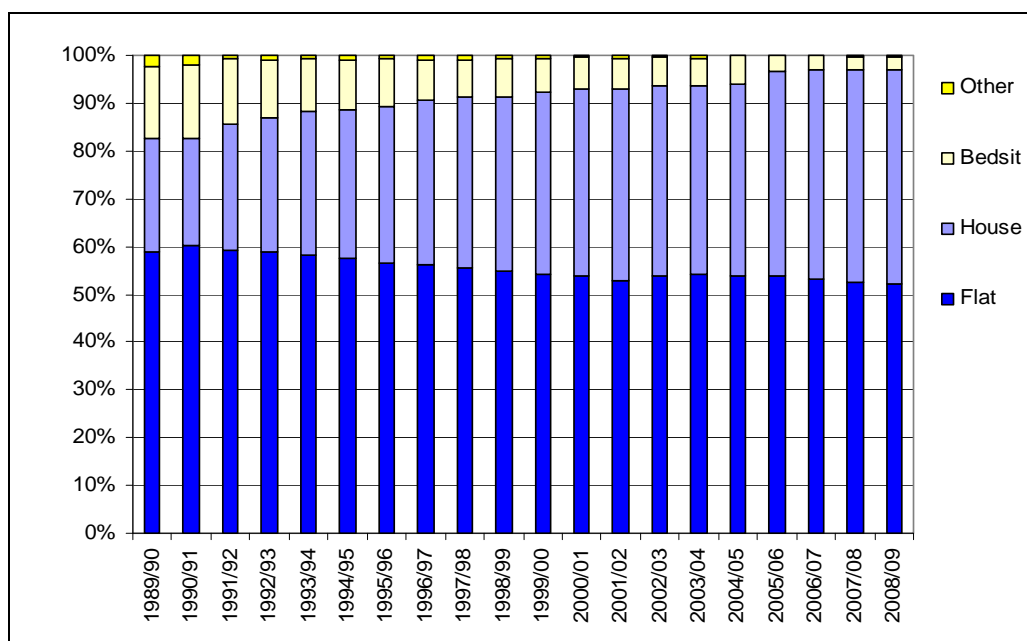
and illustrates how new build in the social sector follows the cycle in the housing market.

Chart 9a: General Needs new lets by property type, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

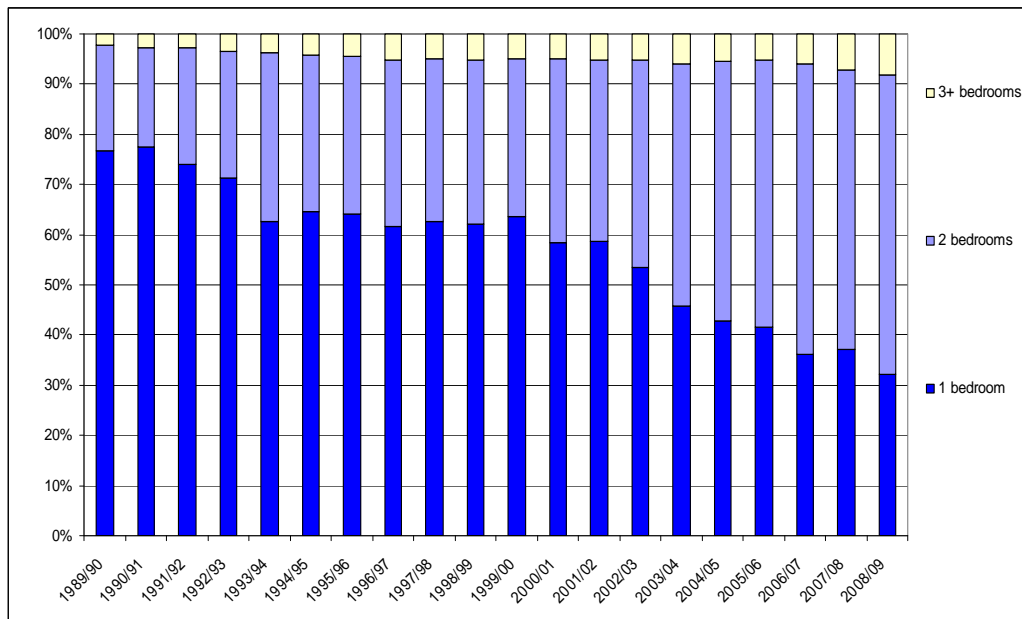
Chart 9b: General Needs re-lets by property type, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

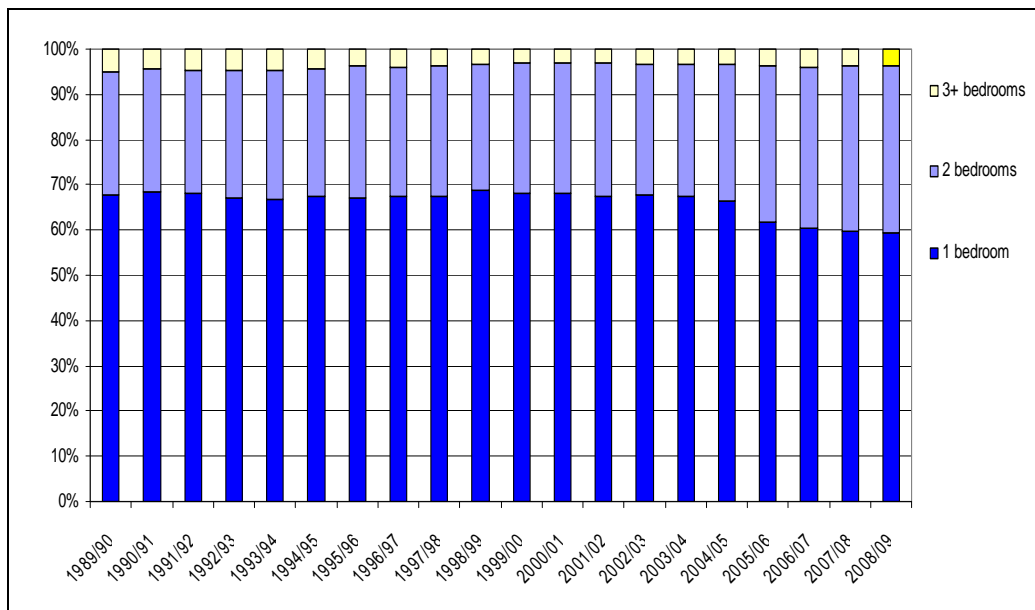
Among new builds, since 1999/2000, there has been a large increase in two-beds, a fall in one-beds and a decline in three+ beds. This pattern is the same for both houses and flats (Charts 10a and 11a). However, flats have consistently amounted to 90% of one-beds.

Chart 10a: General Needs new lets flats by bed-size, 1989/90–2008/09



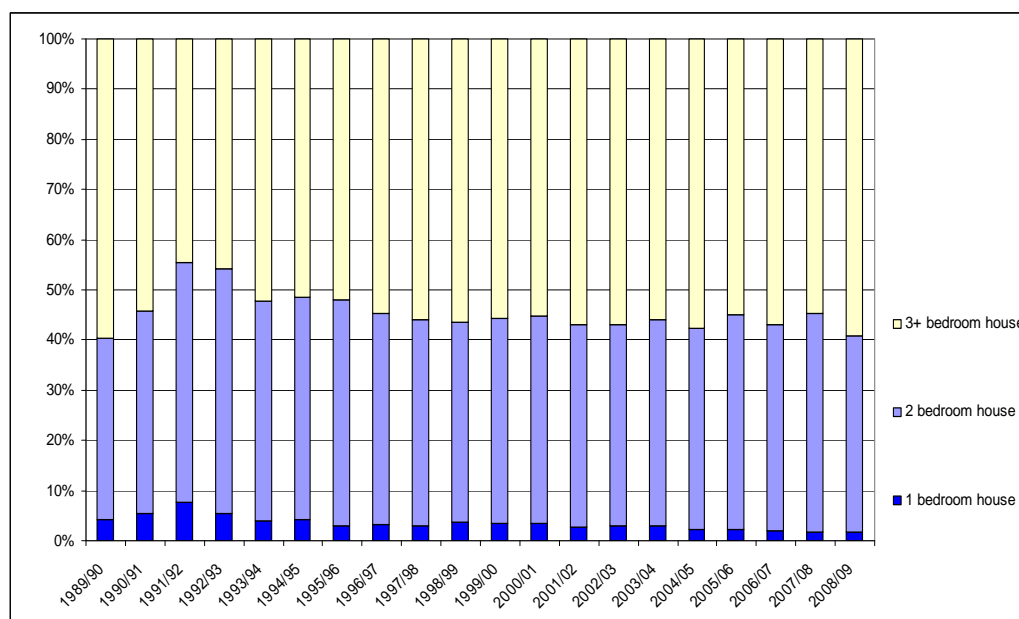
Source: HA CORE GN 1989/90–2008/09

Chart 10b: General Needs re-lets flats by bed-size, 1989/90–2008/09



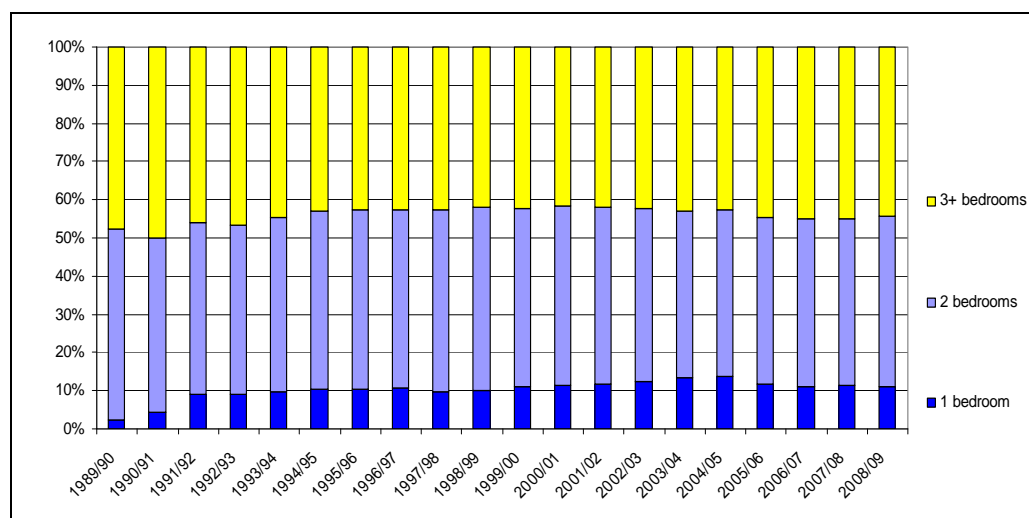
Source: HA CORE GN 1989/90–2008/09

Chart 11a: General Needs new lets houses by bed-size, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

Chart 11b: General Needs re-lets houses by bed-size, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

These changes – in the mix of flats and houses; an increase in two-beds for both flats and houses; but for houses, the numbers of two-beds and larger units have increased while for flats the numbers of two-beds and smaller units have decreased – have generated an overall pattern which in 2008/09 is shown in Table 2.

Table 2: General Needs new lets by property type, 2008/09

	New let			Flats as a % of total	Re-let			Flats as a % of total
	Flat	House	Total		Flat	House	Total	
1-bedroom	4,894	236	5,136	95%	35,650	5,727	41,425	86%
2-bedroom	8,857	5,141	14,030	63%	22,108	22,927	45,154	49%
3+ bedrooms	1,198	7,766	9,001	13%	2,260	22,872	25,250	9%
Total	14,949	13,143	28,237	53%	60,018	51,526	114,857	52%

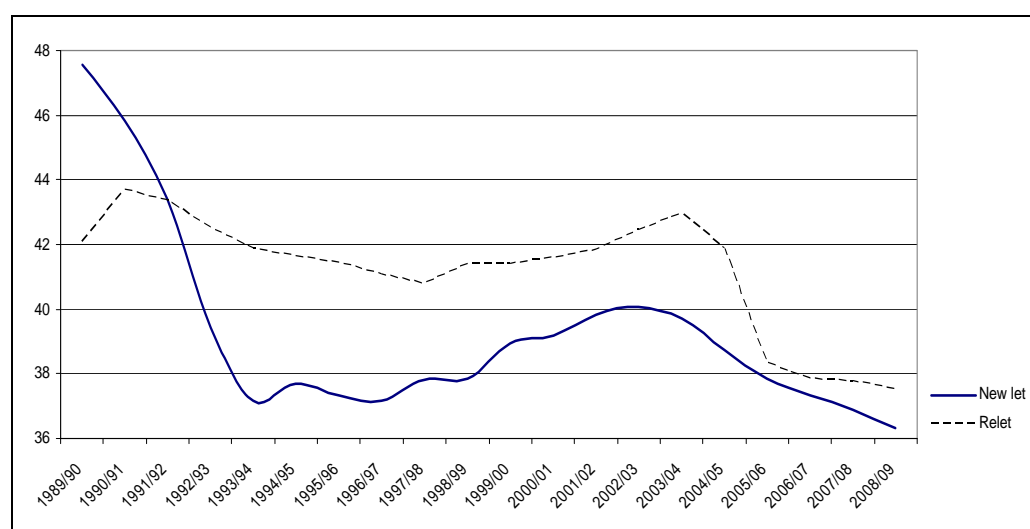
Source: HA CORE GN 2008/09

2.2 Who has been getting new let General Needs social housing?

The overwhelming majority of nominations to new let properties are by LAs. CORE data shows that these are currently running at nearly 80%. The proportion rose in the early 1990s, remained fairly static from 1993/94 to 2005/06, and then has risen again. This may reflect the increase in choice based lettings (CBL), as an agreed letting through a CBL scheme counts as an LA nomination.

Chart 12 shows the average age of new tenants in General Needs housing. The steep decline in average age in new lets, from 48 in 1989/90 to 37 in 1993/94, reflects the decline in housing the elderly. The rise since then is associated with the rise in turnover and falling house prices as couple households leave the sector (either directly or through Right to Buy (RTB)). However, after 2003/04, the average age of new lets declined again when house prices started rising and people could not move out.

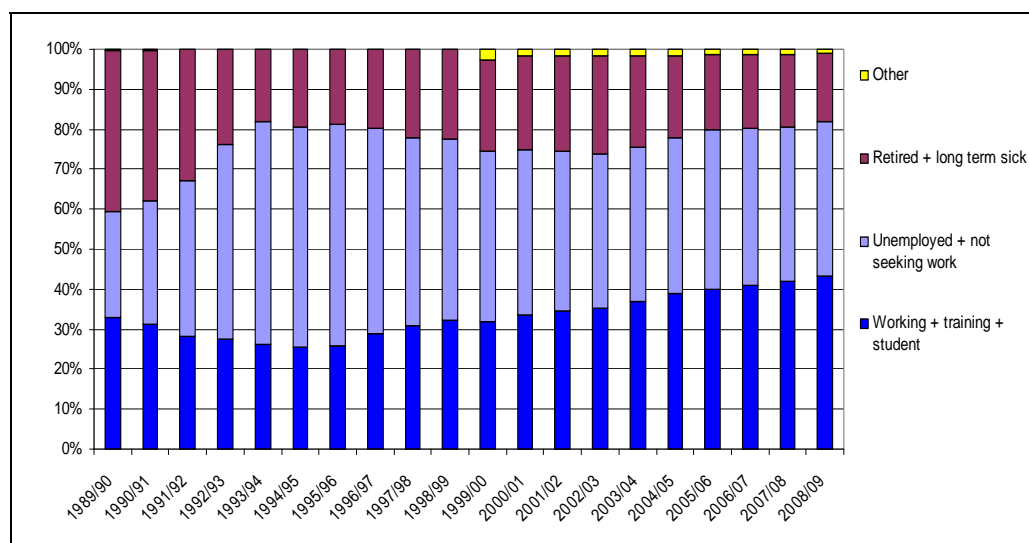
Chart 12: Average age of person 1 in General Needs lettings, 1989/90–2008/09 (Note: the scale on this chart starts at age 36)



Source: HA CORE GN 1989/90–2008/09

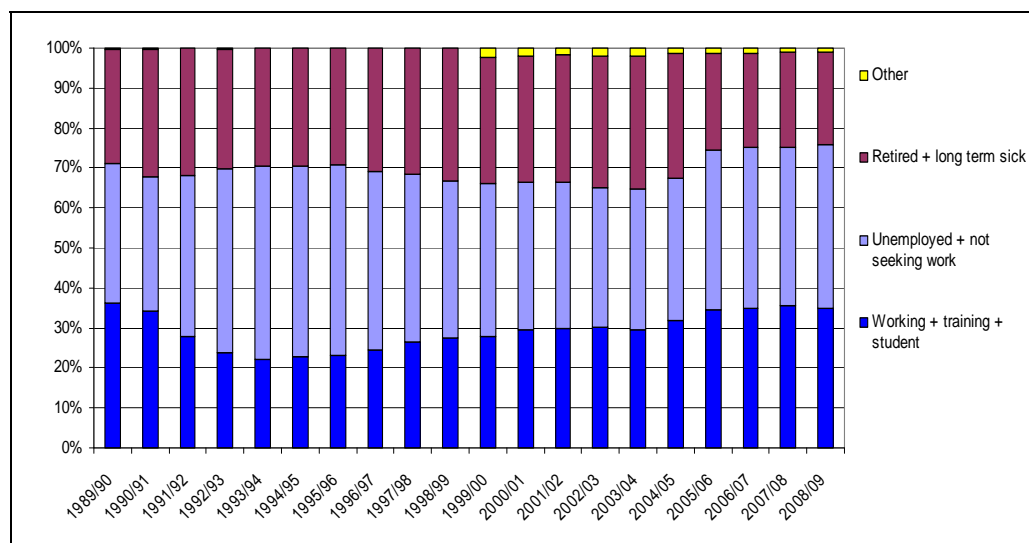
Among new lets, the proportion of tenants in work has been rising (both full and part-time) since 1995/96 (Chart 13a). Unemployment has been falling but the proportion of unemployed and 'at home not seeking work' has risen since the late 1990s.

Chart 13a: Economic status of person 1 in General Needs new lets, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

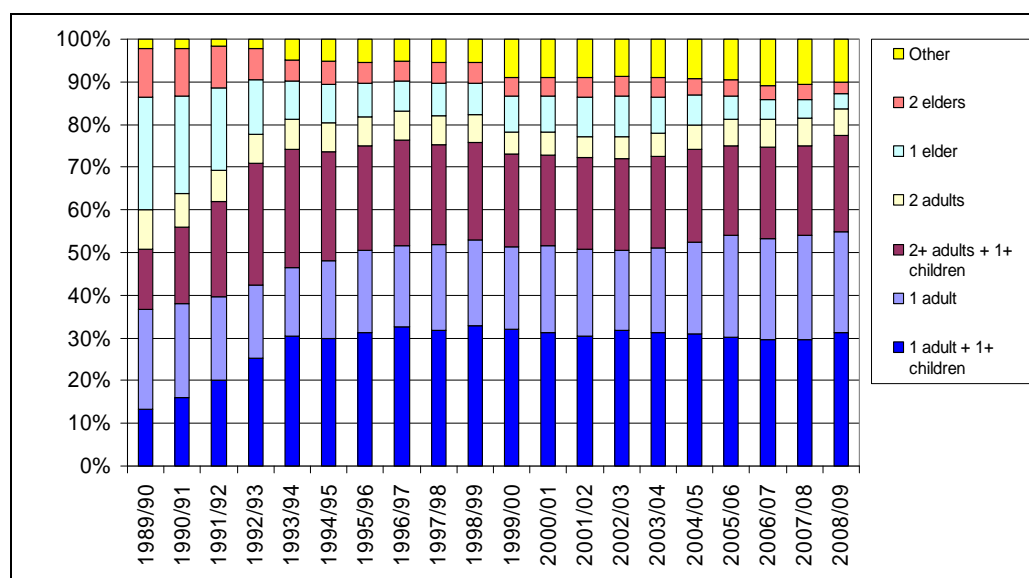
Chart 13b: Economic status of person 1 in General Needs re-lets, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

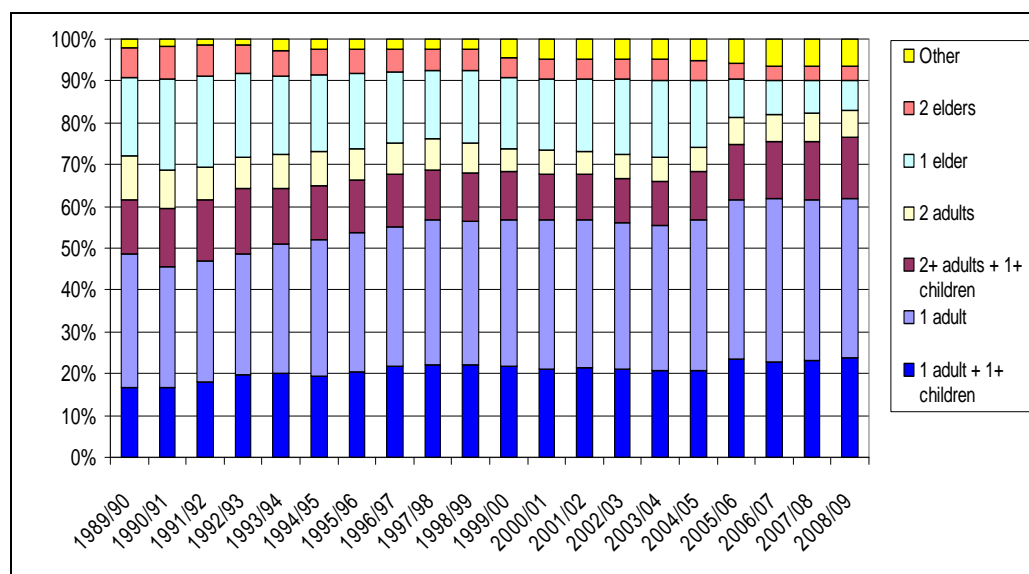
Charts 14a and 14b show the household types of tenants in new lets and re-lets respectively.

Chart 14a: Household type in General Needs new lets, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

Chart 14b: Household type in General Needs re-lets, 1989/90–2008/09

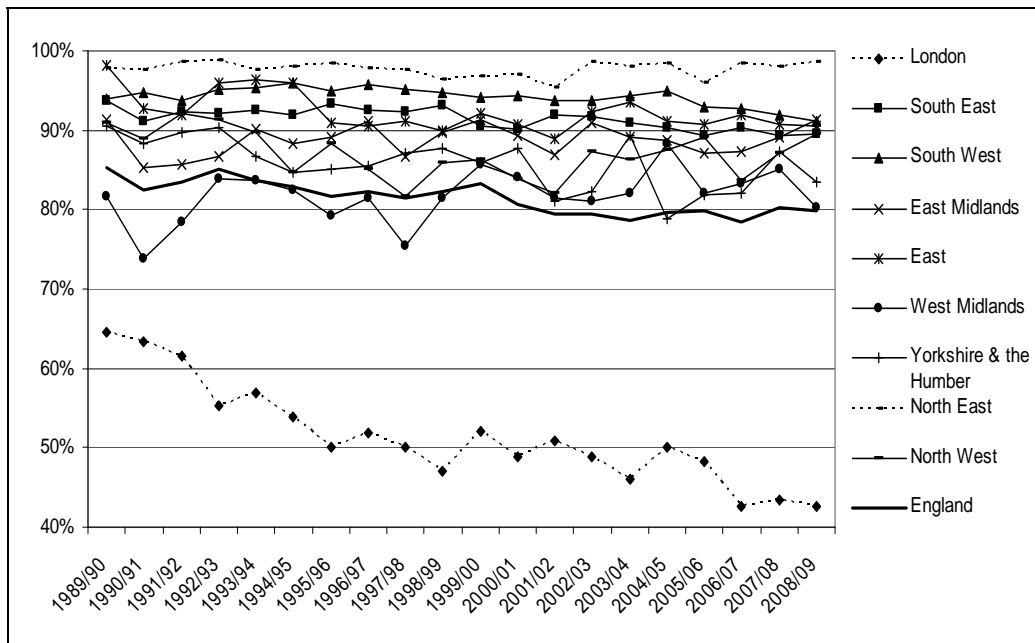


Source: HA CORE GN 1989/90–2008/09

There is a higher proportion of single parents among new lets (Chart 14a) than re-lets (Chart 14b), probably because there are more LA nominations for new lets and single parents are a priority group.

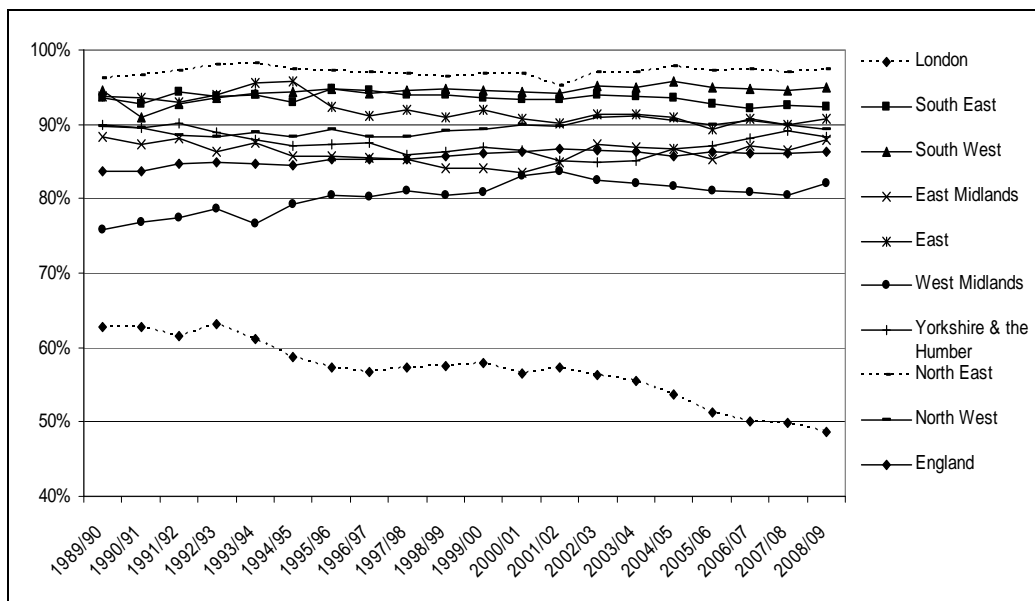
Ethnicity shows a regional divide – largely between London (Chart 15a and 15b) and the rest, although the West Midlands and to a lesser extent Yorkshire and The Humber show significant ethnic minorities in new lets. It is important to remember that apart from London, white households dominate the social housing sector. Hence, the charts start at 40% not zero.

Chart 15a: Proportion of White in all new tenants of General Needs *new lets* by region, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

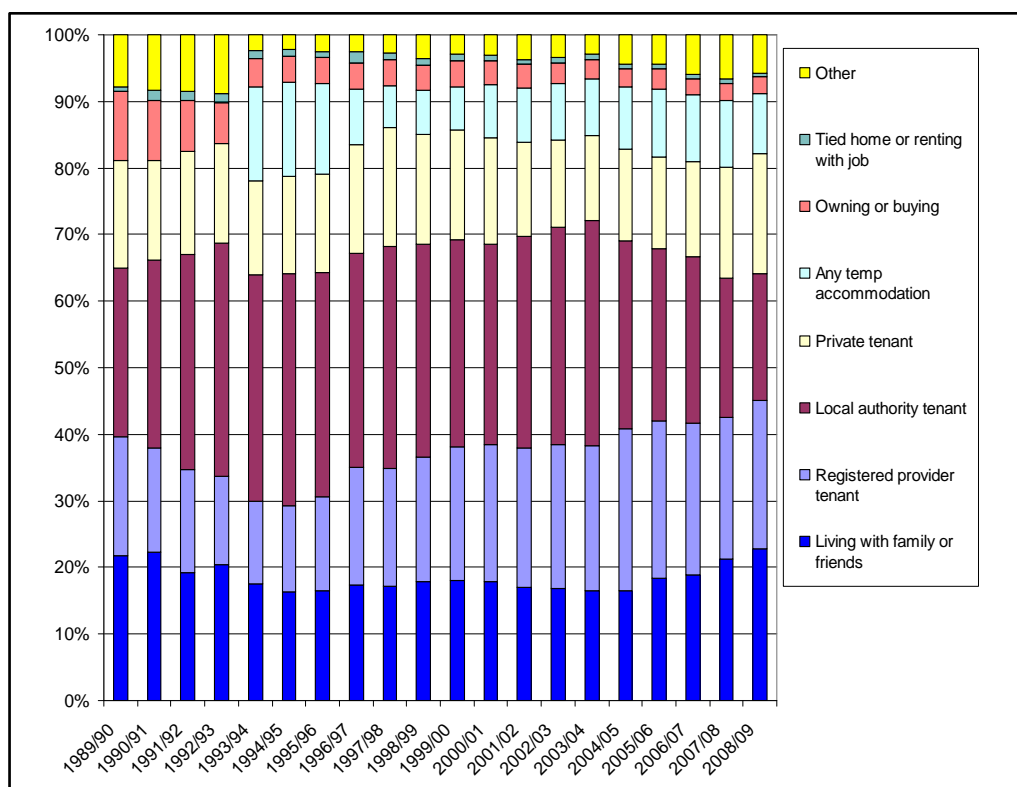
Chart 15b: Proportion of White in all new tenants of General Needs *re-lets* by region, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

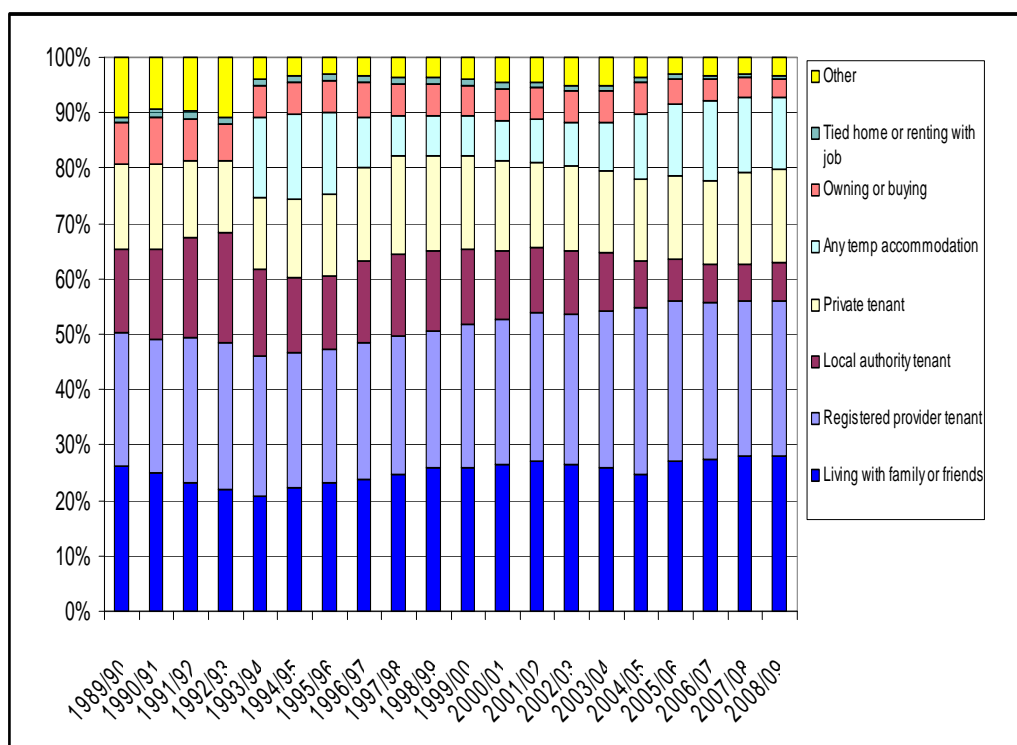
The previous tenure of tenants in new lets is striking. Around half of new lets were going to existing social tenants (Chart 16a) although this has declined in recent years to only 40%. The number of RP tenants moving into new lets virtually doubled from 12.5% in the mid-1990s to 22% now. So far fewer LA tenants are moving into the RP sector.

Chart 16a: Previous tenure of General Needs new lets, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

Chart 16b: Previous tenure of General Needs re-lets, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

The proportion coming from the private rented sector into new lets has hardly changed even though the number of people entering social housing from private renting has doubled – they are increasingly going into re-lets (Chart 16b).

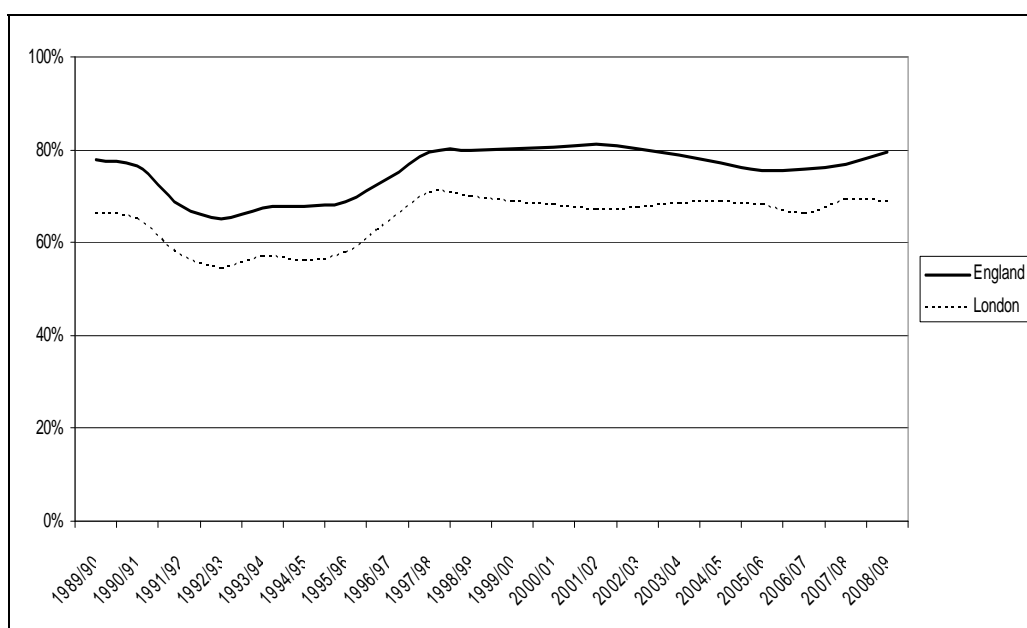
Charts 17a and 17b show that 80% of new and of re-lets go to non-homeless households.

Chart 17a: Proportion of new tenants who were not homeless immediately prior to General Needs new lets, 1989/90–2008/09



Source: HA CORE GN 1989/90–2008/09

Chart 17b: Proportion of new tenants who were not homeless immediately prior to General Needs re-lets, 1989/90–2008/09



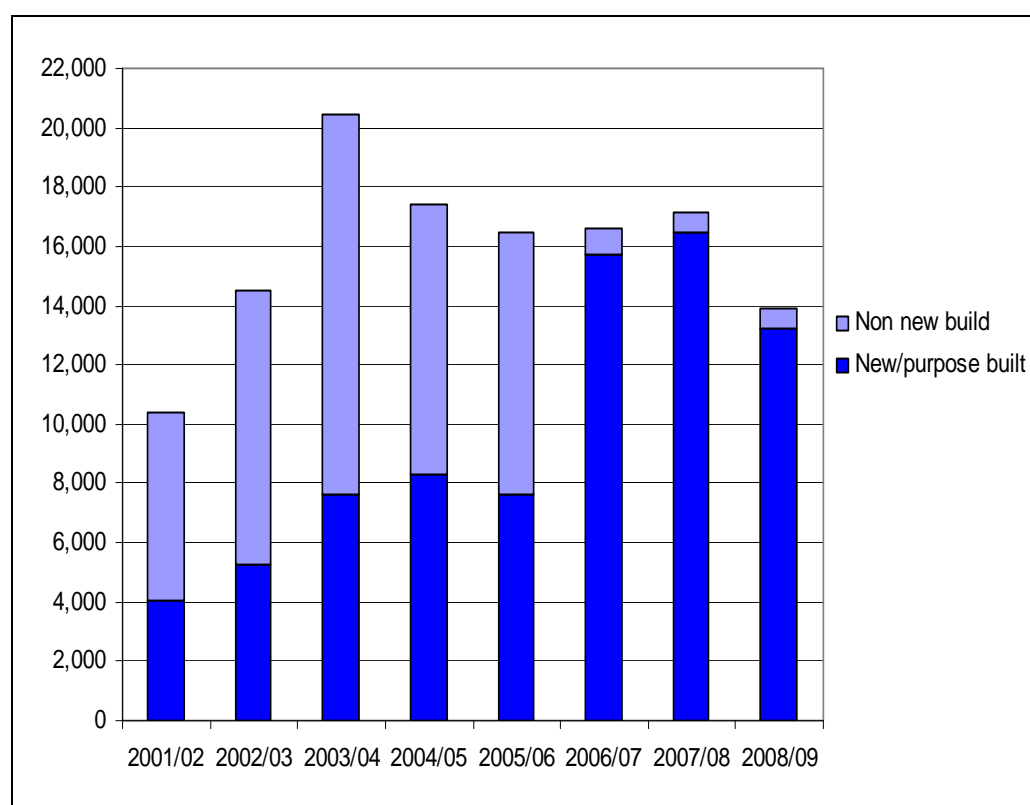
Source: HA CORE GN 1989/90–2008/09

Again London is different. Only 60% of new and of re-lets go to non-homeless households in London.

2.3 Purchasers of new/purpose built units in new sales

Over the past eight years, the number of new sales made by RPs has grown in size. Chart 18 shows that the new sales activity peaked in 2003/04, dipped in 2005/06 but picked up again in 2007/08, but slowed down significantly in 2008/09. But the number of new sales in 2008/09 was still 3,558 more than that in 2001/02.

Chart 18: New sales made by RPs, 2001/02–2008/09

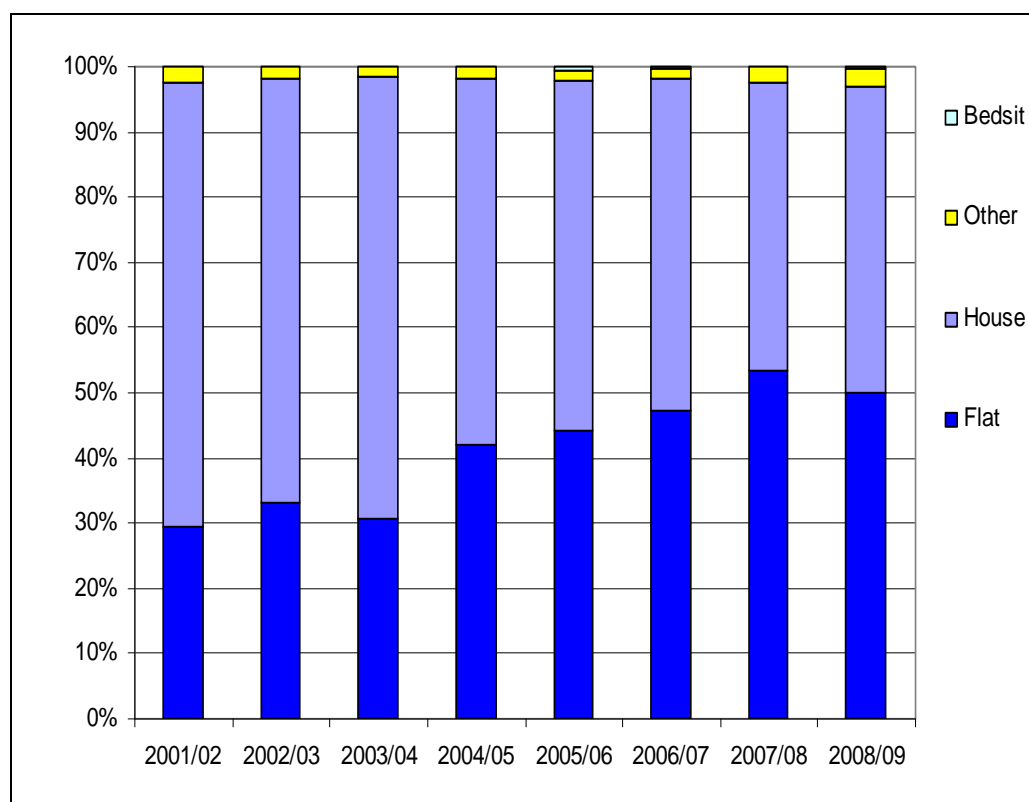


Source: CORE new sales 2001/02–2008/09

While the new sale activity has slowed down, there has been a striking increase in the proportion of new/purpose built in total new sales stock. Starting from 2006/07, the majority of new sales units were newly or purposed built units.

Looking exclusively at new/purpose built units, flats are now around 50% of the total (see Chart 19). This was a rise since the early 2000s when they were just below 30%. This pattern further confirms that new build supplied by RPs follows the cycle in the private housing market.

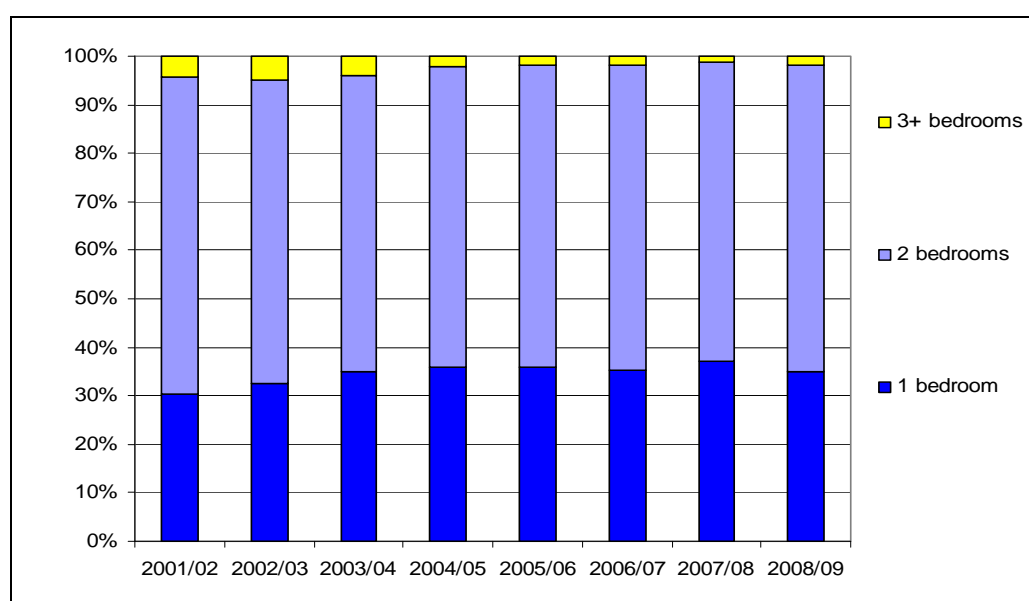
Chart 19: New/purpose built units by property type, 2001/02–2008/09



Source: CORE new sales 2001/02–2008/09

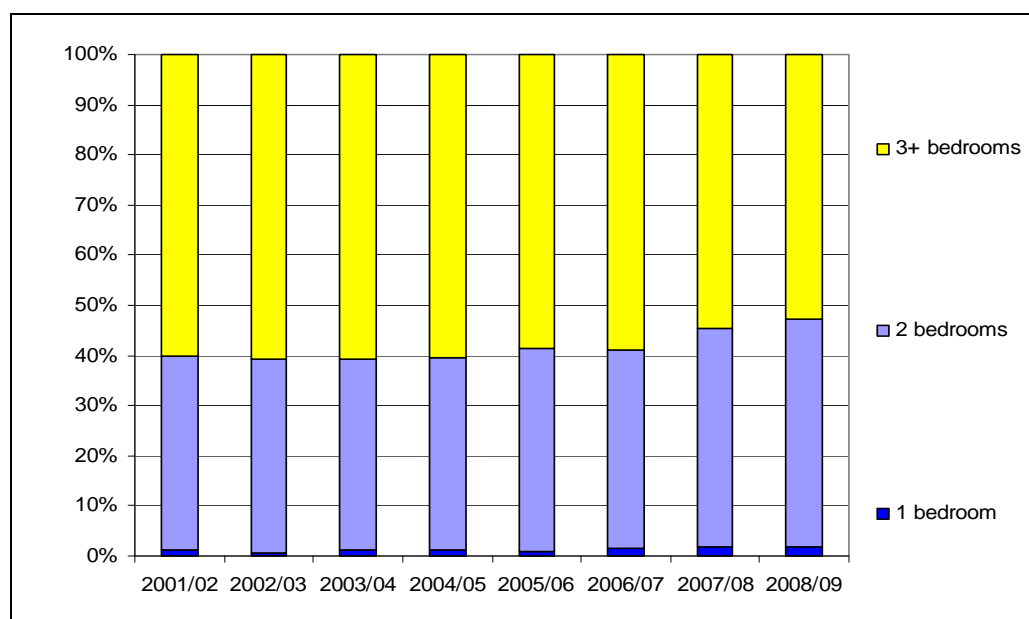
Among new/purpose built flats, there has been a slight increase in one-beds and a slight decline in three+ beds (Chart 20a). During the eight-year period, two-beds have consistently amounted to around 60% of all new/purpose built flats. But in the case of new/purpose built houses, the proportion of two-beds has been increasing over time while that of three-beds is declining (Chart 20b). Nonetheless, over half of new/purpose built houses are three-beds.

Chart 20a: New/purpose built flats by bed-size, 2001/02–2008/09



Source: CORE new sales 2001/02–2008/09

Chart 20b: New/purpose built houses by bed-size, 2001/02–2008/09



Source: CORE new sales 2001/02–2008/09

Overall, the changes in the bed-sizes of flats and houses have seen the growth of two-beds for both flats and houses. The number of smaller flats (one-bed) has increased while for houses, the number of larger units (three+ beds) has declined. The overall pattern in 2008/09 is shown in Table 3.

Table 3: New/purpose built units by property type, 2008/09

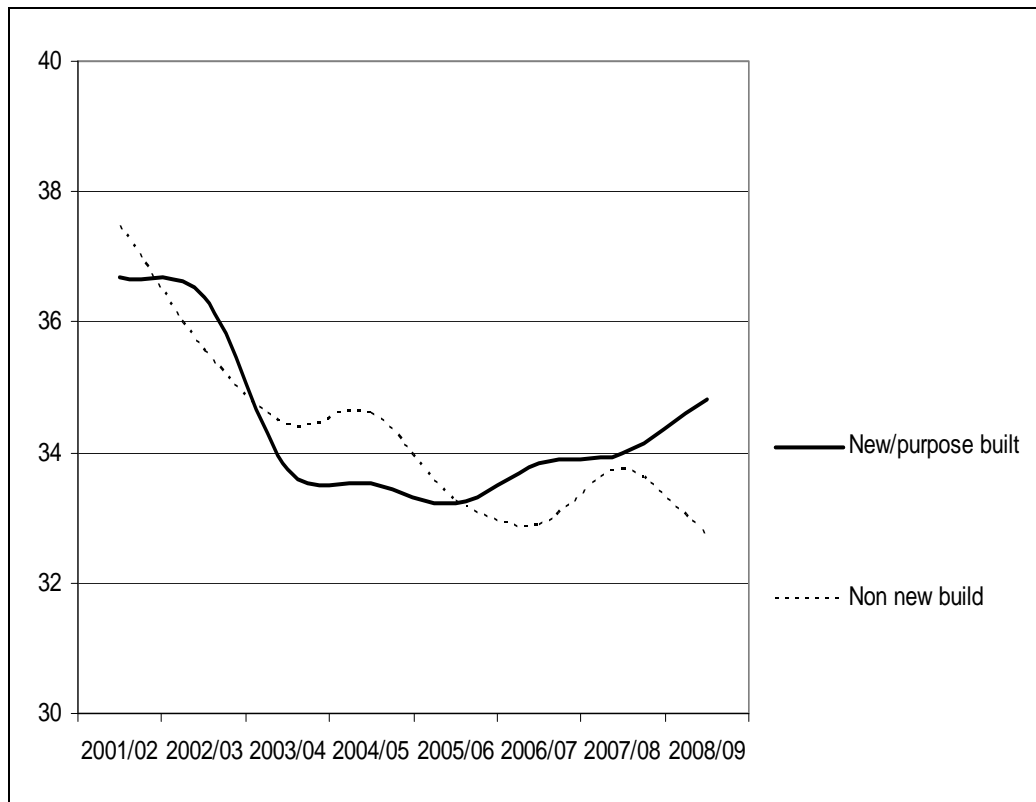
	Flat	House	Total	Flats as a % of total
1-bedroom	2,321	122	2,443	95%
2-bedroom	4,167	2,814	6,981	60%
3+ bedrooms	122	3,272	3,394	4%
Total	6,610	6,208	12,818	52%

Source: CORE new sales 2001/02–2008/09

2.4 Who have been getting new/purpose build units?

Chart 21 shows the average age of the new purchasers. The slight decline in average age in new/purpose built units, from 37 years old in 2001/02 to 33 years old in 2005/06, reflects the decline of elderly purchasers. However, after 2005/06, the average age of buyers of new/purpose built units rose again and reached 35 years old in 2008/09.

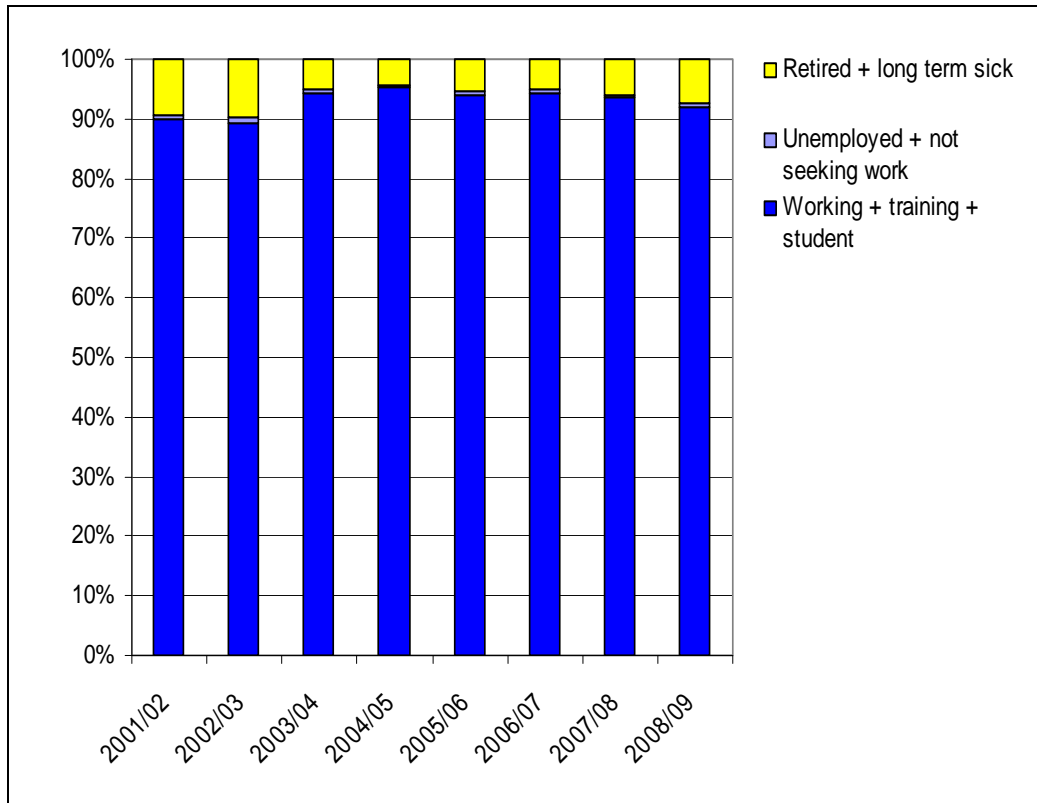
Chart 21: Average age of purchaser of new sales, 2001/02–2008/09 (Note: the scale on this chart starts at age 30)



Source: CORE new sales 2001/02–2008/09

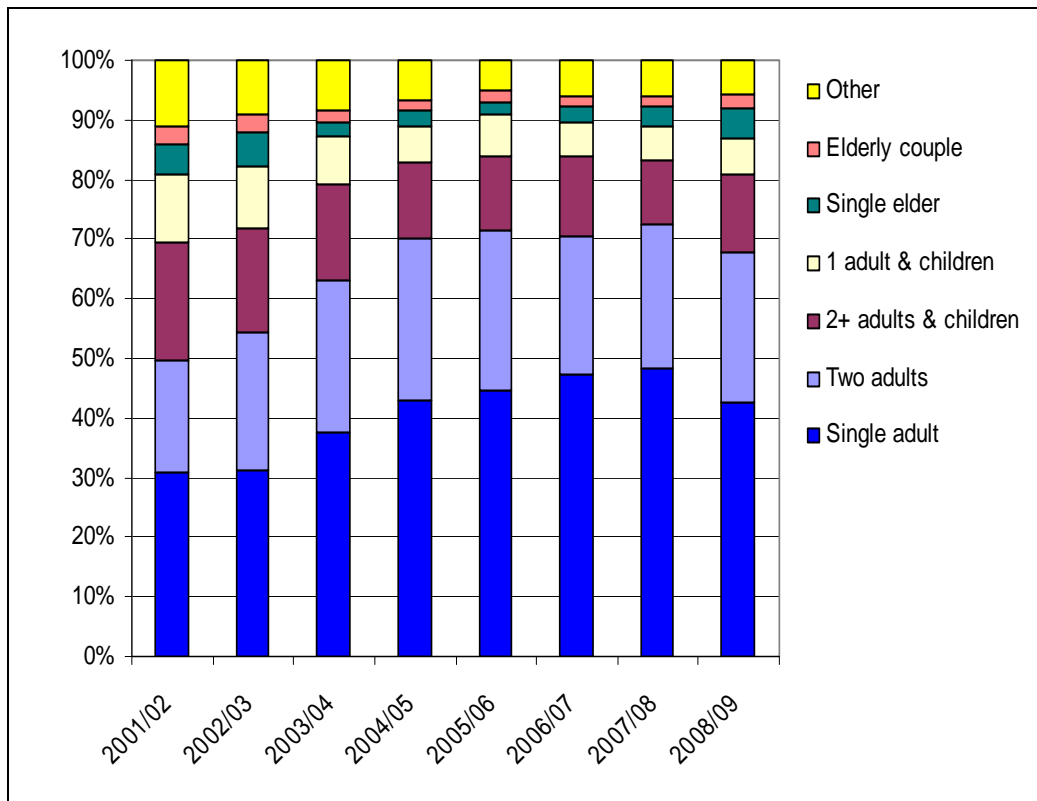
Among sales of new/purpose built units, over 90% of the purchasers were in work (both full and part-time) (Chart 22). Less than 10% were unemployed. But, the proportion of purchasers who were retired or at home not seeking work has declined slightly from 10% in 2002/03 to 7% in 2008/09.

Chart 22: Economic status of purchasers of new/purpose built units, 2001/02–2008/09



Source: CORE new sales 2001/02–2008/09

Chart 23: Household type of purchasers of new/purpose built units, 2001/02–2008/09

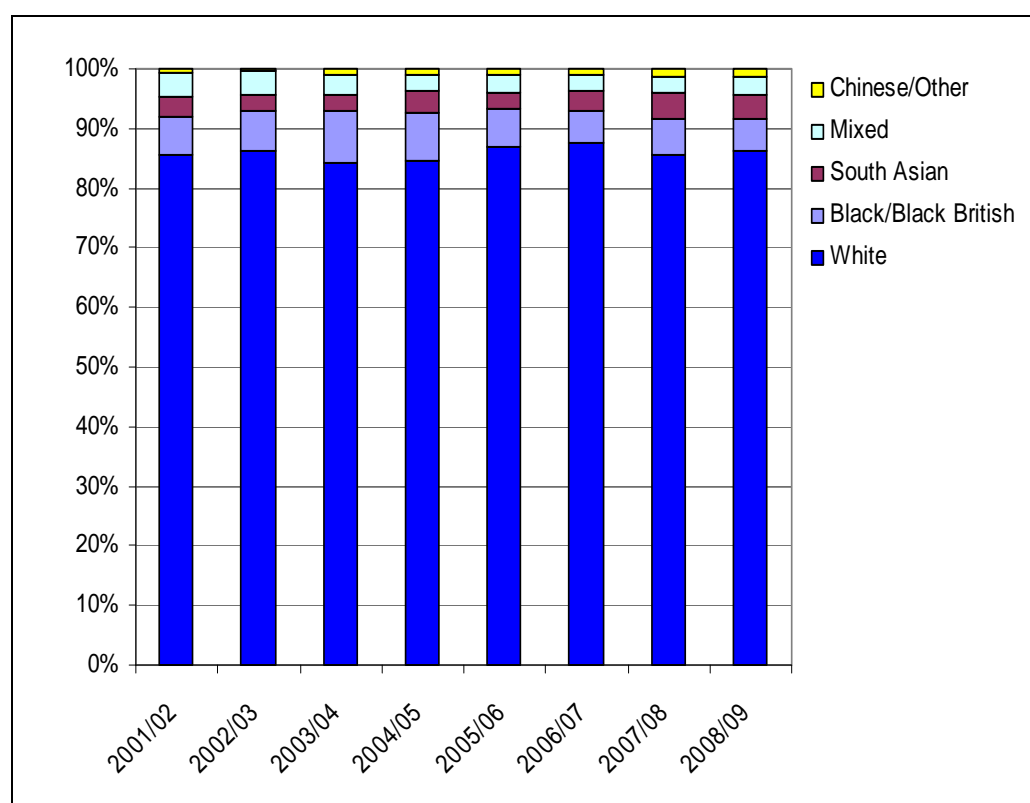


Source: CORE new sales 2001/02–2008/09

The majority of households purchasing new/purpose built units were those without children (Chart 23). Within this group, the proportion of single adults has been increasing while that of two adults has remained static at around 25%. In 2008/09, less than 20% of purchasers were households with children. Also, there were fewer parents with children in 2008/09 (6%) than in 2001/02 (10%).

White households are the dominant purchasers of new/purpose built units (Chart 24), and they consistently account for over 85% of all purchasers during the eight-year period.

Chart 24: Ethnicity of purchaser of new/purpose built units, 2001/02–2008/09

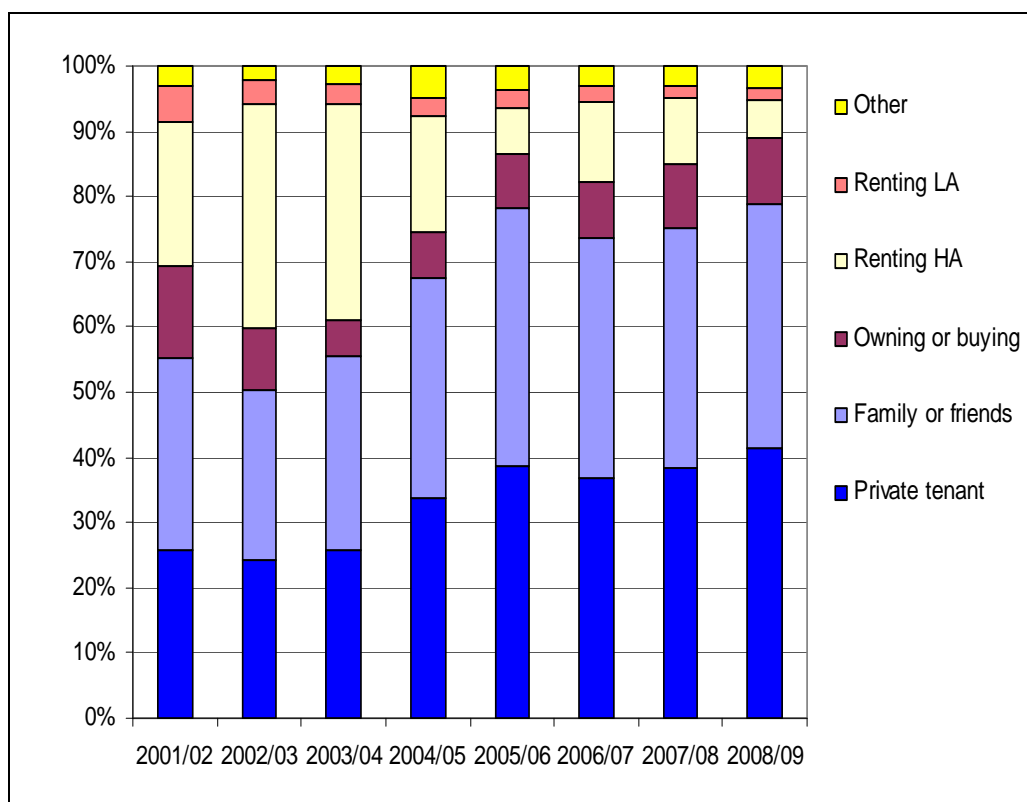


Source: CORE new sales 2001/02–2008/09

The previous tenure of purchasers of new sales of new/purpose built units is striking. Around 40% of purchasers in 2008/09 were previously private tenants (Chart 25) as compared to 26% in 2001/02. Another 38% were previously living with family or friends; this was also a large increase when compared with 29% in 2001/02. In contrast, the proportion of previous RPs' tenants fell dramatically from 22% in 2001/02 to 6% in 2008/09.

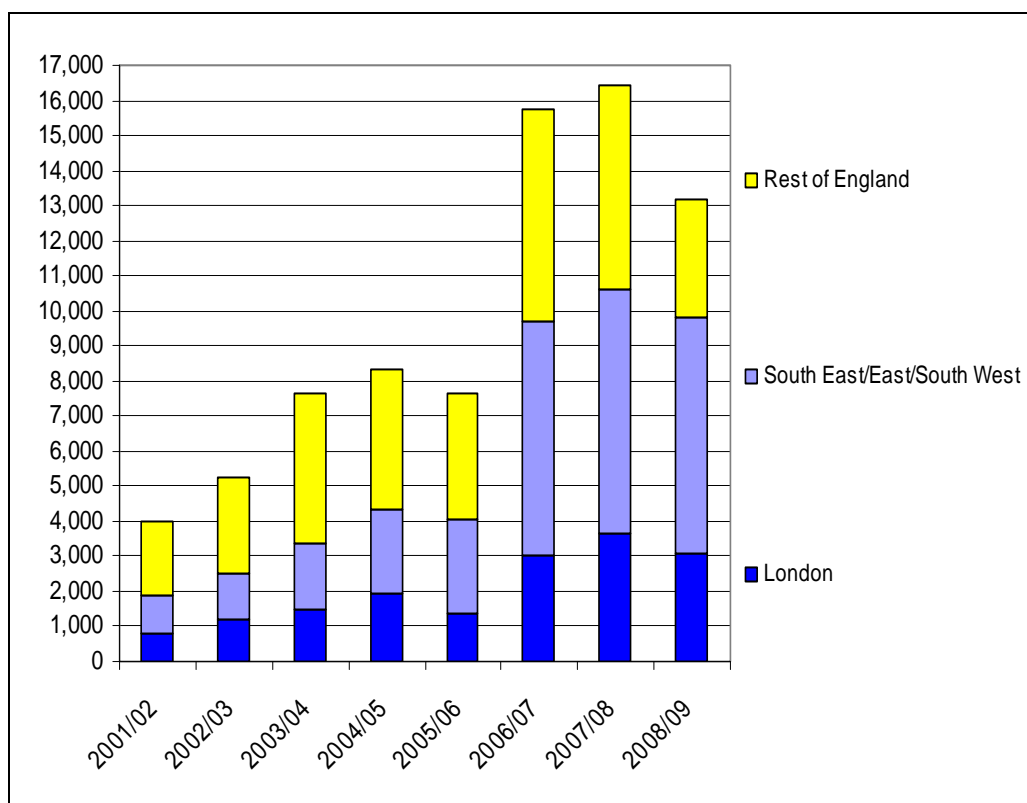
Finally, the South East had the largest proportion of new/purpose built units in 2008/09, just over one-quarter of all new/purpose built units in England. London had the next largest at 23%. Both regions had a slight increase in their shares of these units over the eight-year period. The largest increase was seen in the Eastern region from 2% in 2001/02 to 14% in 2008/09. In contrast, the North East had the largest fall from 26% to 2%.

Chart 25: Previous tenure of purchasers of new/purpose built units, 2001/02–2008/09



Source: CORE new sales 2001/02–2008/09

Chart 26: Regional distribution of new/purpose built units, 2001/02–2008/09



Source: CORE new sales 2001/02–2008/09

Appendix 3: Lessons from the literature and existing studies

This section is organised according to the research aims and objectives about trends in affordable housing that can be addressed partly by existing studies rather than the analysis of available data discussed in the main report and the other appendices.

Were there any significant shifts e.g. when policy changes have changed the nature of the affordable housing built?

A group of policy changes have all come together since 2000 and have made a very significant impact on the affordable housing that is being built. These are:

- Planning Policy Guidance 3: Housing (PPG3)
- Brownfield land targets
- Increased densities and the efficient use of land
- Sustainable, mixed communities
- Increased use of S106 to deliver affordable housing
- Steep reduction in funding for affordable housing in 2000/01 which only recovered to the previous levels by 2007/08
- Energy standards

Together, these policies have culminated in a shift from houses to flats; a shift from one-bed and three+ bed homes to two-bed ones; an increase in the density of development from around 21 dwellings per hectare to around 40 dwellings per hectare (on average); a switch from the HCA to developer funded affordable housing; a shift in the location of new homes from cheaper to more expensive areas; and a shift away from social rented to intermediate tenures.

These changes are important but as new build is a very small proportion of the total housing stock at any time, they operate at the margin. However they are cumulative.

Planning Policy Guidance 3: Housing (PPG3)

PPG3 (2000) introduced meeting the needs of all in the community, not just affordable housing. It sought to encourage wider housing opportunity and choice and a greater mix in the size, type and location of housing, and to create mixed communities. LAs were to provide sufficient housing land but give priority to re-using previously developed land within urban areas, bringing empty homes back into use and converting existing buildings before developing greenfield land. It also sought to make more efficient use of land through increased densities. It was replaced in 2006 by Planning Policy Statement 3 (PPS3) which if anything strengthened the PPG3 policies and introduced the need for an evidence base to support policy. Guidance on delivering affordable housing was published alongside PPG3 and PPS3 and this set out site size thresholds for developer contributions, the need for targets in the local plan, and affordable housing delivery in rural areas (rural exception sites and reduced thresholds).

Brownfield land targets

The then Deputy Prime Minister introduced a national brownfield land target whereby at least 60% of all new development must take place on previously used land. This was introduced in 2003 with the *Sustainable Communities Plan* and proved highly successful. The target was reached early and by 2007 more than 77% of new housing development was either brownfield land or conversions.

Increased densities and the efficient use of land

PPS3 states that 30 dwellings per hectare should be used as a national indicative minimum to guide policy development at local level, where LAs wish to plan for, or agree to, lower densities. This will need to be justified in relation to the spatial vision for housing in their area and the characteristics of the area. Actual densities on new build schemes in 2006 ranged from well over 100 in inner London (over 200 in Tower Hamlets and Westminster) to less than 20 in some rural areas, particularly in the North East (source: Land Use Change Statistics, DCLG). Overall, the average density of new housing development rose to 46 dwellings per hectare in 2008 compared to 45 dwellings per hectare in 2007.

Affordable housing through the planning system

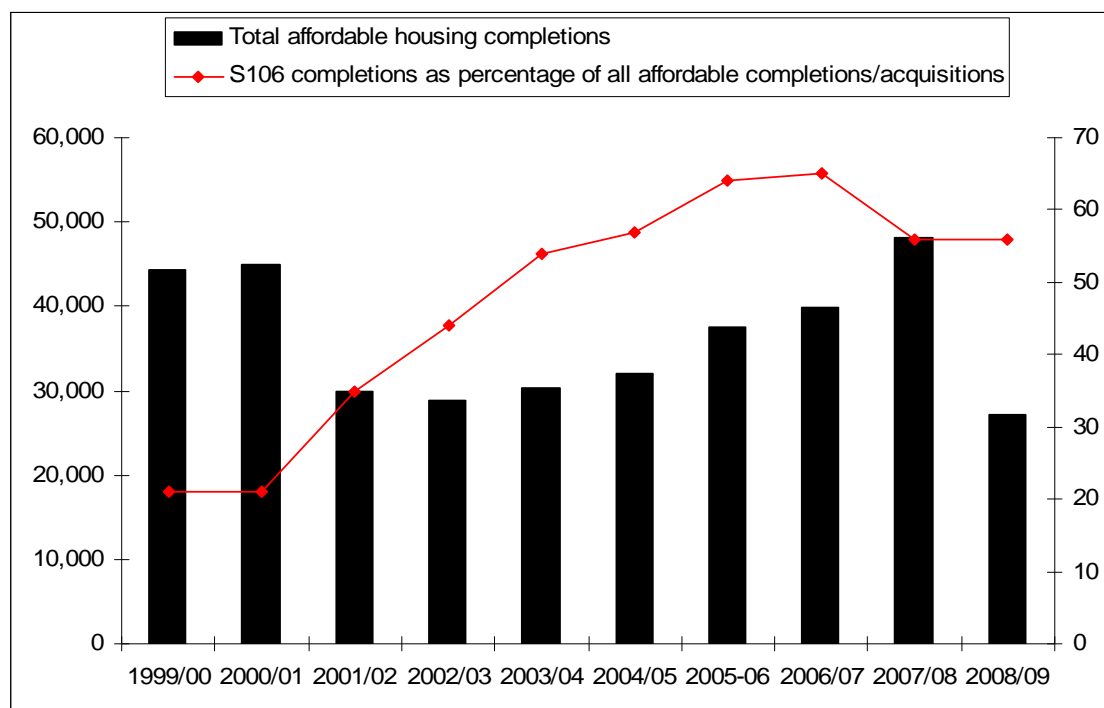
The use of S106 of the principal planning legislation to deliver affordable housing has had an impact on the type and size of affordable housing that is produced. The policy of mixed communities has translated into mixed tenure developments that are 'tenure blind', which in practice means that the private developer builds out the whole site, and then transfers the affordable units across to the RP. The affordable units have to meet the Housing Corporation (now the HCA) design and other standards where public subsidy is involved, but the policy has contributed to the shift from houses to flats among two-bed units and the fall in one-bed units. Possibly in reaction to the over-abundance of one person dwellings, LAs have recently encouraged larger units which show a slight rise.

Funding for affordable housing

Capital funding for affordable housing fell in 2000/01, rose slightly until 2003/04 when it fell again until a slight increase in 2007/08. There have been large increases in recent years not through the National Affordable Housing Programme 2008-11, but also from a housing stimulus package and a housing pledge which increased the funding as part of the government's response to the credit crunch and housing market crisis in 2008. Planned funding for 2010/11 marks a fall.

The output figures for affordable housing from all sources of funds, including S106 and acquisitions are shown in Figure 3.1 below together with the proportion that comes from S106 (including that which has some public subsidy as well as that which has only developer contributions).

Figure 3.1: Affordable housing completions and acquisitions, 1999/2000–2008/09



Source: HSSA data, DCLG

This shows that output only reached the 2000/01 levels in 2007/08. It also shows how S106 funded affordable housing had increased to more than half of all new affordable housing by 2007/08. Most importantly for the future, it shows the dramatic fall in total affordable housing completions, although the proportion of these that are S106 contributions has remained the same.

Other policy changes that affect the quality of new affordable housing include energy, space and quality standards.

Energy standards

The government has set higher energy standards for new affordable homes than for homes in general. The *Code for Sustainable Homes* Level 3 was mandatory for affordable housing before it became so for all new housing in 2007. It covers:

- Energy efficiency/CO₂
- Water efficiency
- Surface water management
- Site waste management
- Household waste management
- Use of materials
- Lifetime homes (applies to Code Level 6 only)

Space standards

The Parker Morris space standards for council housing were abandoned in 1980. However, English Partnerships (EP) adopted Parker Morris plus 10% on all affordable housing built on EP owner land, and this has carried over to the HCA. While this could not have directly influenced private development, space standards in new private homes are reportedly lower, as was evidenced in the recent credit crunch. Developers offered unsold units to RPs who could not take them on if they needed public subsidy because they did not reach required standards.

Quality standards

The Housing White Paper *Sustainable Communities: Building for the Future* (ODPM 2003) set out the targets for ensuring that social housing reaches the Decent Homes Standard. However, there is no mention of space (except for the kitchen and bathroom) yet the main reason for wanting to move (in all tenures) is to a bigger home.

What has been the impact of past approaches involving ‘mono-tenure’ large estates, compared with more recent mixed communities and infill housing?

From the literature, the evidence is itself mixed. There is a considerable evidence base showing that large mono-tenure estates have become concentrations of poverty (see, e.g., Lupton and Power, 2005; Power and Willmot, 2005; Power, 1999). Different types of neighbourhood change in different directions and there is evidence of a widening gap between poor neighbourhoods and others (Lupton and Power 2004). Small peripheral industrial areas are continuing to lose jobs and people and suffering low demand while inner London neighbourhoods are experiencing within-neighbourhood polarisation, with high housing pressures both from high income households and low income new immigrants.

Part of the problem in the UK and Western Europe stemmed from the backlog of housing need arising from both war damage and the lack of new building during the war (Whitehead, 2004). This was addressed mainly through large scale public sector building programmes continuing over 20 years, until the absolute shortfall between households and dwellings was removed. During the same period, there were mass slum clearance programmes aimed at replacing the worst of the private housing stock. In the UK, the enormous building and reconstruction that was required was achieved by building large public housing estates, replacing urban slum areas in the same locations or on the periphery of towns, and to a lesser extent in new towns.

These generated new problems: the nature and quality of the buildings, often high rise flats and with few neighbourhood facilities; because average incomes have risen but the income distribution has worsened, those with the capacity to pay have moved out of social housing, generating tenure polarisation. Privatisation of much of the better housing stock through the RTB together with far greater targeting in the allocation of social housing to those most in need, has resulted in heavy concentrations of poverty, unemployment and social exclusion in the social sector, especially the post-war estates. And much of the employment base in the major urban areas has disappeared as traditional industries closed down and unskilled manual work has declined to be replaced by service sector employment. The result is that much of the available housing for poorer households is no longer located near appropriate employment opportunities.

These problems have been exacerbated by the nature of the housing assistance available. In the UK, the majority of direct assistance has been concentrated on rented housing, especially in the social sector. The form of housing benefit for low

income households involves deep poverty and employment traps for those who wish to enter the workforce. The risk of taking low paid part-time work can be very high while the benefits in terms of increased income are very small (Hills 1991, 2001).

As a result of these dynamics, many of the problems of social exclusion are concentrated in particular areas, notably large social sector estates. A major concern is whether inadequate housing itself has a causal effect on poverty, deprivation and opportunity, and therefore whether there is an economic case for concentrating resources on improving the housing.

Problems of health, education, crime and other aspects of social exclusion are concentrated in particular neighbourhoods and specifically in social housing (Kleinman and Whitehead 1999; Smith 1999; Smith and Whitehead 1998). Housing helps to locate problems. But it is less clear whether housing directly affects outcomes rather than simply concentrating households in particular areas. Is the risk of poor health, limited educational attainment, victimisation or criminality the same for people with similar personal and economic attributes wherever they live, or does living in particular locations, specifically large social housing estates, itself increase these risks?

The evidence is patchy. There is strong evidence of a relationship between poor housing and poor health, but not distinguishing the direct effects of poor housing from those associated with poverty *per se* (Whitehead 2002). The strongest relationships are between poor health outcomes and rooflessness, living in temporary accommodation and living in houses of multi-occupation, all of which are closely related to poverty (Ambrose et al 1996; Anderson et al 1993; Carr-Hill 1997; Housing Studies special issue 2000; Wilkinson 1996).

The evidence between housing and educational attainment is less clear although people's own perceptions are that housing problems affect their productivity, even when they have relatively high incomes (Walker 1997). The same applies to the relationships between poor, notably social sector, housing and problems of crime and community safety, which are all associated with one another but independent impacts cannot be identified (Stockdale et al 2002).

Berube (2005) summarised the key disadvantages of neighbourhoods of concentrated deprivation:

- 'High levels of worklessness limit job networks and employment ambitions
- Schools struggle to educate overwhelmingly poor populations
- Poor neighbourhoods experience higher levels of crime and disorder
- Area-based deprivation exacerbates health inequalities
- Concentrations of deprivation reduce private sector activity and raise prices for the poor'

The economic case for trying to address neighbourhood (and estate) problems is three fold. First, it is cheaper to alleviate problems that are concentrated in one place and single ownership of the housing stock (by the state or RP) may also reduce the costs of intervention.

Second, those experiencing multiple deprivation might suffer more if they are surrounded by deprivation than others living in better areas. This is often assumed to be the case, and there is some evidence: Ashton and Maguire (1986) studied unemployed young men with similar characteristics in Sunderland and Reading and found that while those in Reading, a relatively affluent area, had experienced several spells in jobs, those in Sunderland had experienced several unpaid work placements. However, in relation to housing tenure the evidence is more mixed – thus people often self-select by area (Stockdale et al 2002).

The strongest argument is that society appears to see addressing concentrations of problems as disproportionately valuable. This may be partly because of the political understanding of deprivation as being passed on to the next generation when problems are concentrated. The evidence is still thin and does not suggest that the effects of place dominate those of people (Whitehead 2002).

Similar problems arise when determining whether interventions in large social housing estates are successful. If people are able to take up opportunities and move out of the area, this might be seen as success; but they will inevitably be replaced by an equally deprived household, so that concentrations of poverty will remain (McGregor and McMannachie 1995). Policy-led mobility may be good because it benefits individuals, but bad because it reduces the ability to create stable, sustainable communities (Kleinman and Whitehead 1999).

A range of research projects in the early 2000s looked at different aspects of mixed communities. Allen et al (2005) looked at three mixed tenure housing estates twenty years on and found that residents overwhelmingly saw them as 'ordinary' places. There was little social mixing except by children in the local school which was seen as important and valuable to the (now adult) children interviewed. Owner occupiers were more likely to socialise outside the estate while social renters stayed closer to home. Perhaps this sense of 'an ordinary place' is a goal worth delivering regardless of whether mixed income communities achieve social mixing. Martin and Watkinson (2005) examined the approach taken to rebalance a community that had become increasingly occupied by low income residents. The estate managers introduced a policy of SAVE – Selling Alternate Vacants on Existing Estates. This planned programme of tenure diversification was undertaken by the Joseph Rowntree Housing Trust in 1998 to address the process of decline in the model village of New Earswick in York. The scheme allows for 50% of re-lets to be offered on the open market for sale or shared ownership. As a result, the Trust has seen a significant change in the perceptions of residents and the village has become popular with middle income households.

Part of the same series of research into mixed income communities looked at the need to attract families with children back into inner urban areas. Studies of mixed income communities show that most mixing across social groups takes place between children. These contacts – at nursery, playgroup and school – provide opportunities for adults to meet and form relationships. Children provide a common ground between people in different tenures, and people with children have a high stake in the quality of a neighbourhood especially its services. Silverman et al (2005) found that the main factors attracting families to inner urban areas were safe, clean and friendly neighbourhoods, good schools and open spaces for children to play. Other characteristics included the integration of the tenures and the role played by community development.

Attracting and retaining families in an area depends on having suitable housing available. Developers argue that they increase densities to make mixed tenure

developments stack up financially, particularly where quotas for affordable housing are high (Rowlands et al, 2006). This may lead to smaller homes and reduced opportunities for families in the private sector. If the only families are in the social sector, this raises problems of integration (Holmes 2006).

Phillips and Harrison (2010) argue that persistent segregation or concentration of ethnic minorities in deprived inner city areas can be seen as both a symptom and a cause of ethnic inequalities and as an indicator of the failure of ethnic minorities to integrate into wider society (p. 221). They note that racist discrimination hindered access to social housing in the 1960s and gave rise to discriminatory allocation practices in the 1970s and 1980s. This resulted in an over-representation of ethnic groups in the least popular and most run down social housing and in areas of cheap, often sub-standard private housing (p. 223). 1991 census data showed little change in the index of dissimilarity which calculates the proportion of an ethnic minority group that would have to move to produce an even distribution. However, the 2001 census data showed that all main ethnic minority groups were now well established in social housing and access to finance and information had greatly improved for those seeking homes in the private sector. Some groups have experienced suburbanisation, there is a growing class and generational differentiation within established black and minority ethnic (BME) populations, and indicators of dissimilarity vary between areas, although all are in decline. Nevertheless, segregation and disadvantage persist for many. Phillips and Harrison's paper traces the different approaches to desegregation that have been introduced over time, such as the planned dispersal of East African Asians in the early 1970s, who were directed away from cities with established Asian communities (e.g. Leicester) to places with few visible BME groups. Urban renewal and urban regeneration programmes have not been used directly to address segregation, as in America, and Phillips and Harrison note that BME groups have not benefited particularly from such programmes.

Phillips and Harrison highlight the impacts of housing-related approaches to desegregation with three examples. They find that slum clearance in Bradford during the 1980s, for example, effectively broke up an established Black-Caribbean community and some 20 years later people referred to the community's loss of identity and empowerment through dispersal. In contrast, 1990s policies of renewal of existing housing rather than demolition and dispersal was clearly more acceptable to these communities, and some long term inner city minority ethnic residents have seen their property values rise partly as a result of renewal. However, in many other cases the gap between inner city and suburban values has increased, making it more difficult for BME groups to move up the housing ladder into better areas. The third example they give is the Housing Market Renewal (HMR) Pathfinder programme, designed to run from 2002-11 (DTLR, 2002). The aim of the programme is to regenerate failing neighbourhoods through a mixture of selective demolition and housing renewal, and it also has a wider agenda of social regeneration and improving social mix. Cameron (2006) has criticised Pathfinders for failing to improve the income and economic welfare of existing low-income residents and contrasts them with the community-led New Deal for Communities initiative which has an emphasis on community empowerment. Phillips and Harrison however, note that BME populations are over-represented in several deprived Pathfinder areas in northern British towns and some of these, notably Oldham and Rochdale, have embraced the goal of building cohesive, ethnically mixed communities as central to their regeneration approach. Ideally, policy makers would have liked whites to move into Asian areas but in practice it is always the other way round.

Phillips and Harrison (2010) conclude, first, that a top down approach to mixed communities may not work unless it connects with people's aspirations, costs and opportunities (or constraints). Interventions involving significant changes to the physical environment need to be well informed about how these changes will be interpreted by the residents. In this context, Pawson et al (2006) found that the introduction of CBL schemes by RPs has offered more choice to BME households and resulted in a degree of de-concentration of African-Caribbeans and Asians. However, it may be that desegregation does not of itself result in social mixing between different ethnic groups, nor does it depend on geographical integration – so that housing may not be the best place to intervene (Phillips and Harrison, page 231).

Mixed communities and social benefits

Successive governments have recognised that areas in which there is a concentration of disadvantaged households will have a negative effect on people's life chances. The creation of mixed communities has become a central objective of housing policy: the aim being to create neighbourhoods that are able to attract and retain households on a wide range of incomes and avoid segregation through providing a range of different housing types and tenures (Glossop, 2008).

Mixed communities have been found to reduce the stigma of a neighbourhood, lead to a reduction in crime, the provision of better services and amenities (supported by a wider range of incomes), increase neighbourhood satisfaction and quality of life (Tunstall and Fenton, 2006). Allen *et al.*'s (2005) study of three mature mixed tenure communities over 20 years reported that mixing tenures had produced 'ordinary' communities and countered tenure prejudice. Despite some deprivation associated with tenants of affordable housing, demand for housing in all tenures and all three localities remained high. The study concluded that some of the claims made for mixed tenure were probably exaggerated, and there was little evidence of transfer of know-how between neighbours or that owner occupiers acted as role models. But many of the children interviewed had friends from different backgrounds and others stressed that they had a broader outlook because of the mix of people they knew at school. This raises the question of whether it is school mixing, rather than simply tenure mixing, that makes the key difference. The links between housing and education are addressed further on. On the other hand, it is believed that by introducing owner occupation into the deprived social housing estates, it would help to 'thin' indices of deprivation. In fact, Bramley and Morgan (2003) have found that new private building in Greater Glasgow has been quite successful at diversifying tenure in some sectors previously dominated by social housing, and hence at shifting middle-income residents into poor areas (p.468; see also Webster and Binns, 2005).

However, little evidence has been found to show that residents have improved their economic prospects merely by living in mixed communities. Using data from the Survey of English Housing, Bramley and Power (2009) examined the relationship between key aspects of urban form, density and housing type, and selected social sustainability outcomes, while taking account of other socio-demographic factors. The study finds that more dense (compact) urban forms, and their associated housing types, tend to be associated with somewhat worse outcomes in relation to dissatisfaction with the neighbourhood and perhaps more strongly with the incidence of neighbourhood problems. It also confirms other work in showing that neighbourhood concentrations of poverty, and social rented housing, are often more strongly associated with adverse social outcomes than urban form per se. In other words, who lives where within the urban form, and with what resources and choices, may be more critical to making urban communities work (p.46).

Cheshire (2007) also finds surprisingly little evidence that living in poor neighbourhoods makes people poorer and erodes their life chances, independently of those factors that contribute to their poverty in the first place. There is evidence from the US that moving people from deprived neighbourhoods to more affluent ones does not improve their economic prospects. His review of existing evidence strongly suggests that not only does mixing neighbourhoods not effectively help the poor but it also detracts from the welfare of the better-off because it makes it more difficult for them to find neighbourhoods populated by other compatible households with similar tastes and lifestyles (see also Watt's (2009) analysis on middle-class disaffiliation in London's eastern suburbs).

The benefits of social housing are that more poor people will be housed in affordable, good quality housing. However, addressing social mix and social exclusion at the local level by providing a mix of tenures involves a trade-off between housing the poorest households and housing those who are better off and so require fewer subsidies. The implication is that the local implementation of sustainable communities probably requires greater resources than simply providing market and social rented housing and hoping that people in the intermediate market are 'priced back' in to the market as affordability improves.

The question of whether tenure mix does actually contribute to reducing social exclusion and increasing social cohesion is inconclusive. It is clear that large council estates have benefited from being broken up into different tenures in a number of well-documented examples. The same is true in America where the HOPE VI programme has been very successful in breaking up some of the most severely distressed public housing estates with measurable impacts on incomes, education and crime. While tenure mix and hence social mix enhances an estate's reputation and desirability as a place to live, there is no real evidence that lack of tenure mix or social mix in other contexts, for example, in gated communities and other enclaves of high and middle income groups, is not sustainable. The main argument for tenure mix in these situations appears to be social justice. There is an argument about reducing racial segregation, but it is not clear how this can be done except by social engineering. It is unlikely to be possible simply through providing mixed tenure developments although these may at least allow the possibility of racial mix in areas where ethnic minorities are in evidence and in need.

Providing social housing in mixed tenure developments also enables greater movement within the system and takes some people out of unsatisfactory neighbourhoods (and improves those neighbourhoods). On balance therefore it would seem that mixed tenure schemes are preferable to single tenure.

Finally, good housing for all is integral to the sustainability of communities over the longer term. Government sets housing standards, both to provide information and as a basis for public spending and policies. Yet space standards of new housing have fallen significantly over the last 30 to 40 years. Statutory physical standards for a decent home have improved recently, and lack of amenity has almost been banished but unfitness is still a concern. New standards for safety and energy conservation will take time (and investment) to be achieved.

The links between investment in affordable housing and regeneration

There is a long history of area based programmes to tackle concentrations of deprivation and poverty and these have largely been based on housing renewal or demolition and replacement. These have included, in England, City Challenge and the Single Regeneration Budget, the National Strategy for Neighbourhood Renewal,

New Deal for Communities (NDC) and the Neighbourhood Management Pathfinder (NMP) programme leading to the current Working Neighbourhoods Fund.

In England, formal evaluations of NDC and NMP have generally been positive. The importance of physical renewal is demonstrated clearly alongside the value of community engagement. The impacts on health, education and employability outcomes are less clear and demonstrate some of the barriers to comprehensive area-based regeneration (Adamson 2010).

The NDC was introduced in 1998 with a projected budget of £2bn over 10 years. It started with 17 Pathfinder projects and was expanded with a further 22 schemes the following year. The NDC Partnerships were required to focus on five areas of intervention:

- housing and environment;
- health;
- education;
- fear and experience of crime; and
- reducing worklessness.

The NMP programme commenced in 2001 with 20 Pathfinders with a further 15 added to the programme in 2004. Each Pathfinder is managed by a Neighbourhood Manager with a support team. The delivery vehicle is a multi-agency partnership, with local residents represented at partnership level. The partnerships develop a Local Area Agreement that shapes service delivery in the designated Pathfinder area. Essentially, the programme is based on a neighbourhood approach to service improvement and places a high value on community engagement as a means to influence service providers.

Unlike NDC and NMP, the Mixed Communities Initiative Demonstration Projects announced in January 2005 have no particular funding attached. They were seen as a new and more comprehensive approach to addressing neighbourhood disadvantage. The 12 projects are an explicit attempt to bring together housing and neighbourhood renewal strategies to reduce concentrations of deprivation, stimulate economic activity and improve public services. They aim to go 'further and faster' than previous regeneration schemes by altering population and housing mix as well as making physical, environmental and service improvements.

Adamson (2010), in a comparative evaluation of regeneration programmes in the four devolved administrations, claims that in England 'area-based regeneration has benefited the communities where it has been implemented' (p. 30). In particular, he argues that there is a strong case for improving the physical environment especially housing. However he notes that spending in England appears significantly higher than in Scotland, Northern Ireland and especially Wales. The wide range of associated policies within the Strategy for Neighbourhood Renewal, each with a hypothecated budget, has ensured that local actions have been funded.

Overall, it would appear that area-based regeneration has brought benefits where it has been implemented, and the greater the investment and consistency of approach, the greater the benefit (McCormick and Harrop, 2010). Most of the benefits were to housing and neighbourhood conditions rather than levels of poverty per se. An

evaluation of a small group of better-performing NDC areas found that they were closing the gap between their area and the LA as a whole and on some trends, were performing better than the national average (DCLG, 2008). The impact of area-based policies on income poverty is complicated by UK national policies, including the Tax Credit system, the benefit system and the National Minimum Wage. Furthermore, wider economic processes have had a major impact as the labour market responds to economic growth and recession (Adamson, 2010, p. 5). Nevertheless, improvements in housing, the physical environment and public spaces have helped to stabilise neighbourhoods in decline.

The evidence on the linkages between housing and other services, and between housing and regeneration, points to the need for more comprehensive approaches to social investment. As well as its direct benefit, additional housing investment can help maintain the viability of the existing stock, have a positive impact on the local economy and increase the value of other infrastructure investment (Monk and Tang, 2010). However, housing renewal alone is not enough to secure regeneration, economic strategies for job creation and improving market demand are also necessary. Successful regeneration depends on effective partnerships and community involvement, and housing is often an important starting point for such involvement.

Residents' perceptions of affordable housing – have they changed over time?

The main source of evidence on residents' perceptions of affordable housing is the Survey of English Housing (SEH). Although the same questions are not asked every year, in the past the results consistently showed that social tenants are generally more satisfied with their tenure and with their housing than private renters, but less so than home owners (Monk et al, 2007).

However, this appears to be changing. The most recent results from the SEH showed that 49% of social tenants were very satisfied with their current accommodation, compared with 68% of home owners and 47% of private tenants. A further 33% were fairly satisfied, compared with 28% of owners and 38% of private tenants. In terms of negative views, 6% of social tenants were very dissatisfied, compared with 4% of private tenants and no home owners. Overall, 82% of social tenants were satisfied whereas 96% of home owners and 85% of private tenants were satisfied – so on these results, social tenants are the least satisfied of all tenures.

The SEH figures given here combine LA and RPs' tenants in terms of household characteristics but there was found to be little difference between them. However, there may be important differences in their housing (although less so than in the past as LSVTs have become more widespread). The Existing Tenants' Survey of RPs' and LA tenants provides an indication of the attitudes of RPs' tenants. Results of the 2008 survey show that existing tenants hold positive views of their home and of being an RP's tenant. Only 14% expressed a preference for home ownership over the long term and among this group, their motivation appears to be linked to dissatisfaction with their current home and a desire for greater control over their home. They appeared to view home ownership as a means of securing a better home in a better neighbourhood. Indeed, when asked about where they would like to be living in 10 years' time, 72% said renting from an RP and only 14% said home ownership (Heriot Watt University, 2009, p. 20).

Detailed analysis of the RP group of respondents shows that there has been a noticeable decline in aspirations to own a home – from 32% in 1999/2000 to 12% currently; tenants' ratings on the condition of their home have also improved from

70% in 2004 to 77% in 2008 and tenant satisfaction with their neighbourhood as a place to live has risen by 11% since 1999/2000 from 73% to 82% (ibid).

DCLG commissioned a special study into attitudes to housing which was in two phases: the first was a quantitative study comprising a face to face survey of the general public (Finlay and Davis, 2009); while the second was a qualitative study using focus group discussions to explore housing experiences and attitudes plus views on the process of prioritising and allocating social housing (McClarty et al, 2009).

In the quantitative survey respondents were asked a series of attitudinal questions focusing on the social rented sector. The key findings were:

- Almost a third (32%) disagreed that the way housing is allocated is fair. Disagreement was higher among those stating that they had some knowledge of how social housing is allocated and even higher among those who said they knew a lot about it. Of all tenure groups, social renters were the most likely to disagree that allocation is fair.
- Almost half (48%) believed that more low income working households should be allocated social housing rather than the most vulnerable. The same proportion also thought social housing should be given to people who had lived in the area a long time.
- Nearly three quarters (74%) thought people with dependent children need more housing stability and 57% agreed that social housing tenancies should be passed on to adult children living with their parents.
- There was strong public support for creating better, more balanced communities. 44% agreed that having poorer and better off people living side by side helped to create balanced communities.
- 69% agreed that social housing rents should be low for tenants who are working but on low incomes, to make work worthwhile. Opinion was divided on offering financial support to social tenants to buy their own home and whether all social tenants should pay the same rent for the same property regardless of their income.
- 81% felt that tenants who abuse the conditions of their tenancy should not be allowed to remain, and 75% favoured requiring under-occupying tenants to move to a smaller home. 59% also supported a requirement for out of work social tenants to take up help and advice to find work as a condition of their tenancy.
- 41% supported placing limits on access to social housing by excluding people who have 'significant savings' but the same proportion supported tenants being able to remain in social housing as long as they want, even if they could afford to rent privately or buy their own home. Overall, two thirds wanted regular reviews of a tenant's need to continue living in social housing.

The findings from the 12 focus groups held in London, Walsall, Croydon, Coventry, Manchester and Romford confirmed the survey finding that 82% of social tenants were generally very satisfied with their housing. Social tenants identified security of tenure as the main benefit and although they recognised the advantage of delegated

responsibility for property management, they criticised the care and speed of maintenance. Private renters saw the social sector as somewhere that could provide greater protection from poor landlords, a lower rent and greater security of tenure. Home owners tended to value the social sector as somewhere that can provide support for the most vulnerable.

- In the survey private renters were the least satisfied with their tenure (74%) and while those in London were most concerned about the cost, all tenants felt they lacked knowledge of the means of redress if a landlord neglected responsibilities. Like social tenants, they acknowledged that renting removed the responsibility for repairs; they were dissatisfied with the process of getting a landlord to do repairs.
- Owner occupiers were the most satisfied (91%) and while ownership carried the cost and responsibility of a mortgage and maintenance, they reflected on their pride and sense of achievement from owning a home.
- The focus groups perceived place as a greater driver of life chances than a social rented tenure per se. In London, where small areas often contain a mix of tenures, social tenants did not feel that their tenure was visible to potential employers or in any way a hindrance to their chances. Those who had lived in better quality social housing in prosperous parts of the city valued the opportunity to live somewhere that they could not otherwise have afforded in the private sector.
- Outside London, social tenants did feel that their address, on a large well known estate, carried a stigma when it came to job or credit applications. They felt the general levels of deprivation reflected badly on them, implying they were less trustworthy. This was also felt by owners and private renters who lived adjacent to large areas of social housing. Residents in Walsall and Manchester felt that living in poorer areas affected their self esteem.
- Focus group participants felt that more vulnerable people should receive priority for social housing. When asked to explain who they classed as vulnerable, each of the groups prioritised households in similar circumstances to themselves.
- So in the second round of focus groups, participants were asked to allocate a limited number of social rented properties to a longer list of households in need. This exercise revealed more clearly what participants meant and how they delineated concepts of explicit and implicit vulnerability.
- Households with explicit vulnerability, such as a disability or dependent children, had clear needs and were not able to change their circumstances in these respects. Households with implicit vulnerability were equally considered to need support, perhaps due to a change in their circumstance such as unemployment or a mental health problem, but there was more debate about whether social housing was the solution and the extent to which households could improve their circumstances without the help of social housing.
- The focus groups also supported using social housing allocation to develop mixed communities with a range of income groups living in one

area or estate by allocating more social housing to working households on moderate incomes. However, when faced with the real life dilemma of allocating a limited stock, they fell back on the criteria of vulnerability.

- The focus groups revealed a strong sense of needing transparent fairness in the allocation process. This included allocating housing to the most vulnerable but also in their view the most deserving and who had waited the longest. Tenants should also uphold obligations to their landlord and neighbours if they wanted to keep their home.
- Participants were also asked to discuss some of the questions that had been asked in the survey. Thus on under-occupation, at first the focus groups agreed that people should be required to downsize, but there were concerns that this would turn RPs into 'Big Brother' and create stressful disruption for older tenants. Some groups felt that unless the tenant wanted to downsize, such a change could only be introduced as a condition of a new tenancy, when people first entered the social sector.
- There was general agreement that tenants who breached the terms of their tenancy should have it reviewed. But reactions to the suggestion of a periodic review of all tenancies reflected their overall view of social housing. For those who saw it as temporary support at vulnerable times, a tenancy review was acceptable, but for those, especially current social tenants who saw a social tenancy as providing a secure long term home, this was perceived as threatening and potentially harmful to tenants' well being.
- While the focus groups generally thought resident adult children should not be thrown out, the discussion went on to consider whether the circumstances of the adult child should always justify the tenancy, e.g., if they were on a high income.
- In the survey, 59% of respondents were in favour of workless tenants receiving employment advice from the landlord, but the focus groups did not feel that it was the role of the RP to get involved in job seeking by their tenants.

Overall, the qualitative research suggested that some of the strongly supported attitudes emerging from the survey were not so strongly supported after consideration of the full implications for tenants and their landlords.

The value of social housing

This is the report of a longitudinal analysis of the relationship between housing and life chances (Feinstein et al., 2008). Its main finding is that for the 1946 cohort, living in social housing in childhood was not a risk factor for adult deprivation or worklessness, except for females and then only for very recent (age 53) outcomes, most likely explained by the experience of social housing since residualisation and not because of experience in childhood. For the 1958 cohort, there were important gender differences. For males there was no increase in the likelihood of adult deprivation for those who experienced social housing in childhood, but for females there was an increased likelihood at ages 33 and 42. For the 1970 cohort there were negative outcomes for both males and females in social housing in childhood, even when controlling for other factors.

But these are likelihoods and by no means true for everyone in social housing. Nor is it inevitable for people living with a public agency as landlord. However the mechanisms by which social housing is allocated – and land allocated for new housebuilding – are important as outcomes depend on them.

The report emphasises the importance of better links between housing policy and other elements of social policy including education, health, work and welfare. The study finds strong grounds for multi-agency working, community ownership and neighbourhood level interventions. It also raises questions about how far the state should support owner occupation compared with other tenures. In its final section it looks at the need to develop mixed communities and addresses some of the difficulties in doing so.

Appendix 4: Regional picture of General Needs social housing

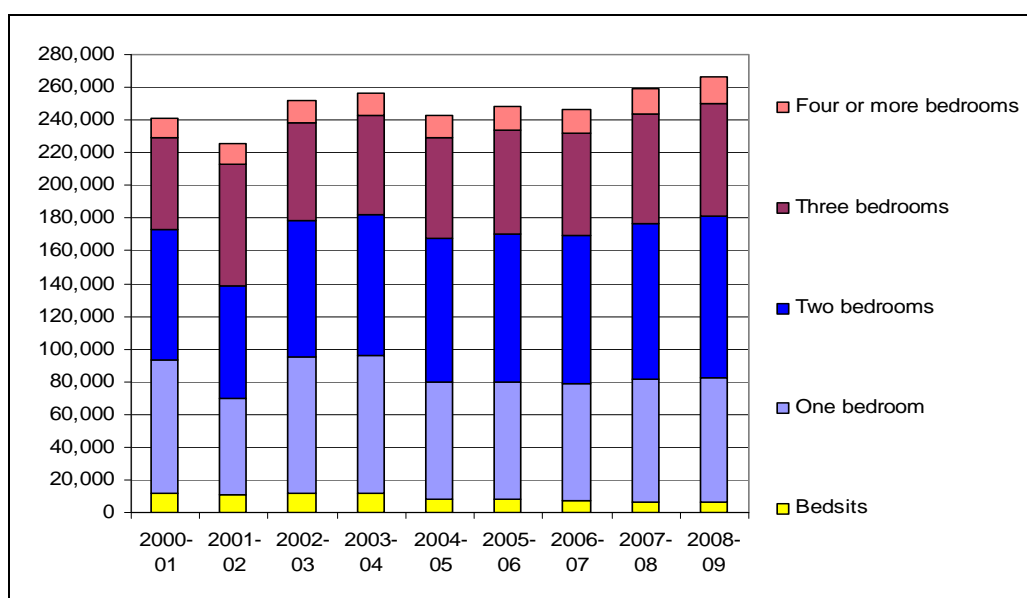
4.1 General Needs self-contained housing stock

Charts 4.1 (a)–(i) shows the regional distribution of general needs social housing stock by bed-size. There was a general trend in the increase of the total stock, the ‘dip’ in 2004/05 marked the removal of sheltered housing from General Needs to supported housing.

There has been a striking increase in two-beds and three-beds, a small increase in four+ bed, and a fall in bedsits. In most regions, except London, the South West and the North East, there were more three-beds than two-beds.

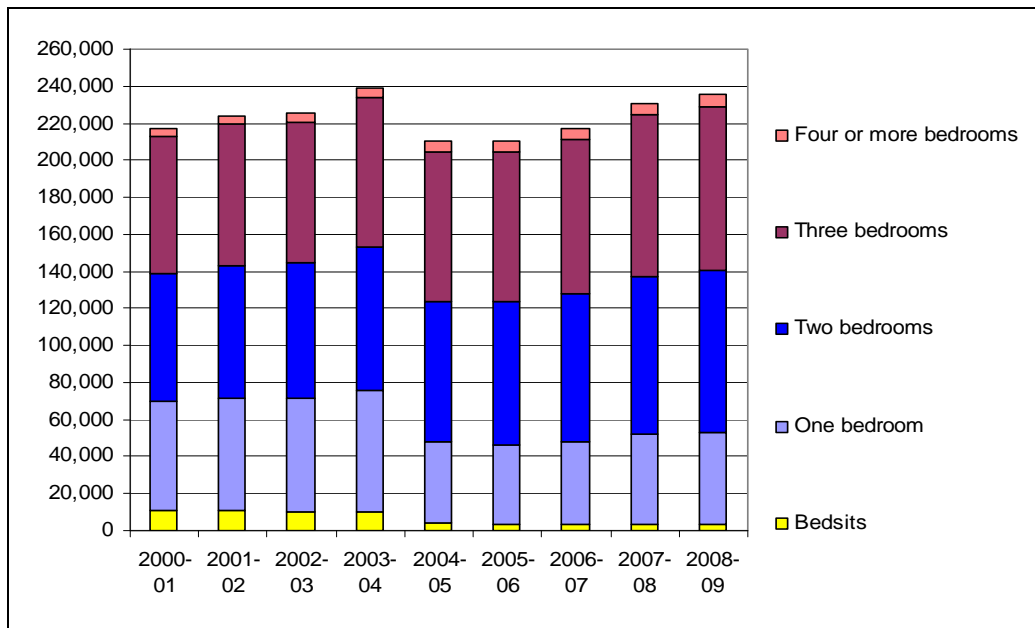
Chart 4.1: General Needs self-contained housing stock by bed size, 2001–2009

(a) London



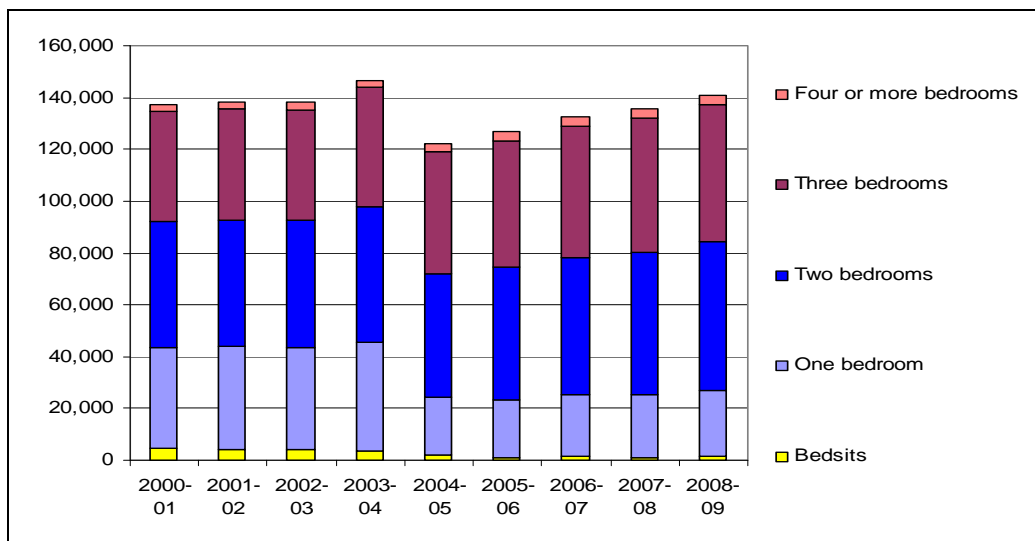
Source: Regulatory Statistical Return 2000/01–2008/09

(b) South East



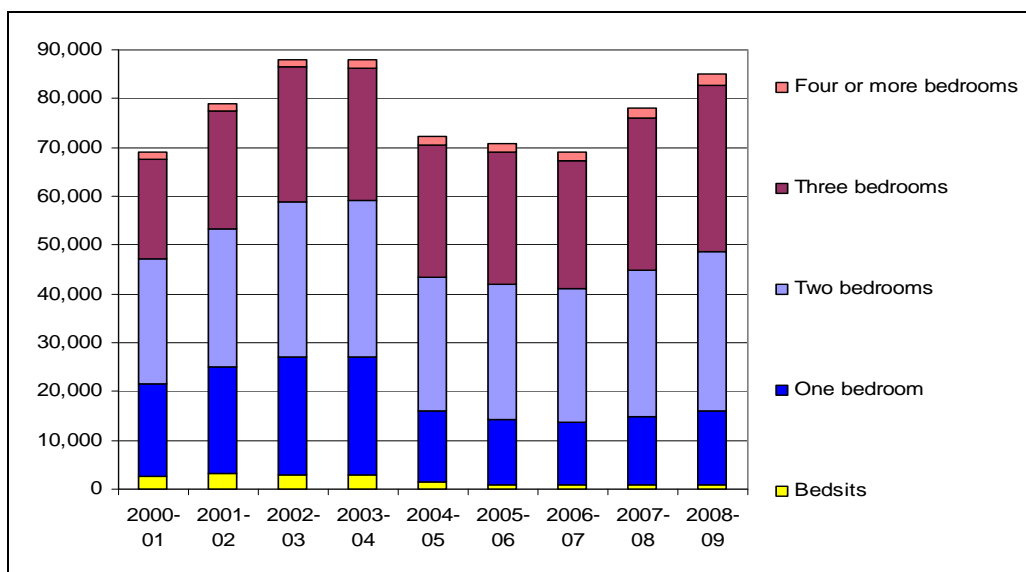
Source: Regulatory Statistical Return 2000/01–2008/09

(c) South West



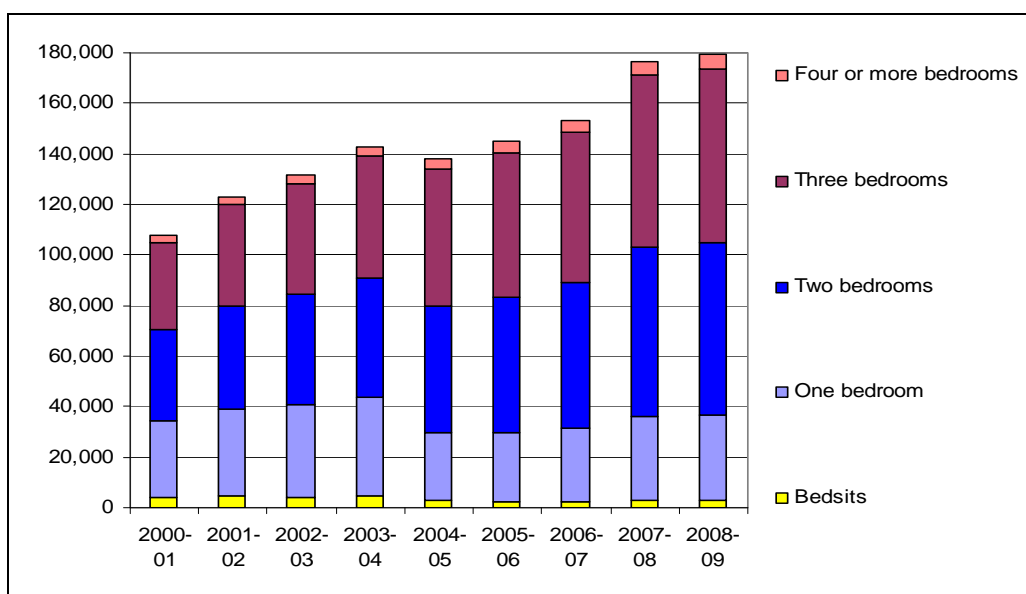
Source: Regulatory Statistical Return 2000/01–2008/09

(d) East Midlands



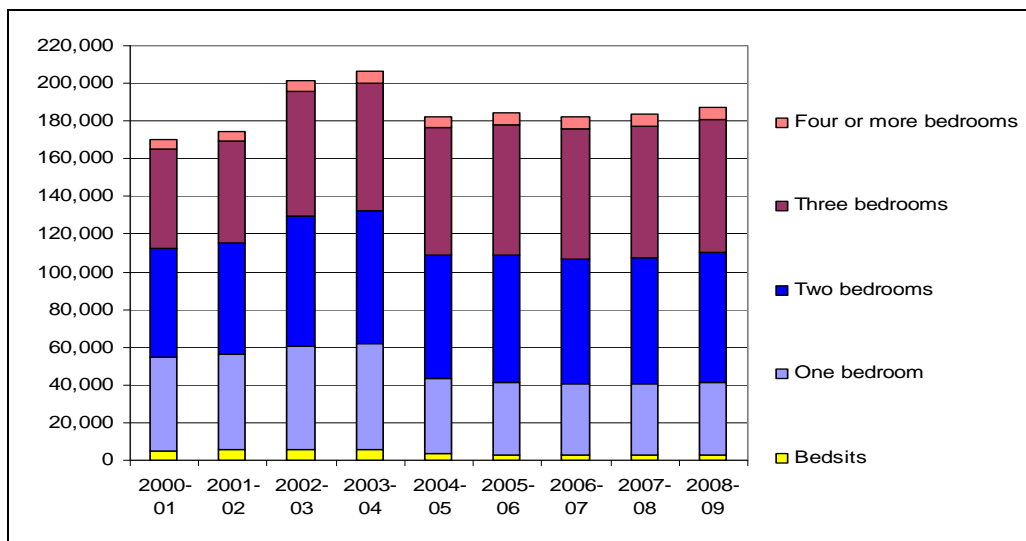
Source: Regulatory Statistical Return 2000/01–2008/09

(e) East



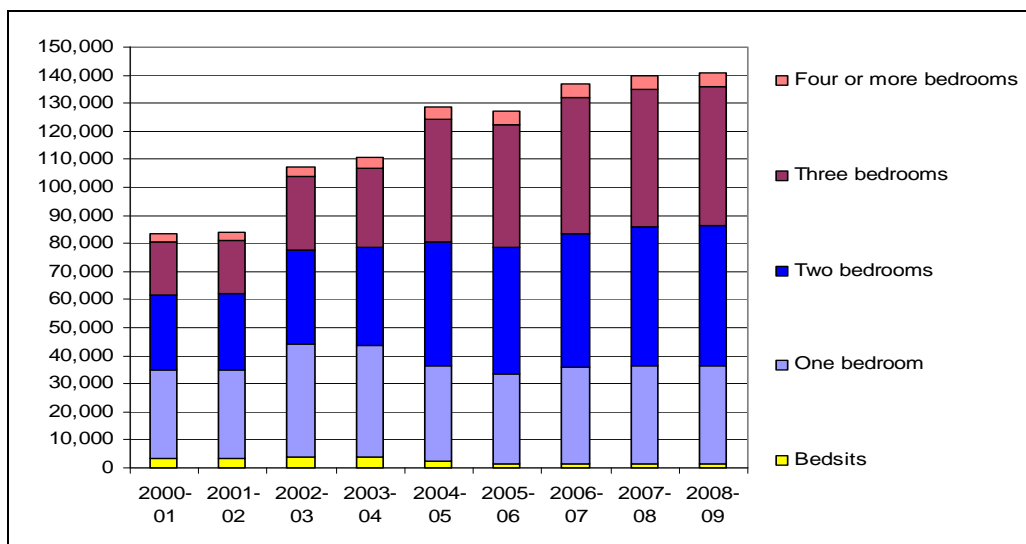
Source: Regulatory Statistical Return 2000/01–2008/09

(f) West Midlands



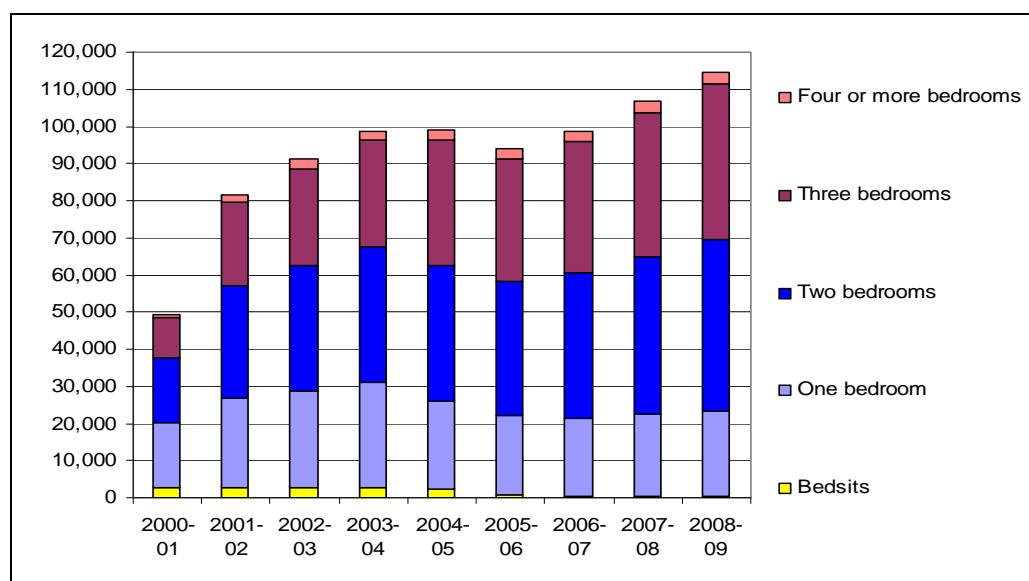
Source: Regulatory Statistical Return 2000/01–2008/09

(g) Yorkshire and The Humber



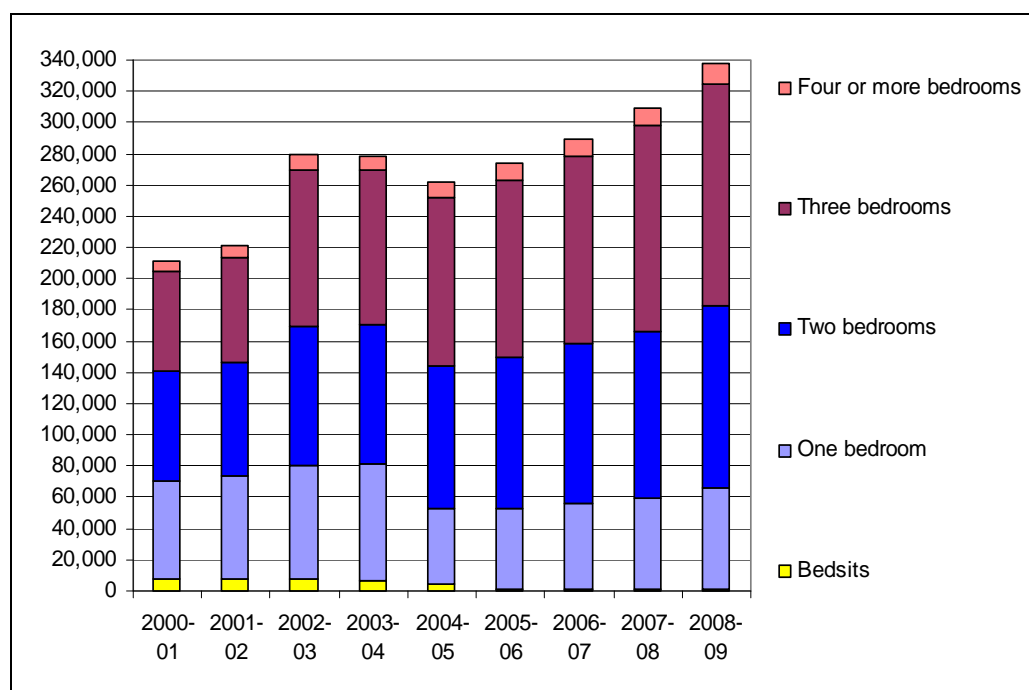
Source: Regulatory Statistical Return 2000/01–2008/09

(h) North East



Source: Regulatory Statistical Return 2000/01–2008/09

(i) North West

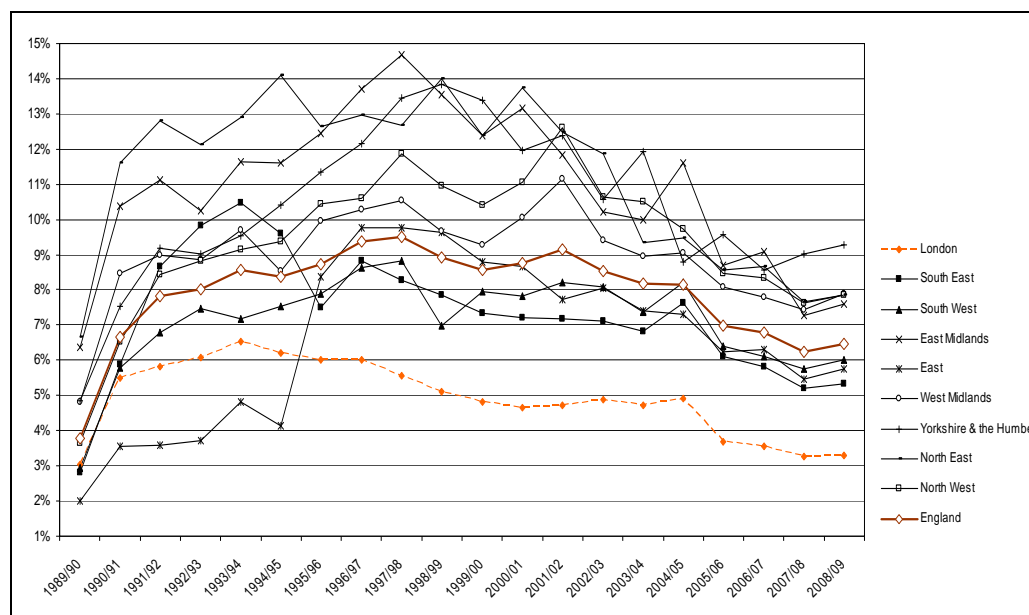


Source: Regulatory Statistica Return 2000/01–2008/09

4.2 Regional turnover rates of General Needs social rented housing

Chart 4.2 shows the turnover rate of General Needs social rented housing, i.e., re-lets as a proportion of the stock. There was a declining trend of turnover rates for every region. Starting from 1995/96, London had the lowest turnover rates of below 6%, and by 2007/08, it was only 3%.

Chart 4.2: Turnover rates of General Needs housing by region, 1990–2009



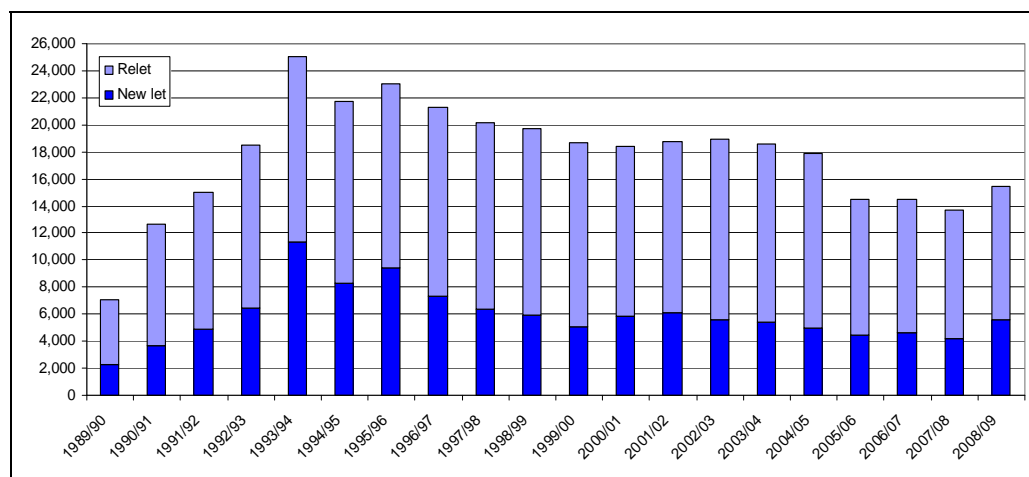
Source: Regulatory Statistical Return 1989/90–2008/09 and HA CORE GN 1989/90–2008/09

4.3 General Needs new lets and re-lets for each region

Charts 4.3 (a)–(i) show the trend of new lets and re-lets in General Needs social housing for each region in England. Only London, the South East and the Eastern region had a relatively higher proportion of new lets.

Chart 4.3: General Needs new lets and re-lets by region, 1989/90–2008/09

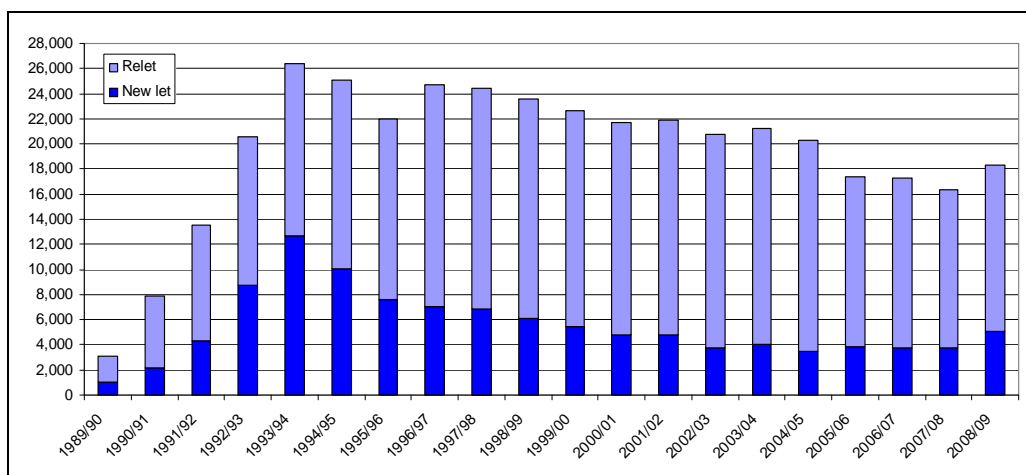
(a) London



Source: HA CORE GN 1989/90–2008/09

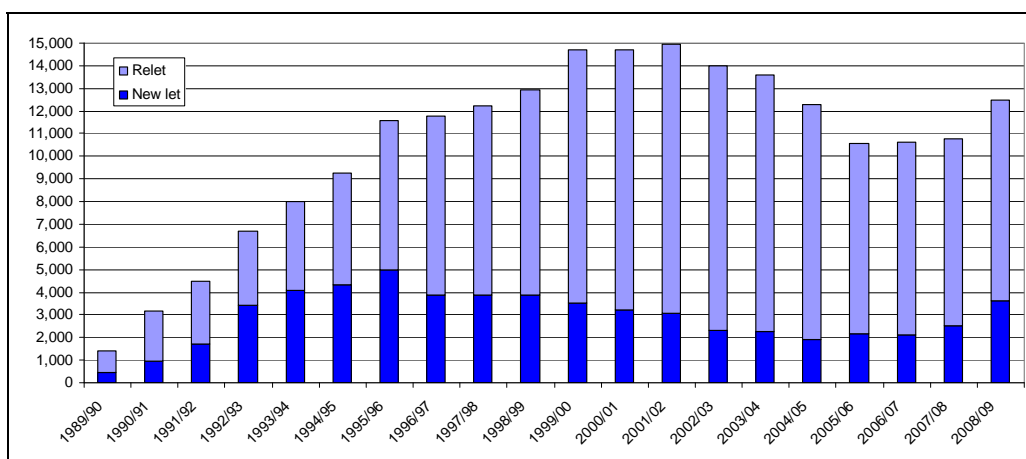
New Affordable Homes: What, for whom and where have Registered Providers been building between 1989–2009? Appendices

(b) South East



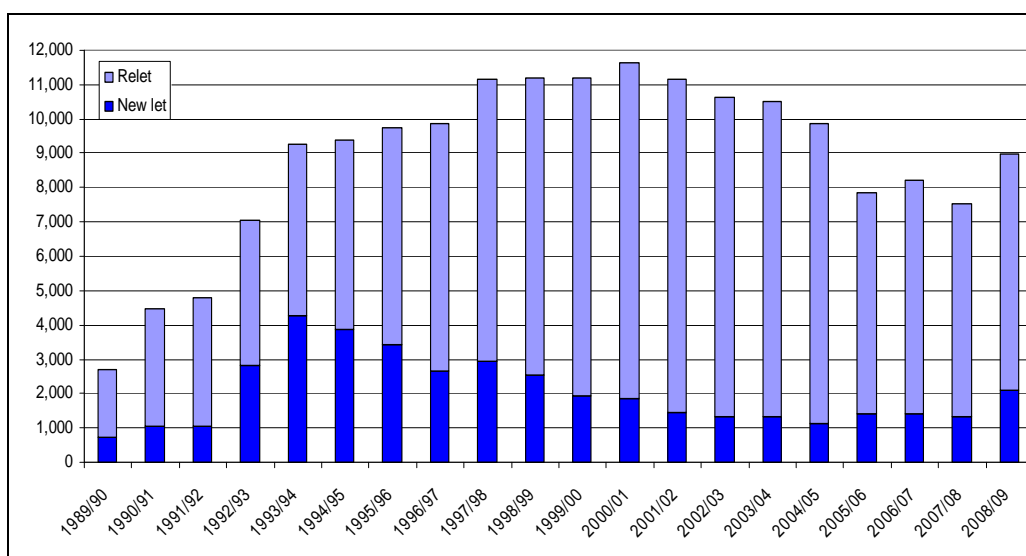
Source: HA CORE GN 1989/90–2008/09

(c) South West



Source: HA CORE GN 1989/90–2008/09

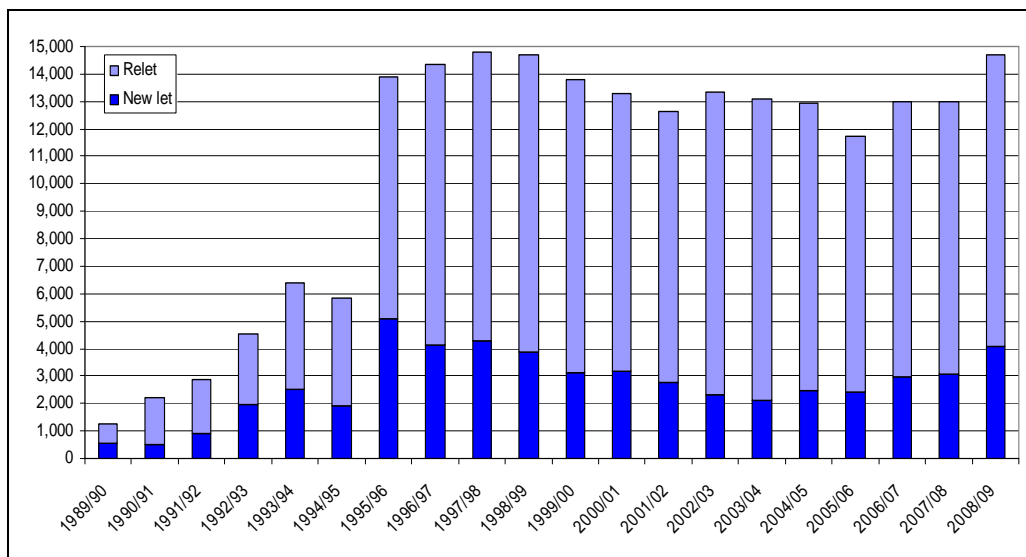
(d) East Midlands



Source: HA CORE GN 1989/90–2008/09

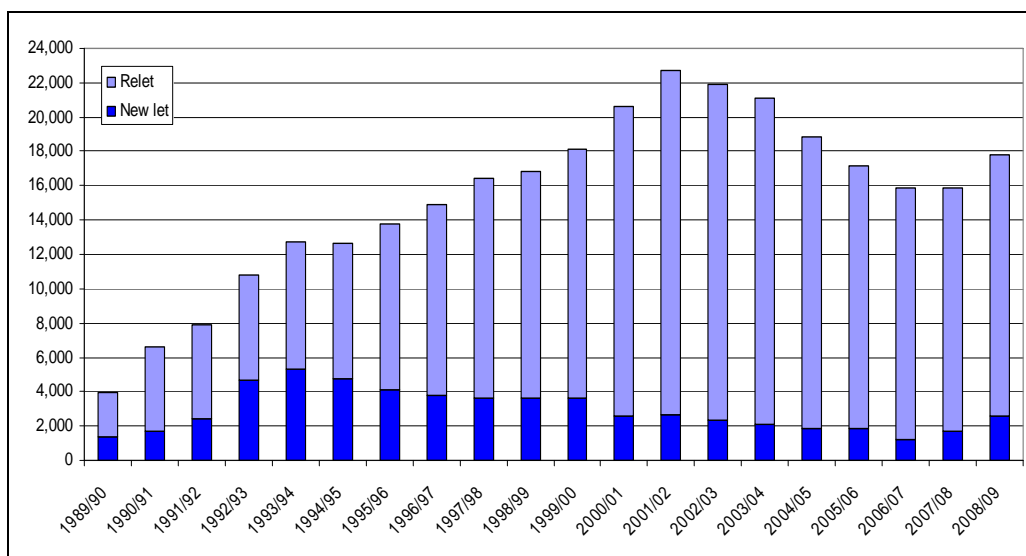
New Affordable Homes: What, for whom and where have Registered Providers been building between 1989–2009? Appendices

(e) East



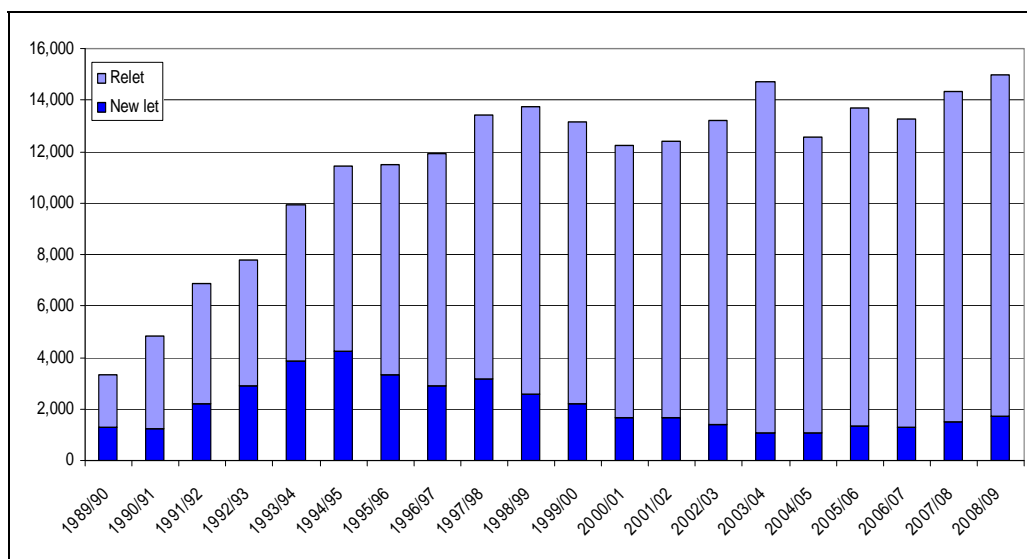
Source: HA CORE GN 1989/90–2008/09

(f) West Midlands



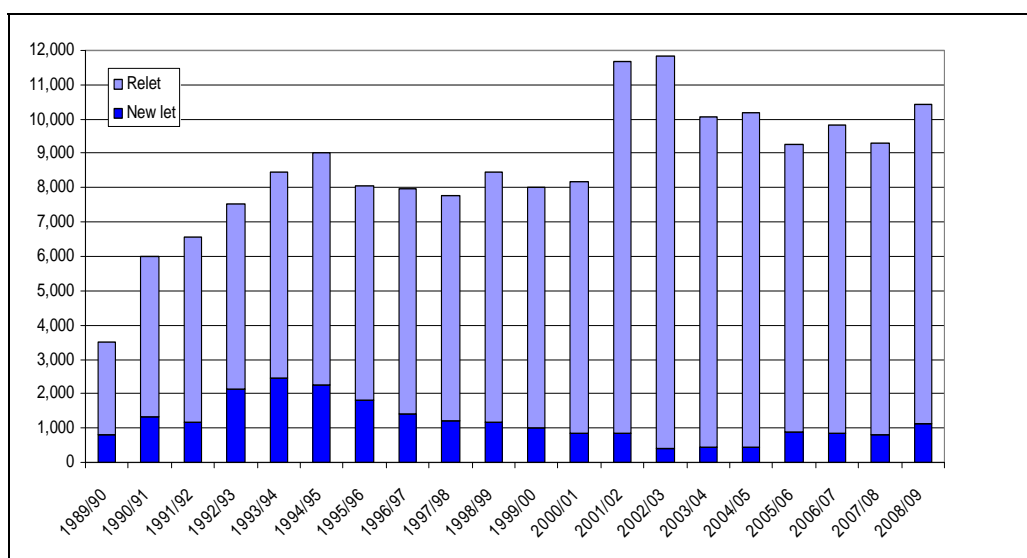
Source: HA CORE GN 1989/90–2008/09

(g) Yorkshire and The Humber



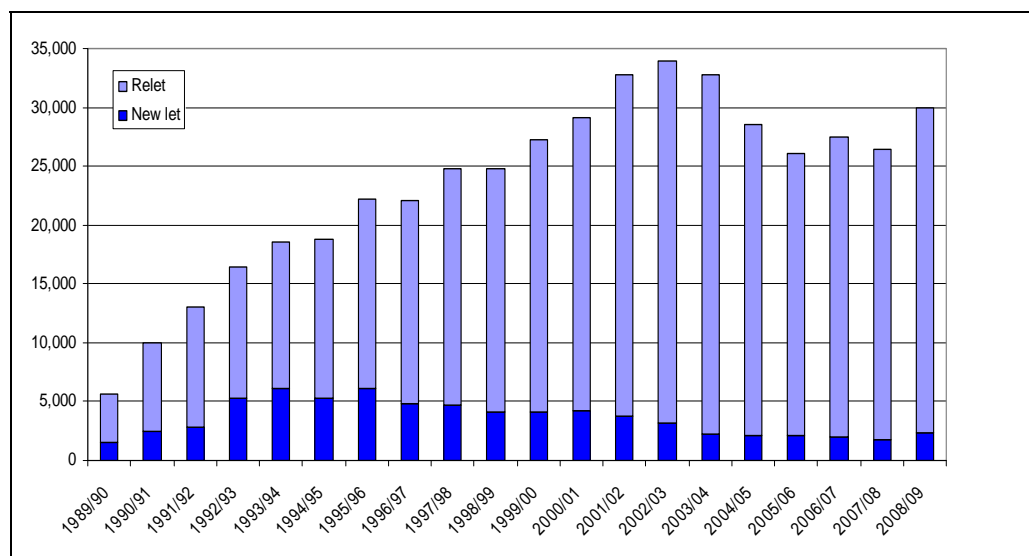
Source: HA CORE GN 1989/90–2008/09

(h) North East



Source: HA CORE GN 1989/90–2008/09

(i) North West



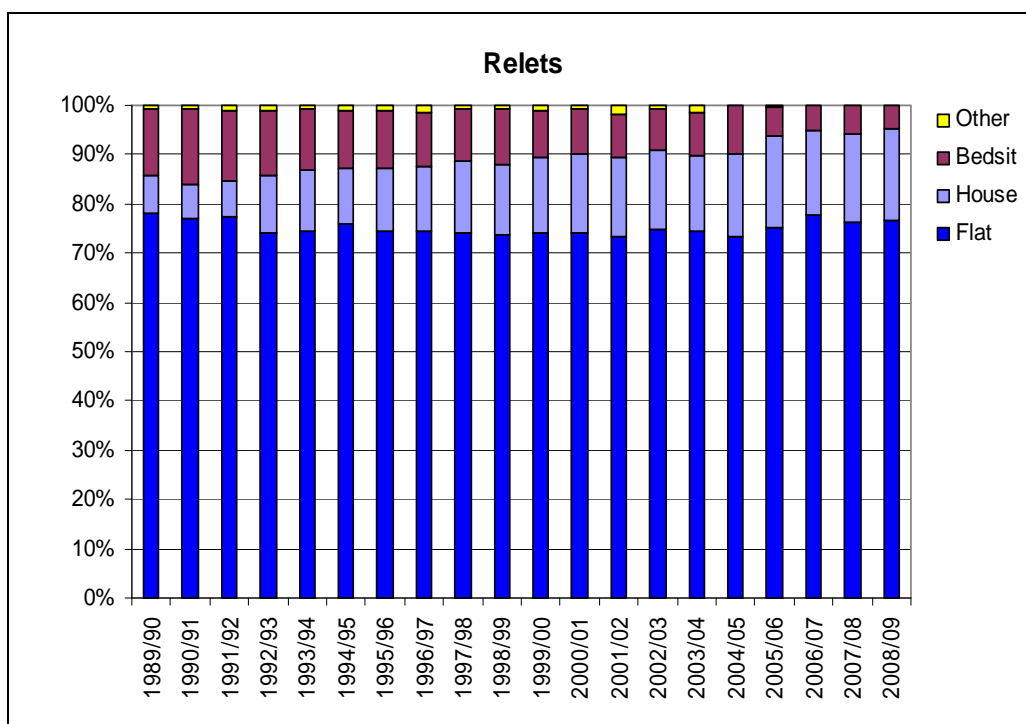
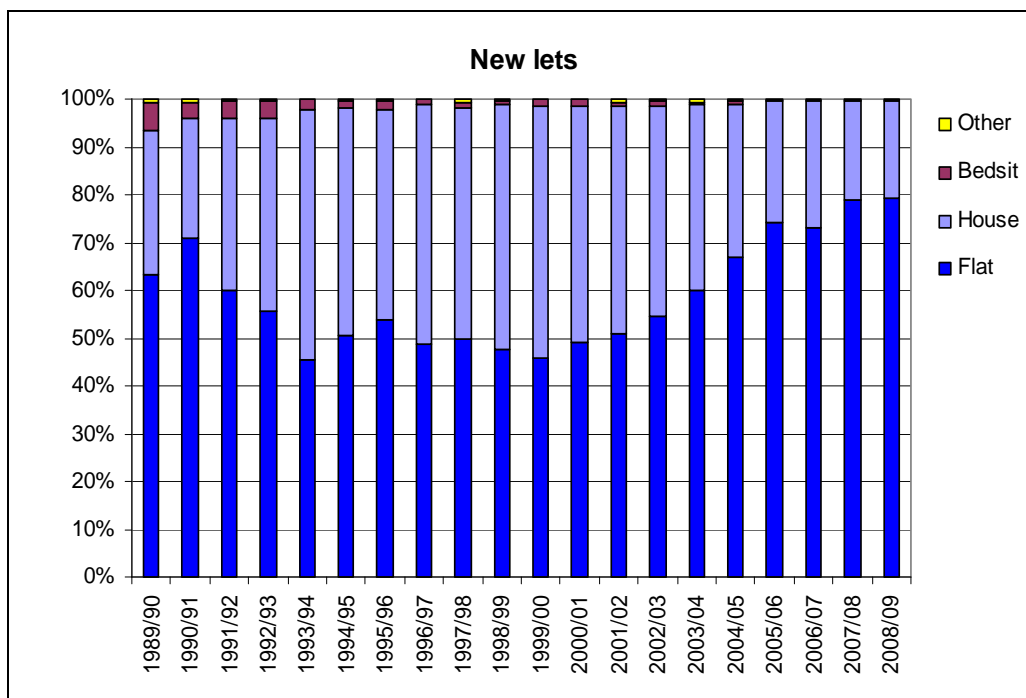
Source: HA CORE GN 1989/90–2008/09

4.4 General Needs new lets and re-lets by property type for each region

Charts 4.4 (a)–(i) shows that almost all regions, with the exception of London and the South East, had a higher proportion of houses in the total new lets. In the case of re-lets, only the East Midlands and the North East had a higher proportion of houses in total re-lets. Also, there was a higher proportion of bedsits in total re-lets.

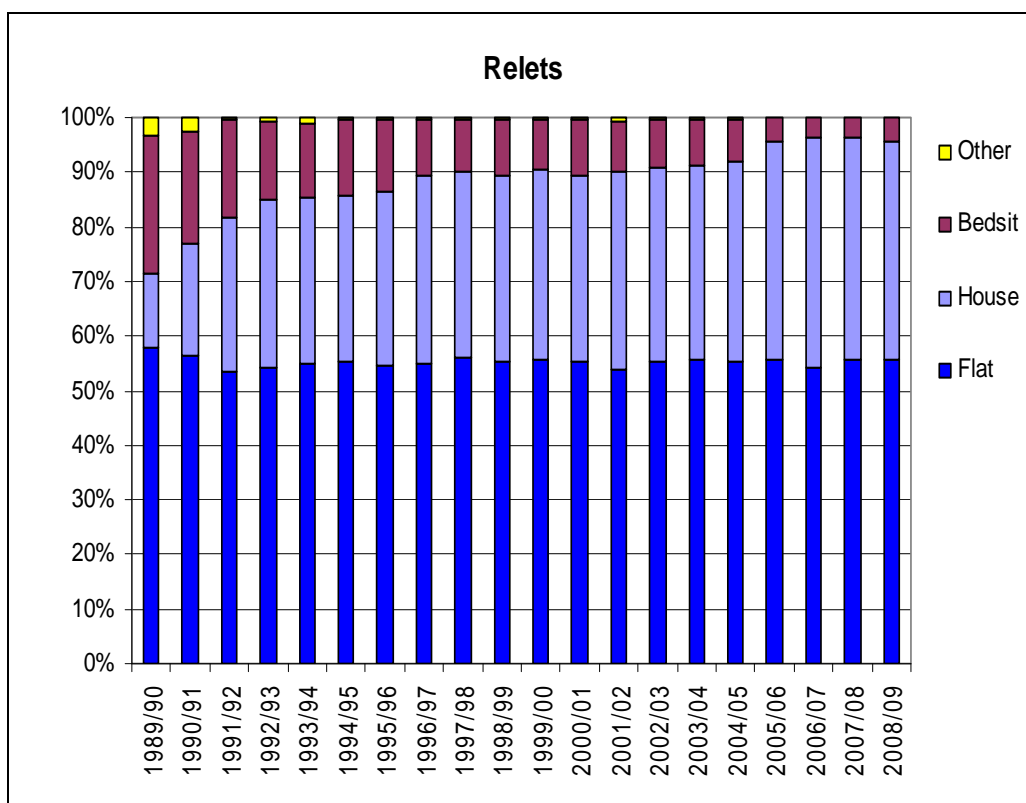
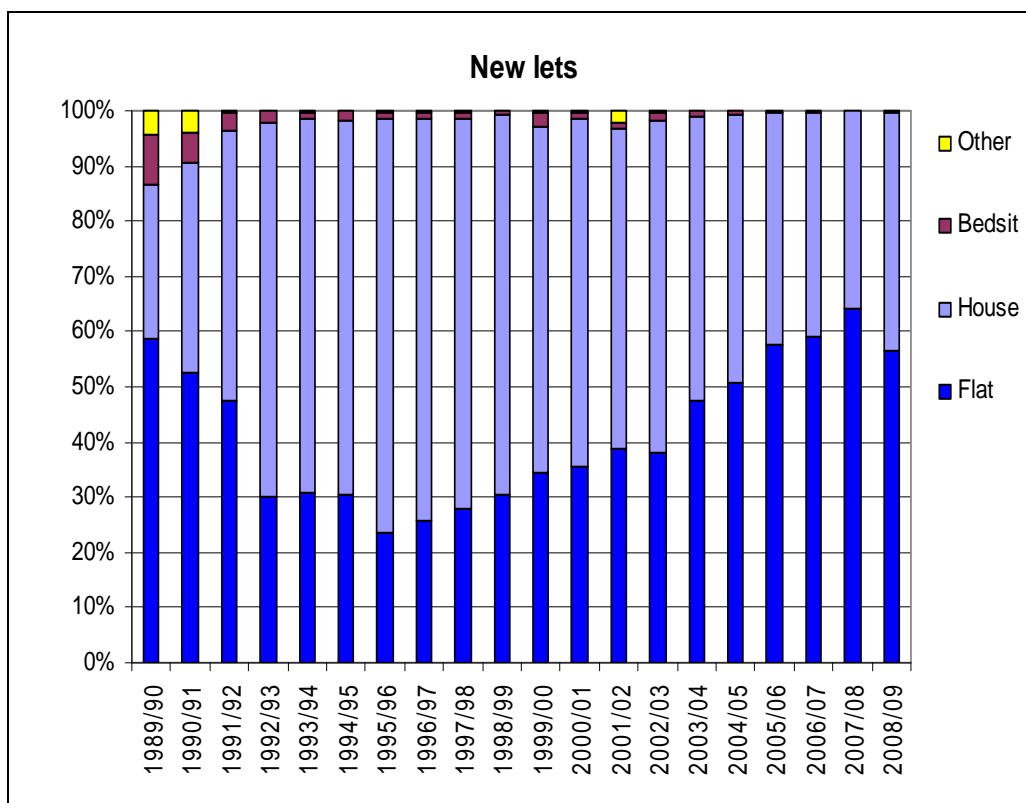
Chart 4.4: General Needs new lets and re-lets by property type, 1989/90–2008/09

(a) London



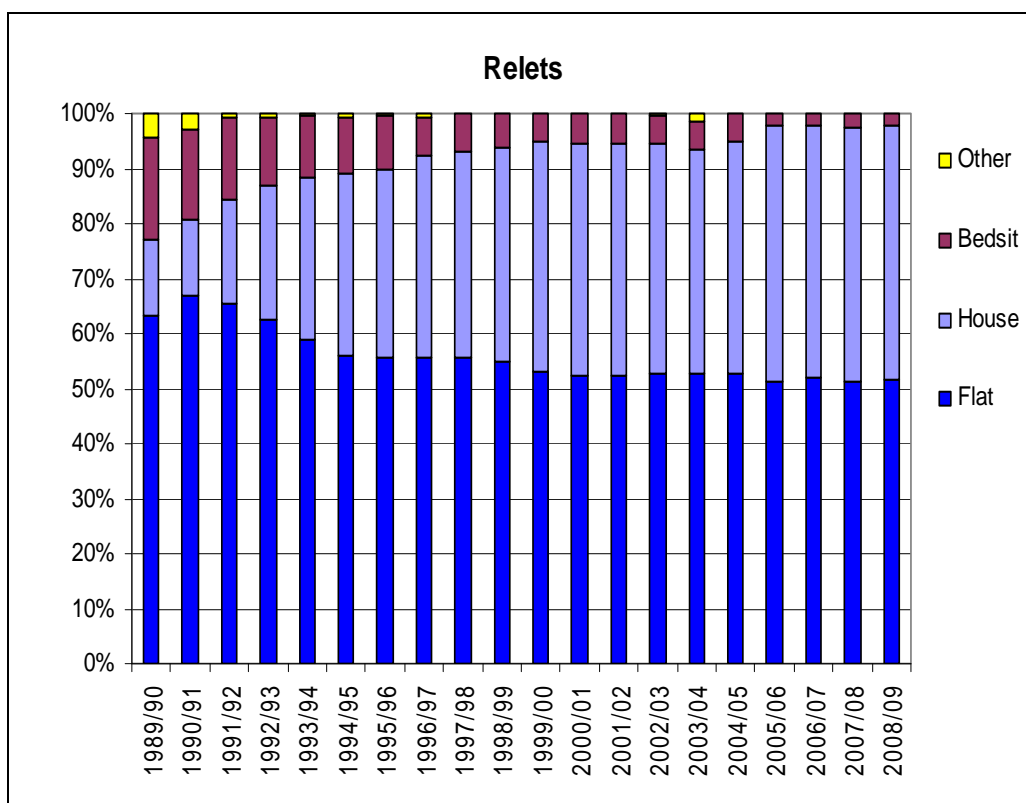
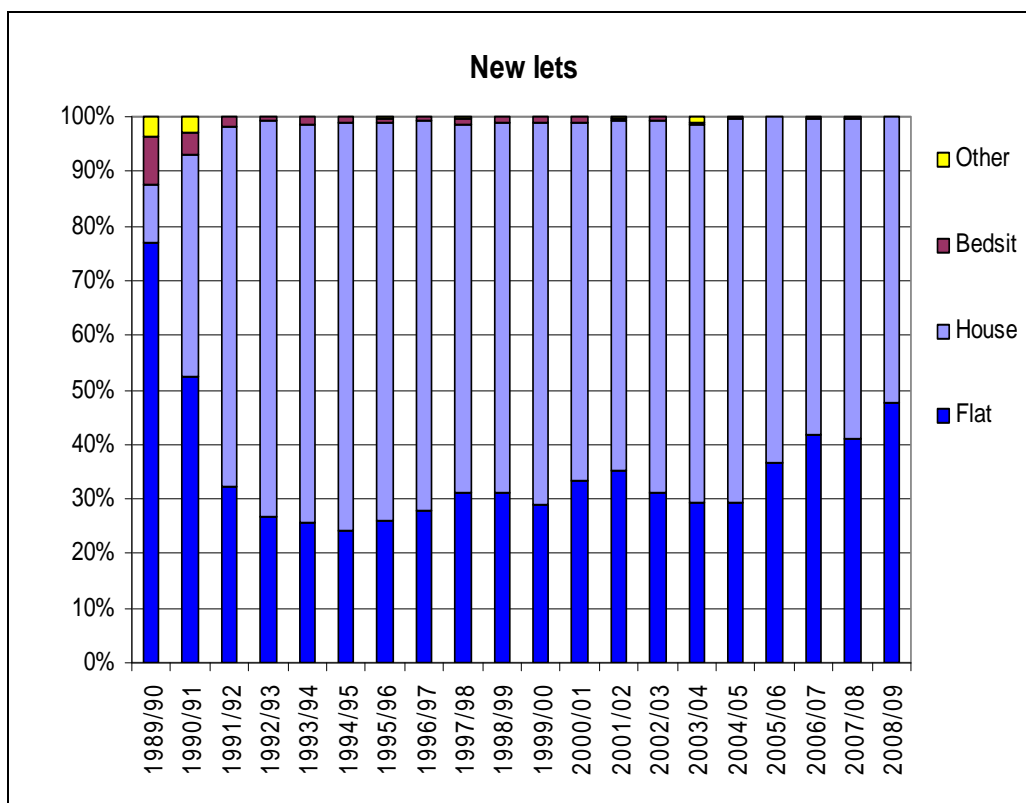
Source: HA CORE GN 1989/90–2008/09

(b) South East



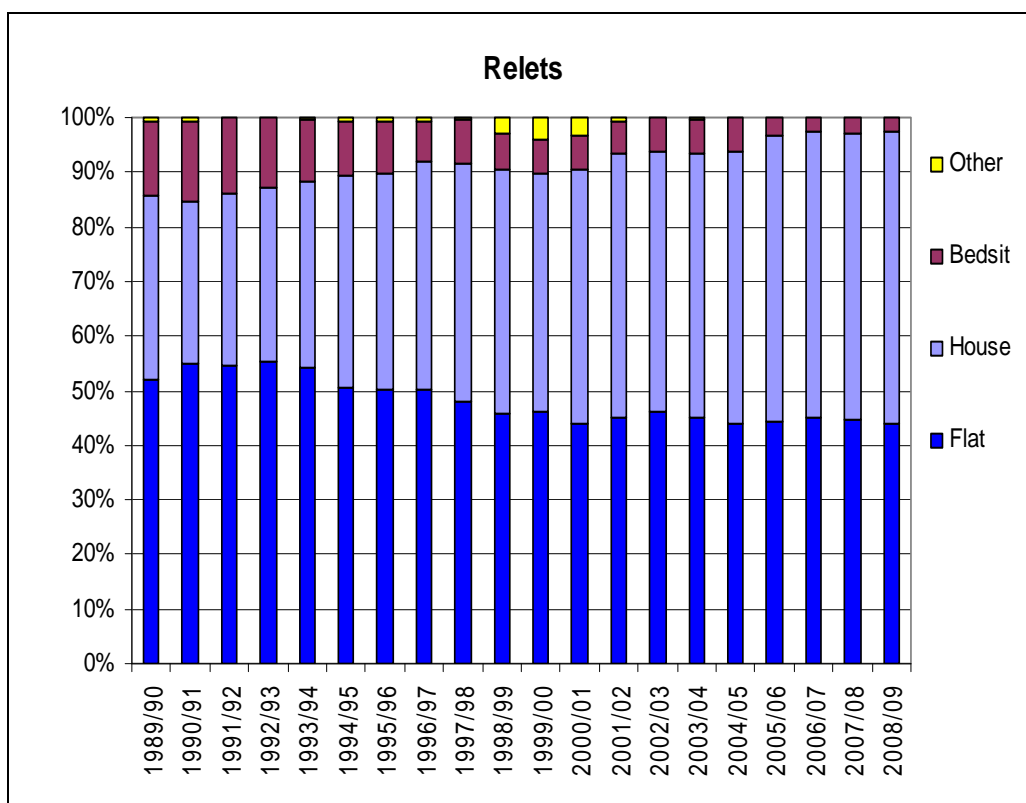
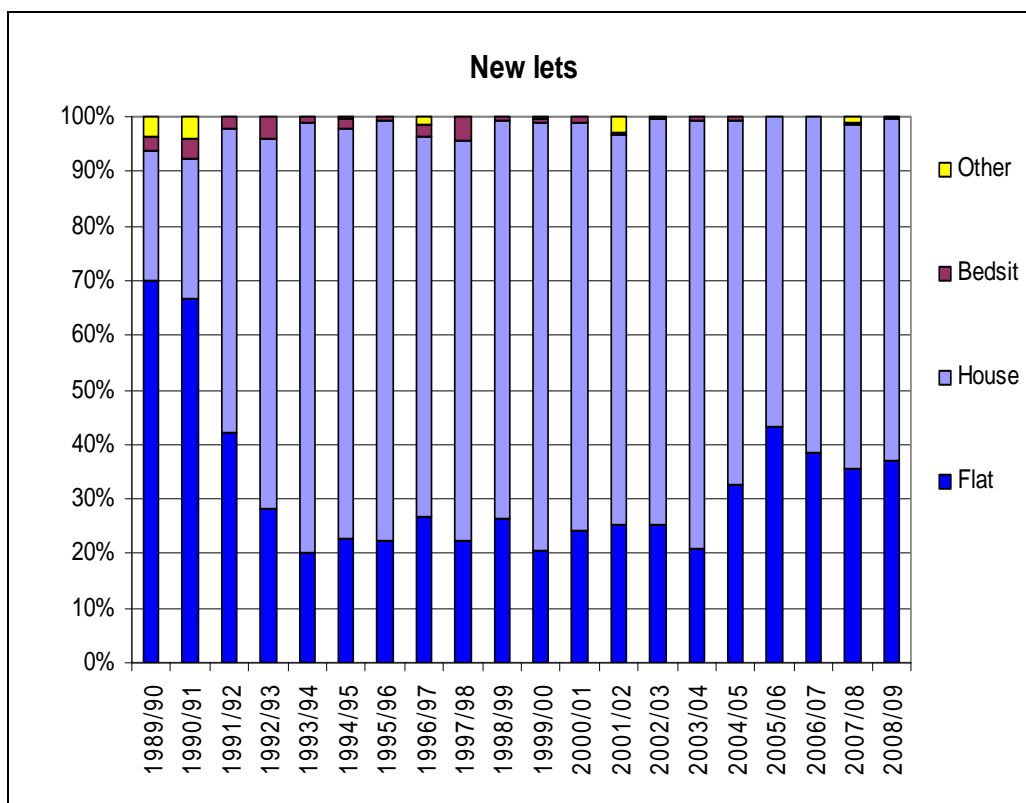
Source: HA CORE GN 1989/90–2008/09

(c) South West



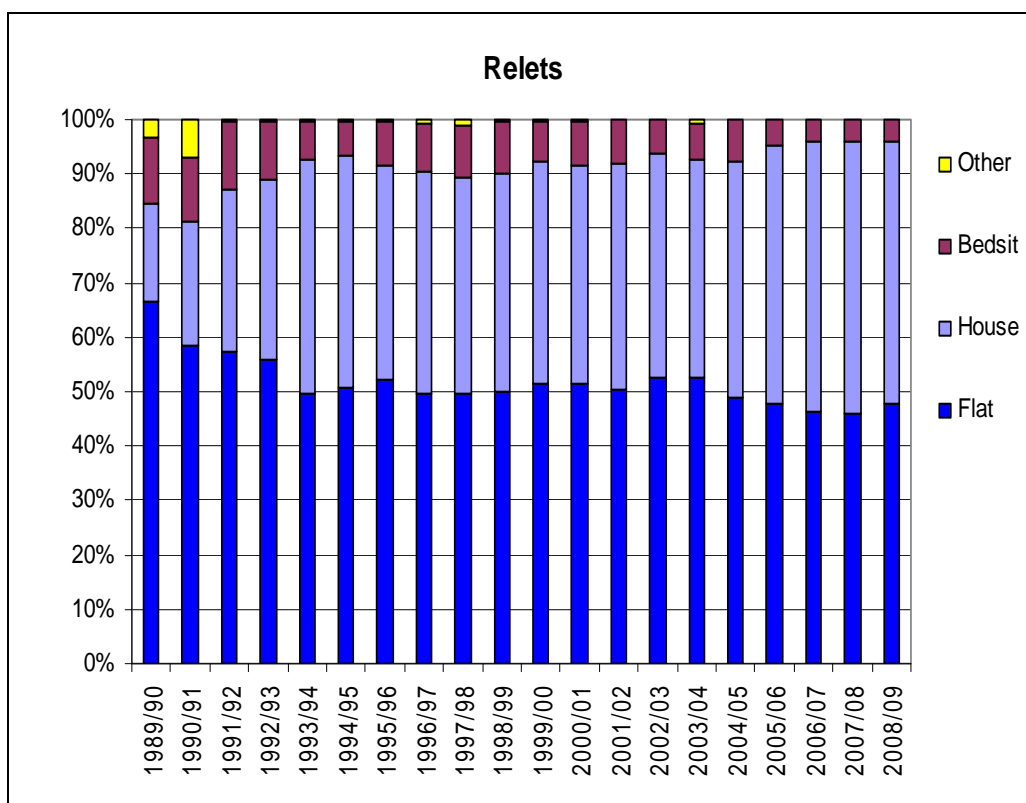
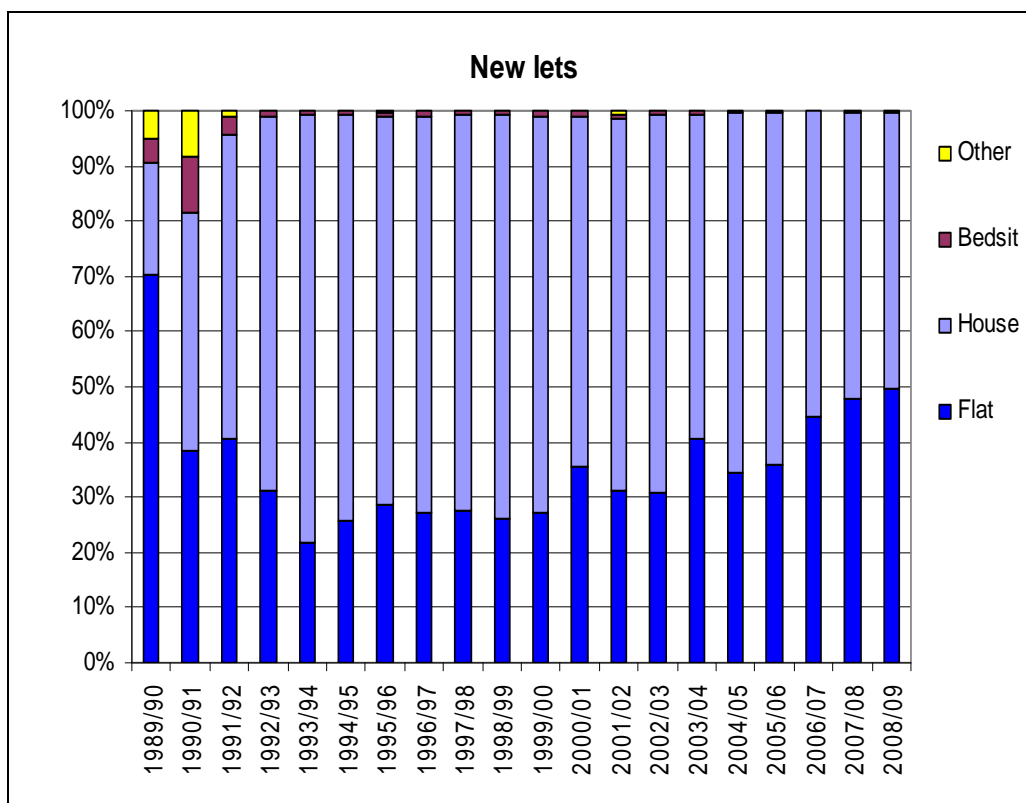
Source: HA CORE GN 1989/90–2008/09

(d) East Midlands



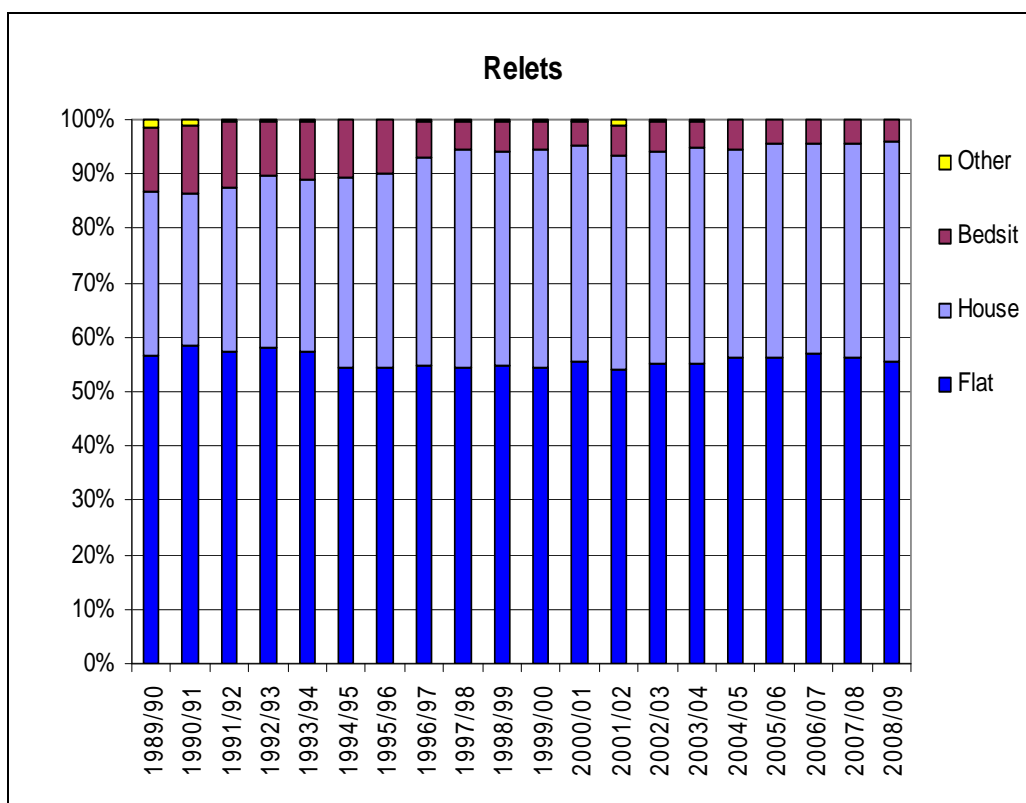
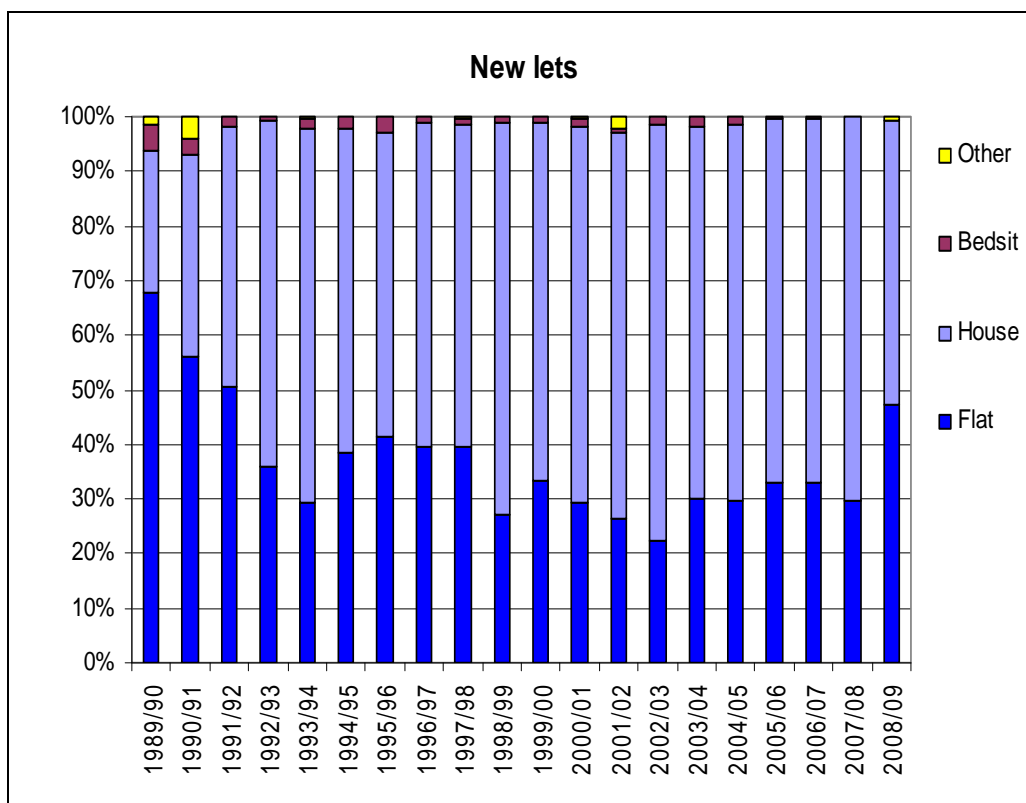
Source: HA CORE GN 1989/90–2008/09

(e) East



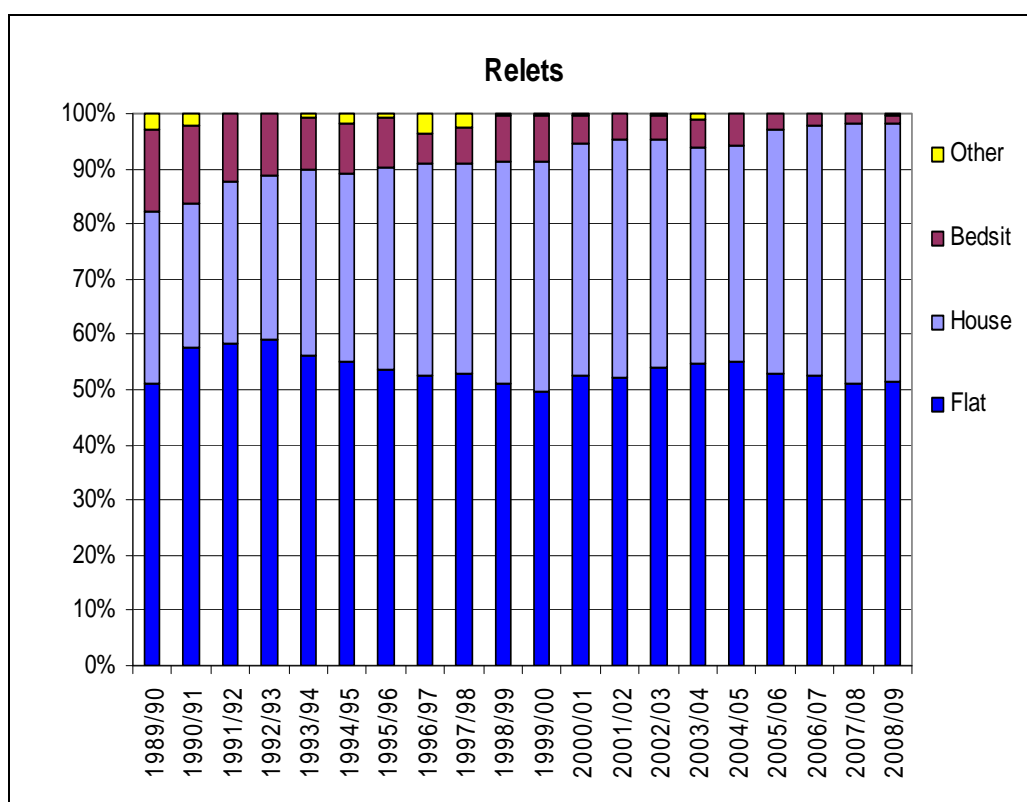
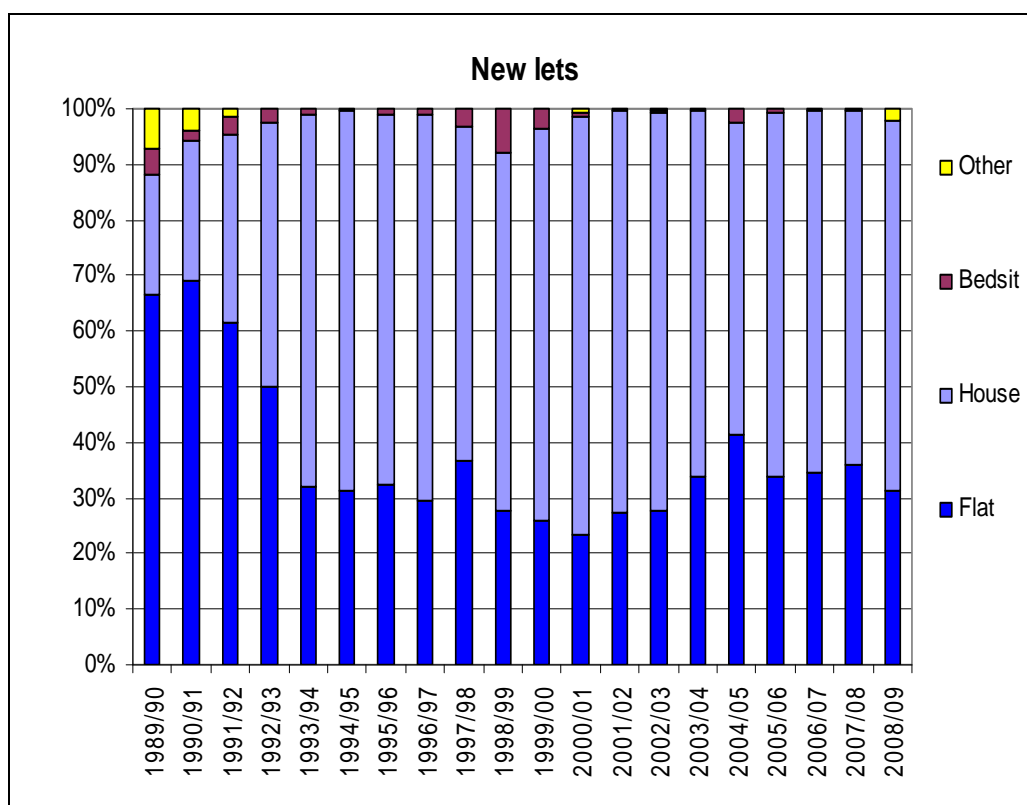
Source: HA CORE GN 1989/90–2008/09

(f) West Midlands



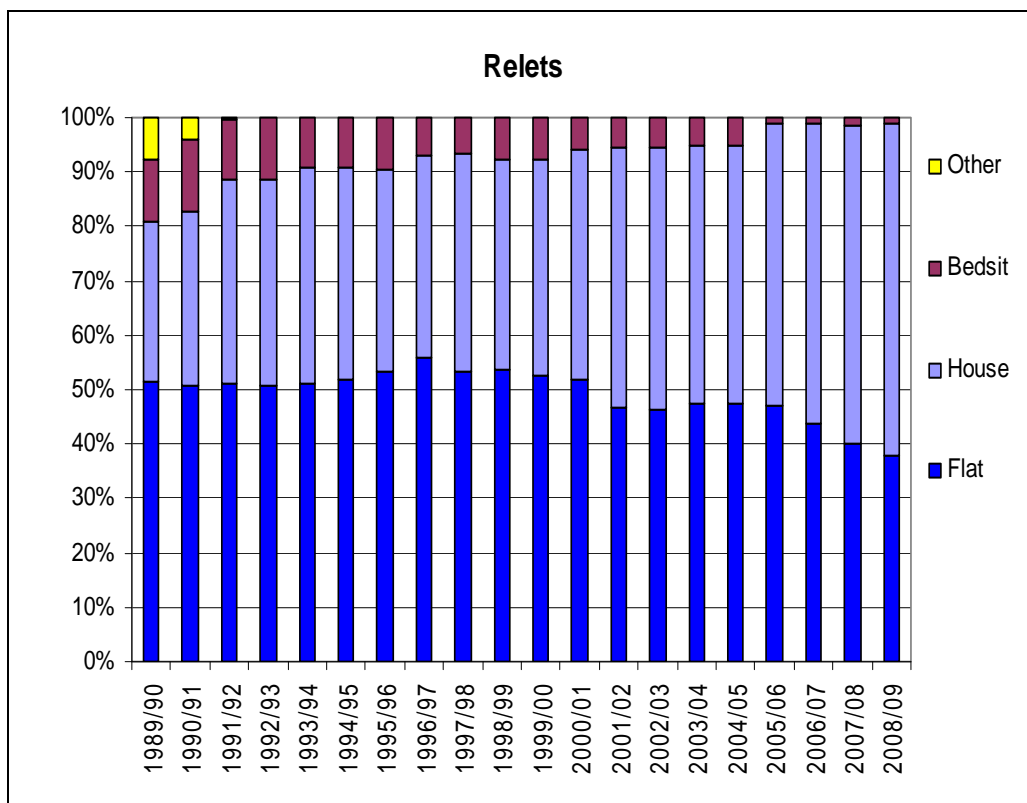
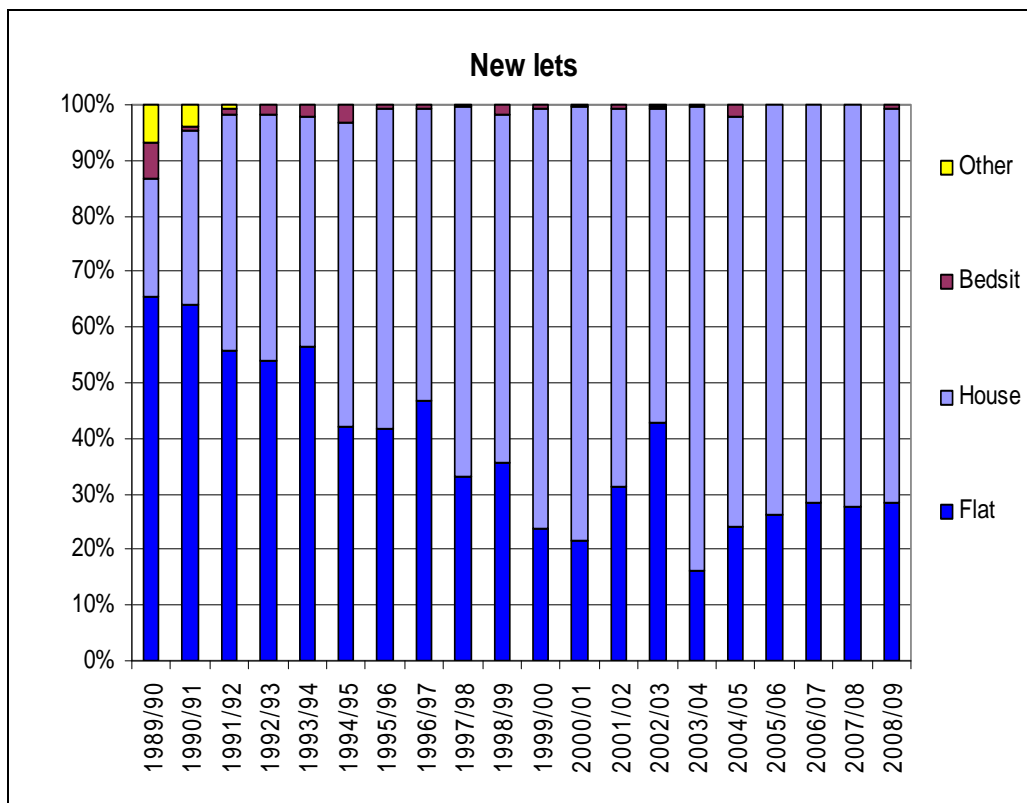
Source: HA CORE GN 1989/90–2008/09

(g) Yorkshire and The Humber



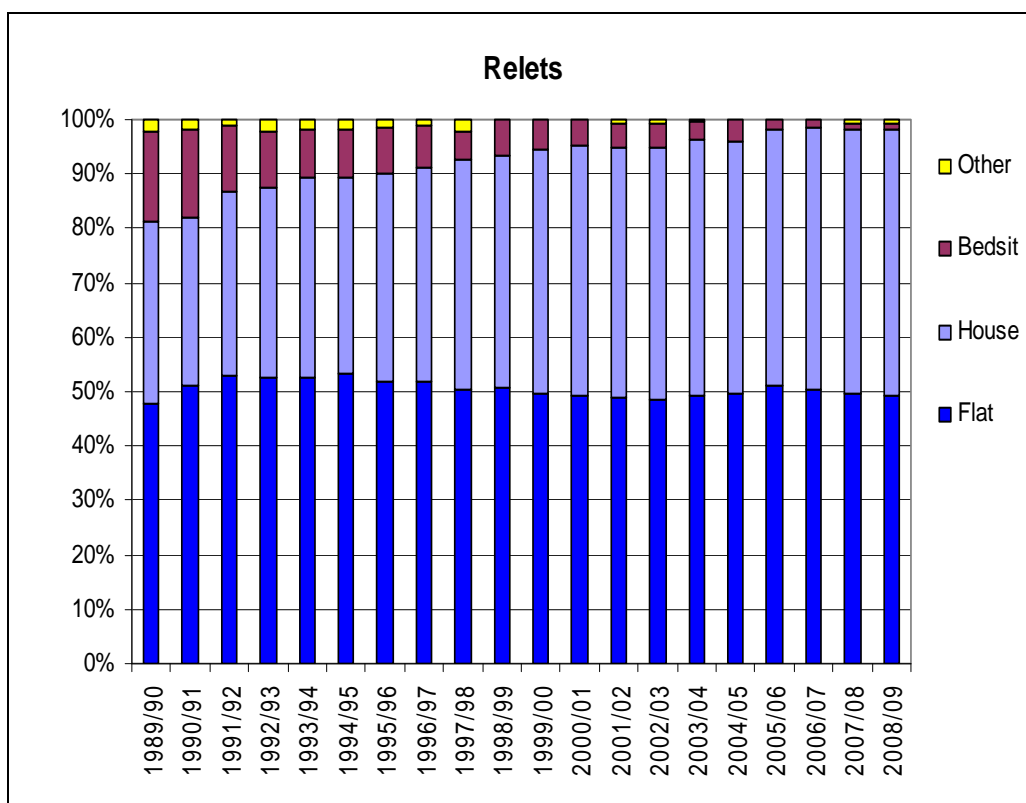
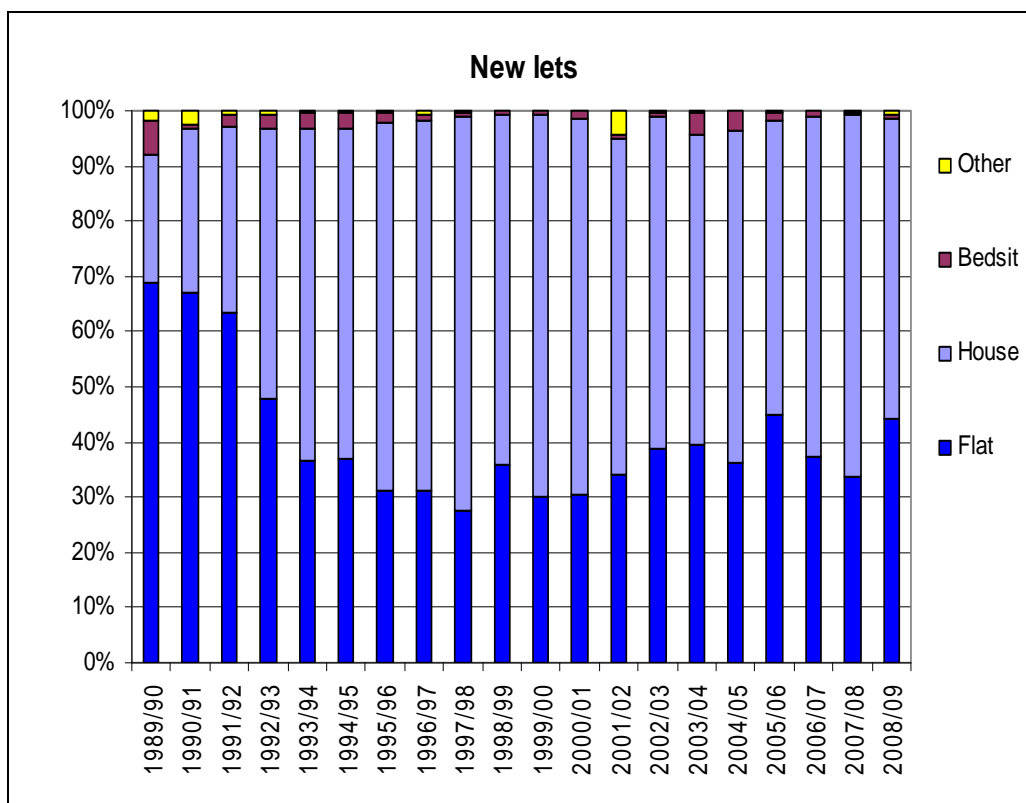
Source: HA CORE GN 1989/90–2008/09

(h) North East



Source: HA CORE GN 1989/90–2008/09

(i) North West

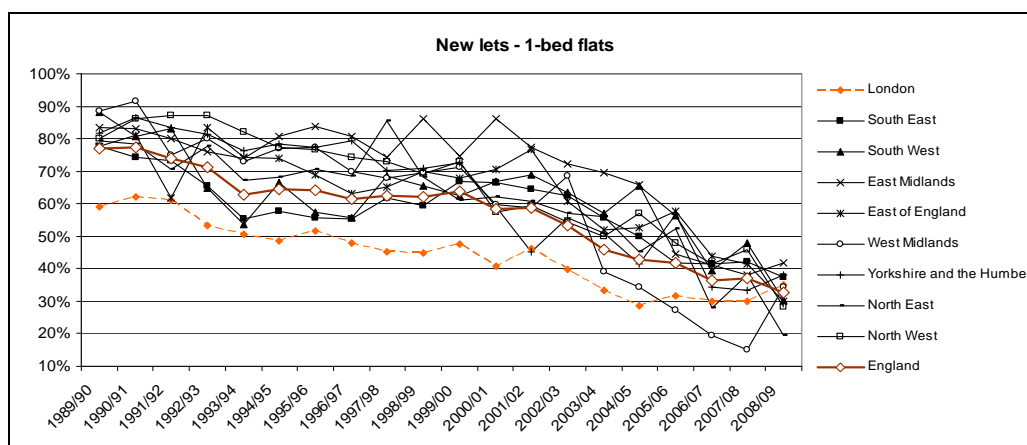


Source: HA CORE GN 1989/90–2008/09

Charts 4.5 – 4.8 show the proportional distribution of one-bed, two-bed and three+ beds in all new lets for each corresponding bed-size and property type by region. London and West Midlands had a different pattern of one-bed new let flats (Chart 4.5a) and two-bed new let flats (Chart 4.5b). While London had fewer proportions of one-bed and two-bed new let flats, West Midlands had a larger proportion of two-bed new let flats. London also had a larger proportion of new let flats that had three or more bedrooms (Chart 4.5c).

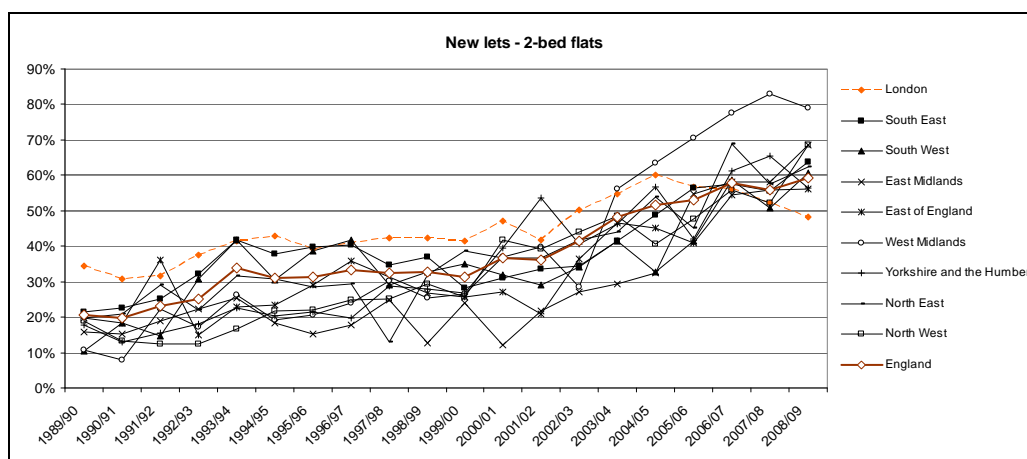
Chart 4.5: Proportions of new lets flats for each bed-size in total new lets flats by region, 1989/90–2008/09

(a) 1-bed flats



Source: HA CORE GN 1989/90–2008/09

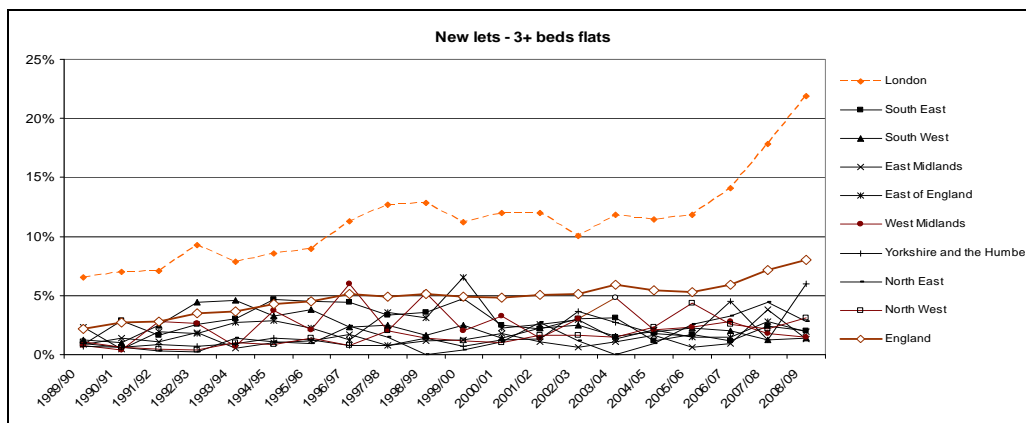
(b) 2-bed flats



Source: HA CORE GN 1989/90–2008/09

New Affordable Homes: What, for whom and where have Registered Providers been building between 1989–2009? Appendices

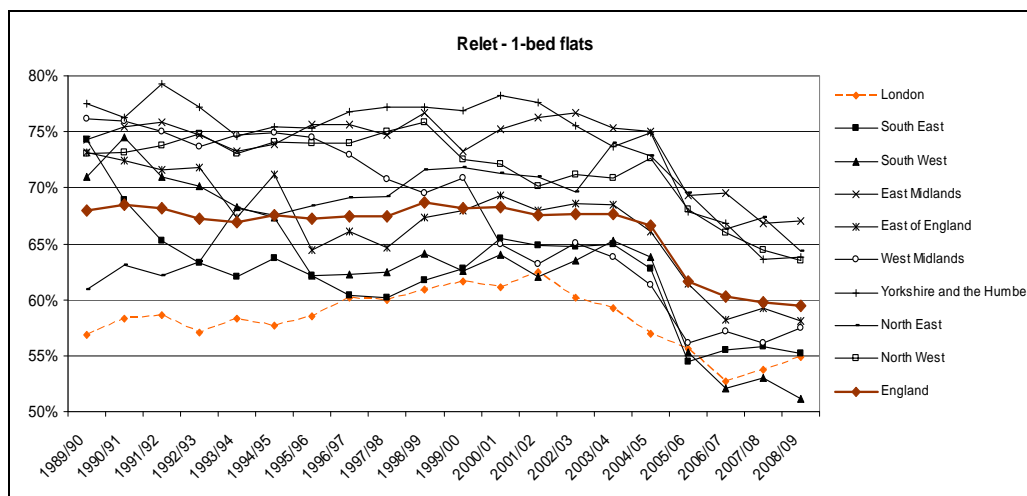
(c) 3+ bed flats



Source: HA CORE GN 1989/90–2008/09

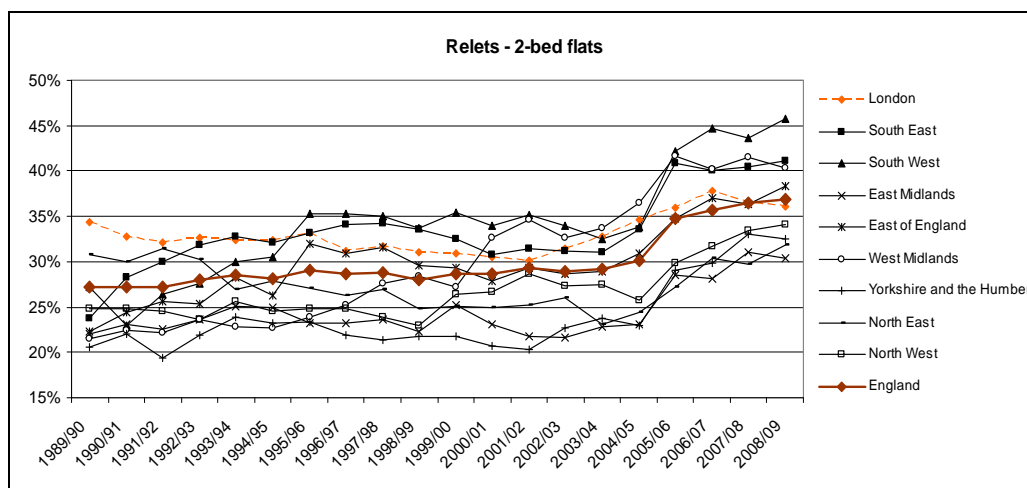
Chart 4.6: Proportions of re-lets flats for each bed-size in total re-lets flats by region, 1989/90–2008/09

(a) 1-bed flats



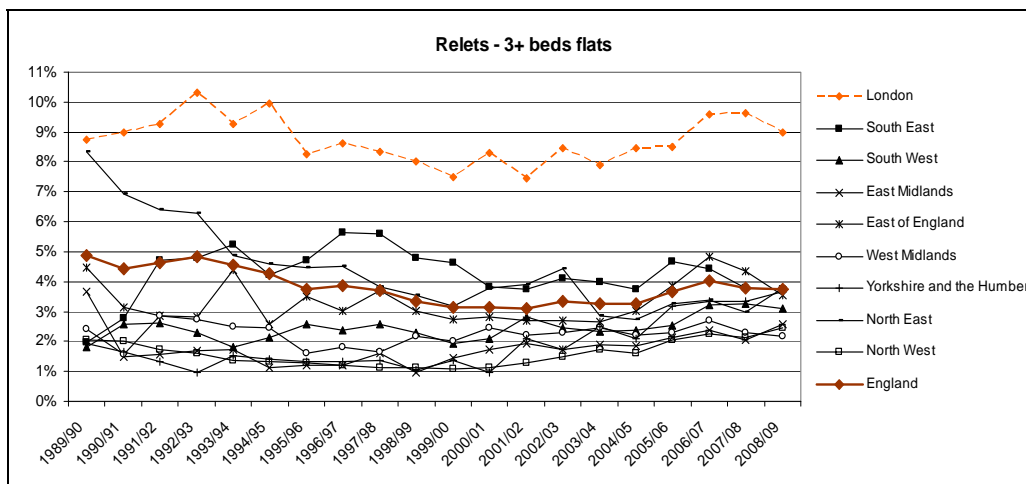
Source: HA CORE GN 1989/90–2008/09

(b) 2-bed flats



Source: HA CORE GN 1989/90–2008/09

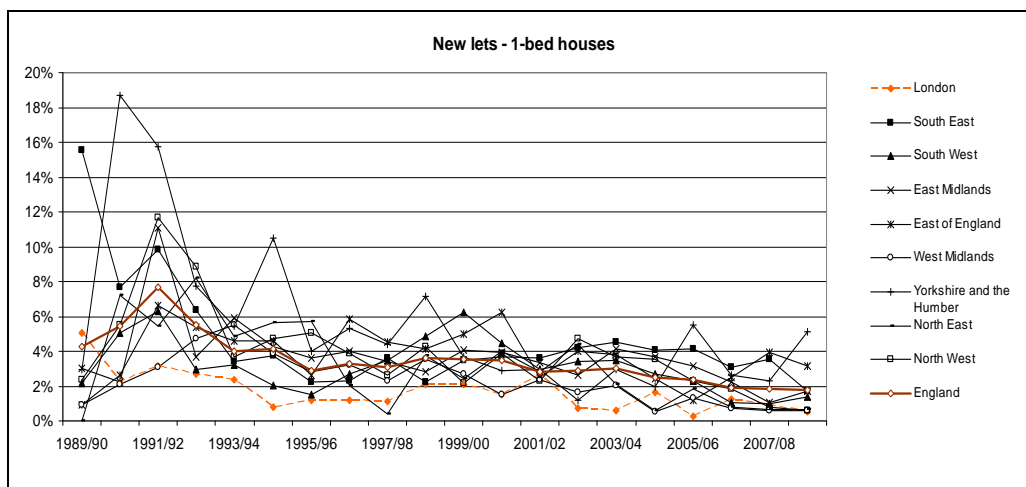
(c) 3+ beds flats



Source: HA CORE GN 1989/90–2008/09

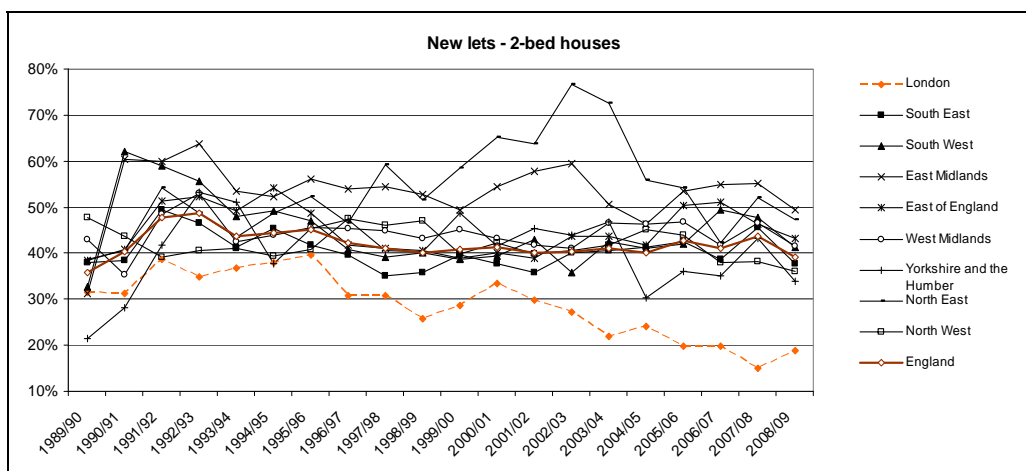
Chart 4.7: Proportions of new lets houses for each bed-size in total new lets houses by region, 1989/90–2008/09

(a) 1-bed houses



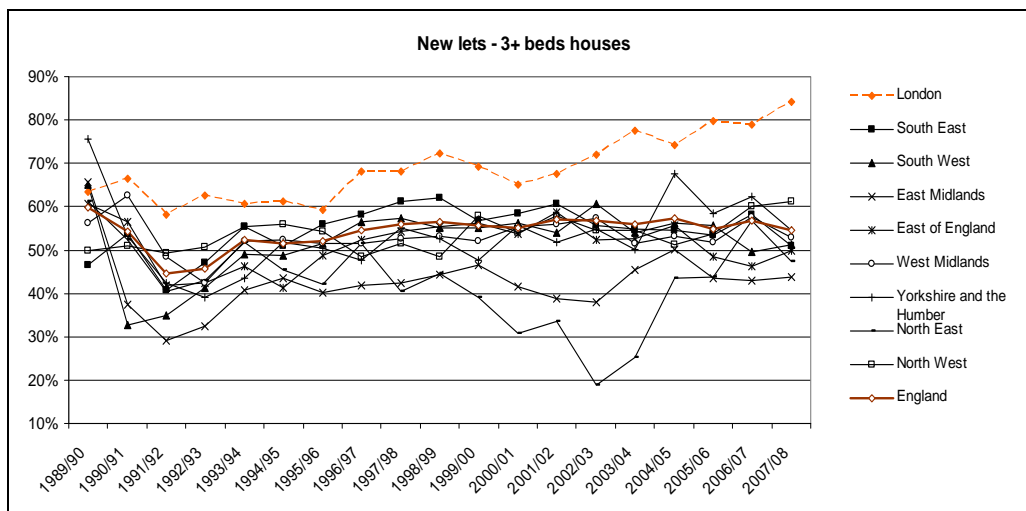
Source: HA CORE GN 1989/90–2008/09

(b) 2-bed houses



Source: HA CORE GN 1989/90–2008/09

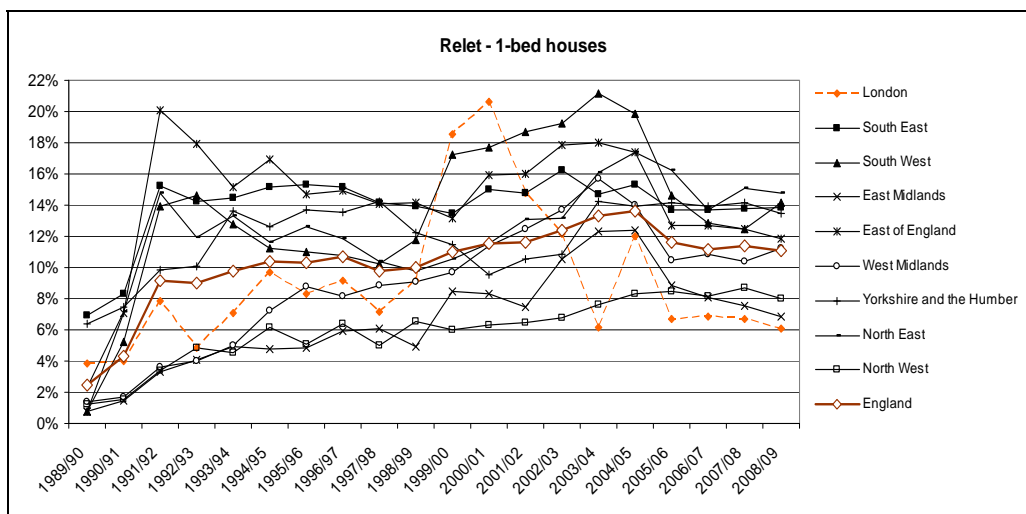
(c) 3+ beds houses



Source: HA CORE GN 1989/90–2008/09

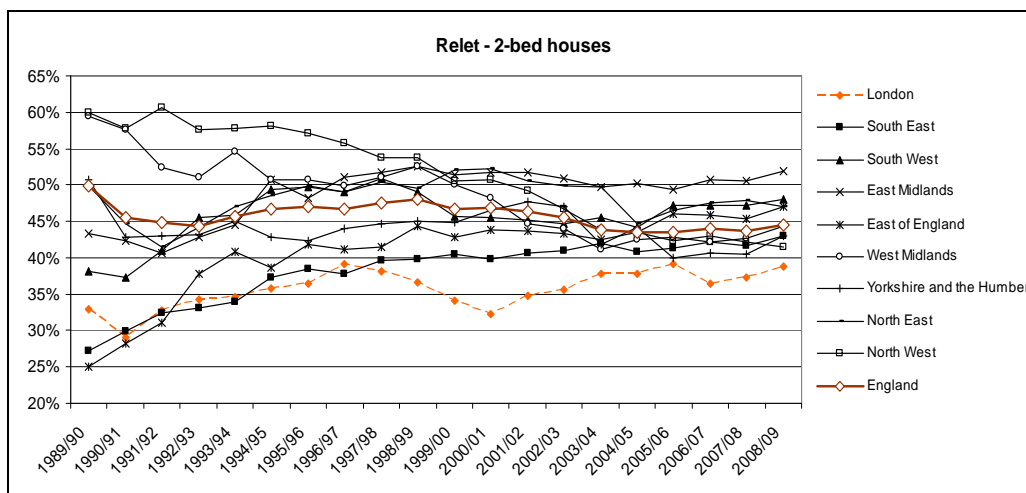
Chart 4.8: Proportions of re-lets houses for each bed-size in total re-lets houses by region, 1989/90–2008/09

(a) 1-bed houses



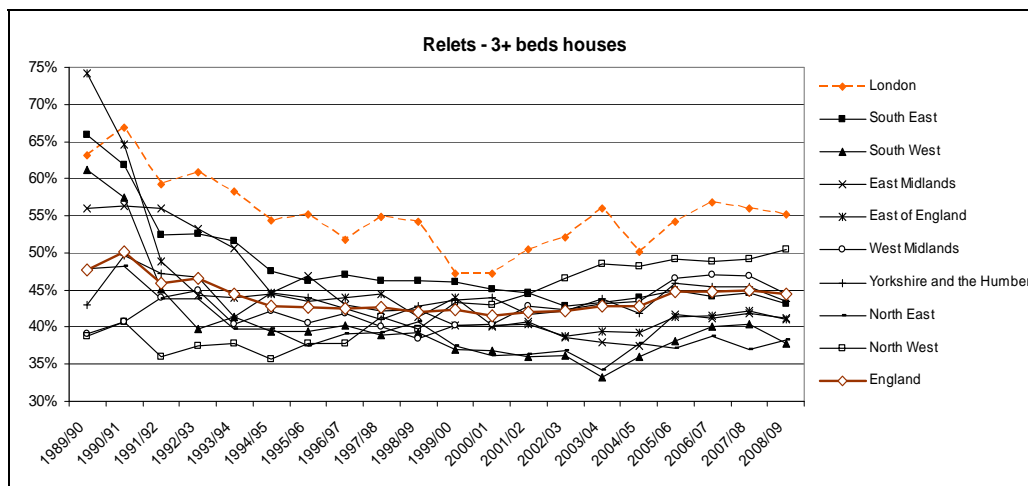
Source: HA CORE GN 1989/90–2008/09

(b) 2-bed houses



Source: HA CORE GN 1989/90–2008/09

(c) 3+ bed houses



Source: HA CORE GN 1989/90–2008/09

The change in the mix of flats and houses over the 20 years led to an increase of lettings in flats for both new lets and re-lets properties. But for London, the proportions of flats in both new lets and re-lets have increased substantially which generated nearly 80% of all General Needs lettings in 2008/09 were flats (Table 4.1).

Table 4.1: General Needs lettings by property type, 2008/09

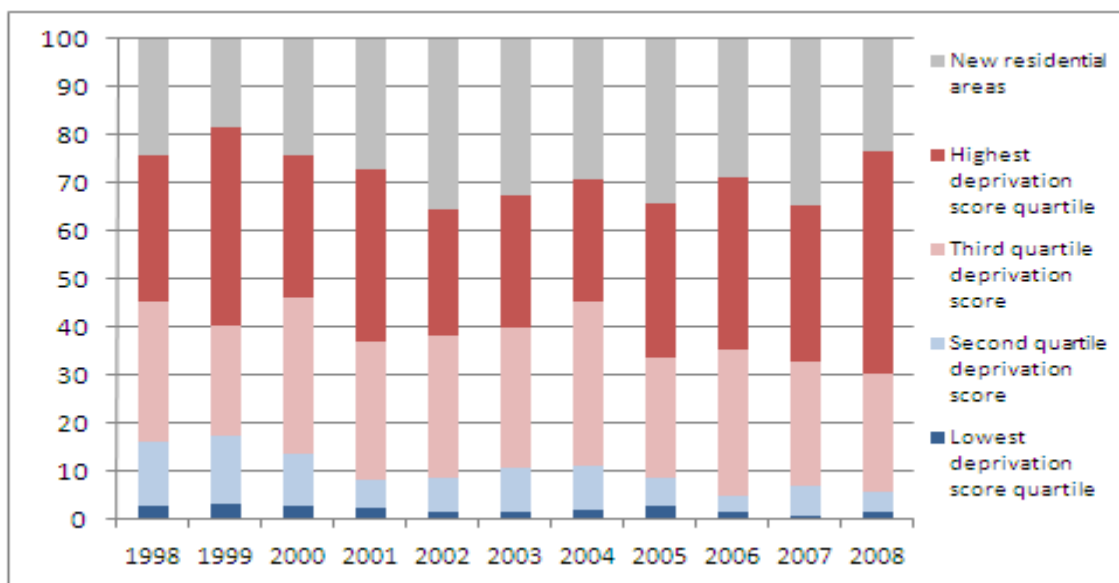
		Flat				House				Flats as a % total			
		1-bed	2-bed	3+ beds	Total	1-bed	2-bed	3+ beds	Total	1-bed	2-bed	3+ beds	Total
New let	London	1,327	2,150	974	4,451	6	214	920	1,140	24%	38%	17%	80%
	South East	990	1,835	58	2,883	38	830	1,327	2,195	19%	36%	1%	57%
	South West	650	1,037	24	1,711	26	782	1,081	1,889	18%	29%	1%	48%
	East Midlands	232	526	10	768	22	648	642	1,312	11%	25%	0%	37%
	East of England	847	1,136	40	2,023	65	889	1,100	2,054	21%	28%	1%	50%
	West Midlands	235	946	18	1,199	8	551	766	1,325	9%	37%	1%	48%
	Yorkshire and The Humber	201	303	32	536	58	387	694	1,139	12%	18%	2%	32%
	North East	111	198	9	318	5	371	410	786	10%	18%	1%	29%
	North West	301	726	33	1,060	8	469	826	1,303	13%	31%	1%	45%
England	4,894	8,857	1,198	14,949	236	5,141	7,766	13,143	17%	32%	4%	53%	
Re-let	London	4,153	2,729	679	7,561	111	705	1,002	1,818	44%	29%	7%	81%
	South East	4,060	3,025	277	7,362	730	2,269	2,284	5,283	32%	24%	2%	58%
	South West	2,347	2,101	142	4,590	578	1,964	1,549	4,091	27%	24%	2%	53%
	East Midlands	2,039	925	79	3,043	254	1,915	1,523	3,692	30%	14%	1%	45%
	East of England	2,954	1,948	181	5,083	603	2,404	2,098	5,105	29%	19%	2%	50%
	West Midlands	4,880	3,421	185	8,486	694	2,733	2,738	6,165	33%	23%	1%	58%
	Yorkshire and The Humber	4,344	2,215	249	6,808	833	2,669	2,700	6,202	33%	17%	2%	52%
	North East	2,276	1,127	134	3,537	839	2,667	2,173	5,679	25%	12%	1%	38%
	North West	8,596	4,615	334	13,545	1,084	5,600	6,802	13,486	32%	17%	1%	50%
	England	35,650	22,108	2,260	60,018	5,727	22,927	22,872	51,526	32%	20%	2%	54%

Source: HA CORE GN 2008/09

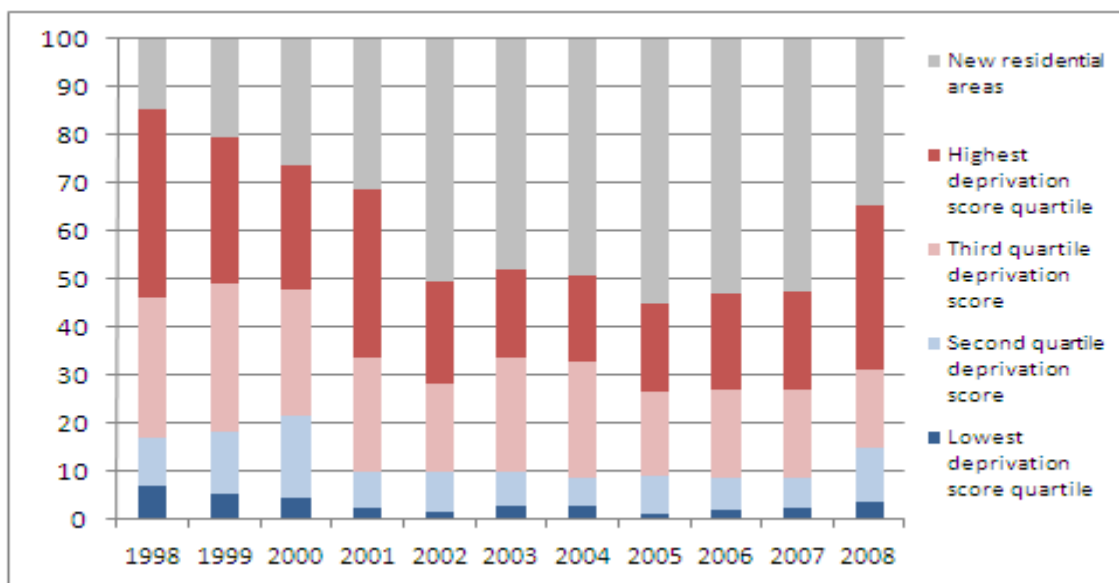
Appendix 5: Regional picture of deprivation and tenure context of new affordable housing

Figure 5.1: Percentage of new social rented RP Property by Deprivation Quartile and aggregated Government Regions

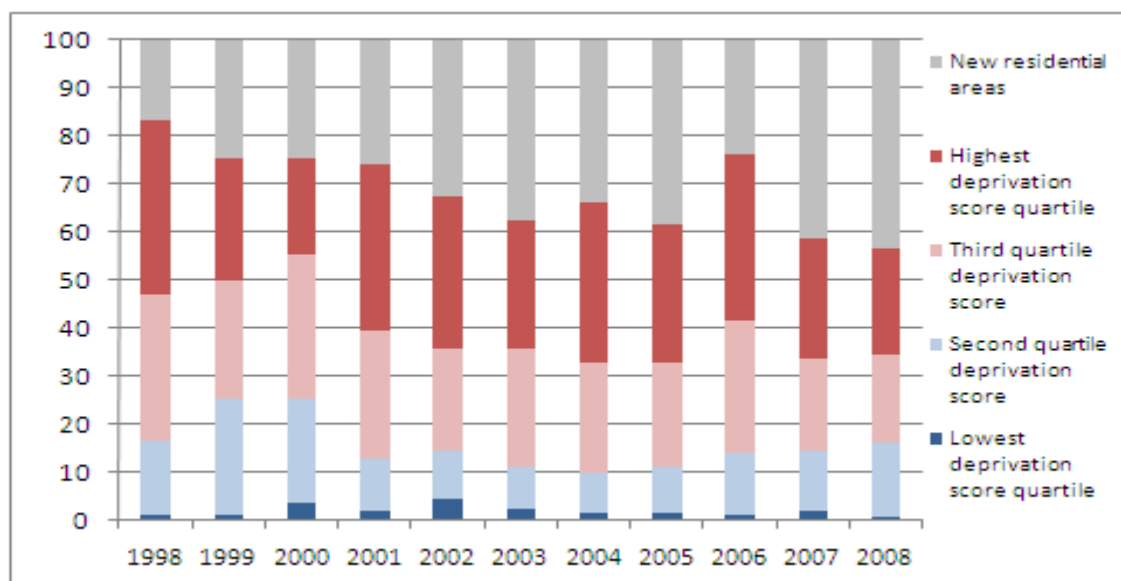
(a) The North



(b) Midlands



(c) London



(d) Rest of South

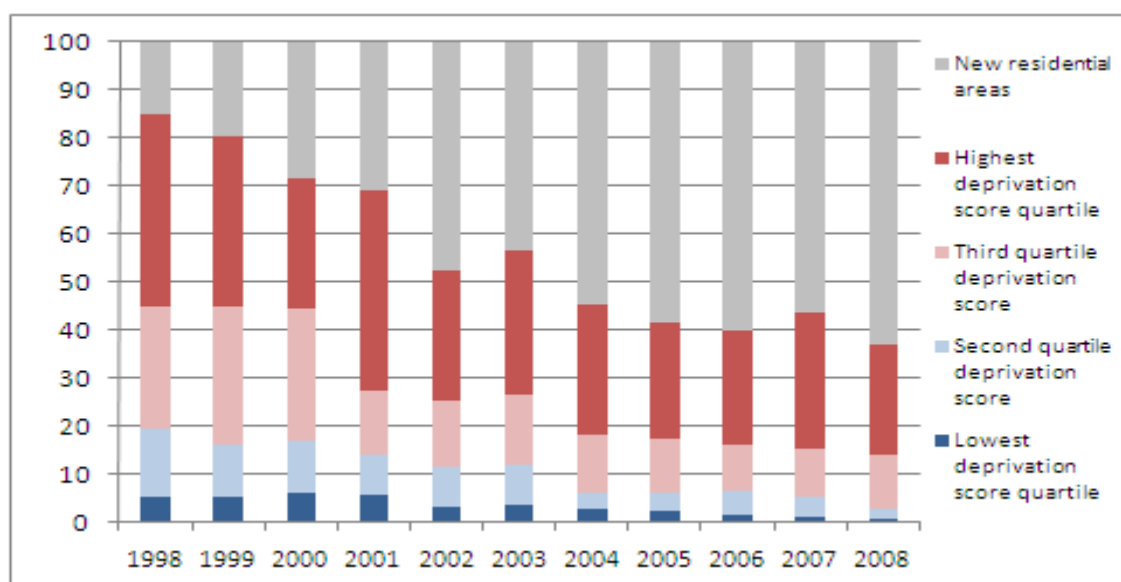
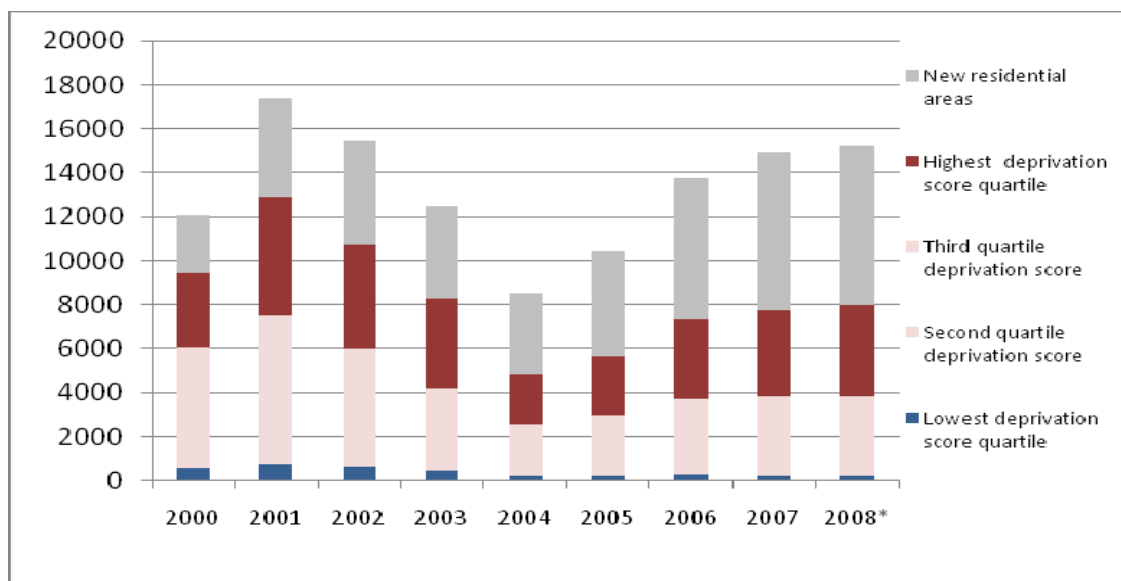


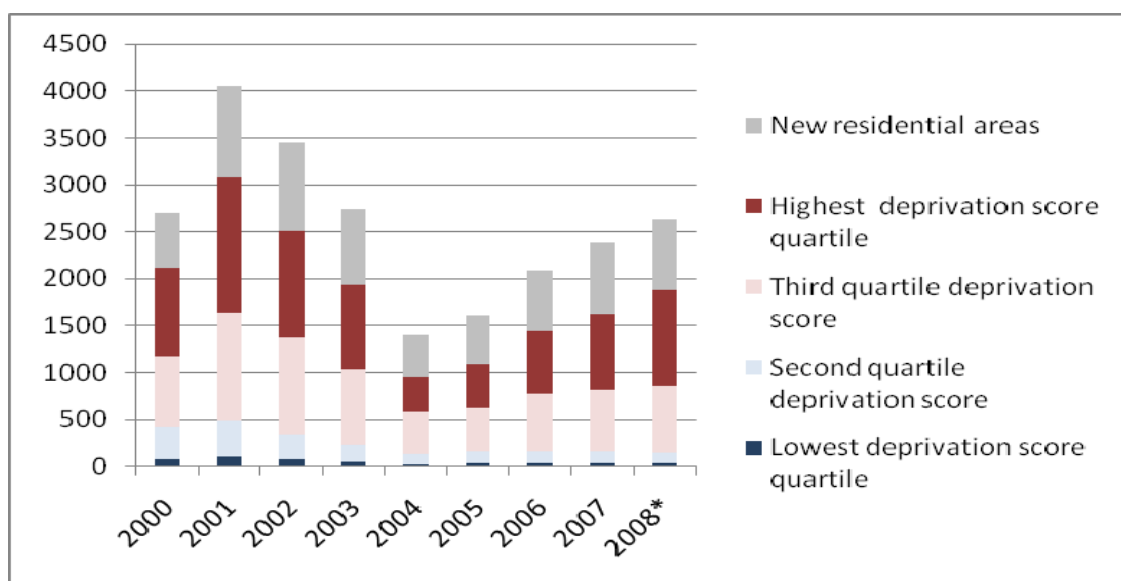
Figure 5.2: Numbers of new social rented RP Property by Deprivation Quartile on a three year moving average



* based on 2008 Q1 only, but scaled to 12 months

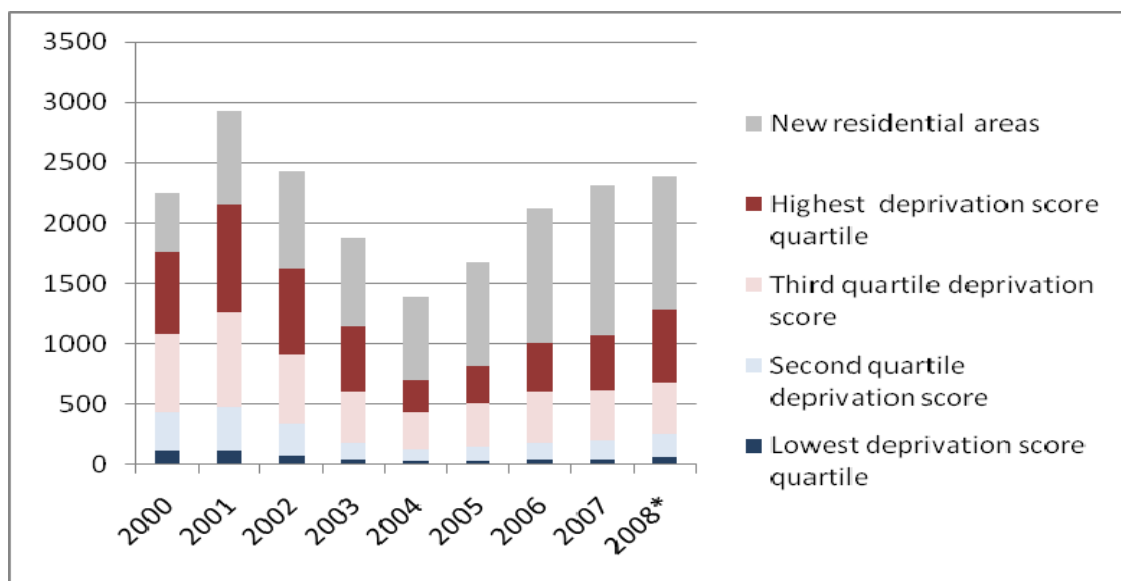
Figure 5.3 Numbers of new social rented RP Property by Deprivation Quartile on a three year moving average by aggregated Government Region

(a) The North



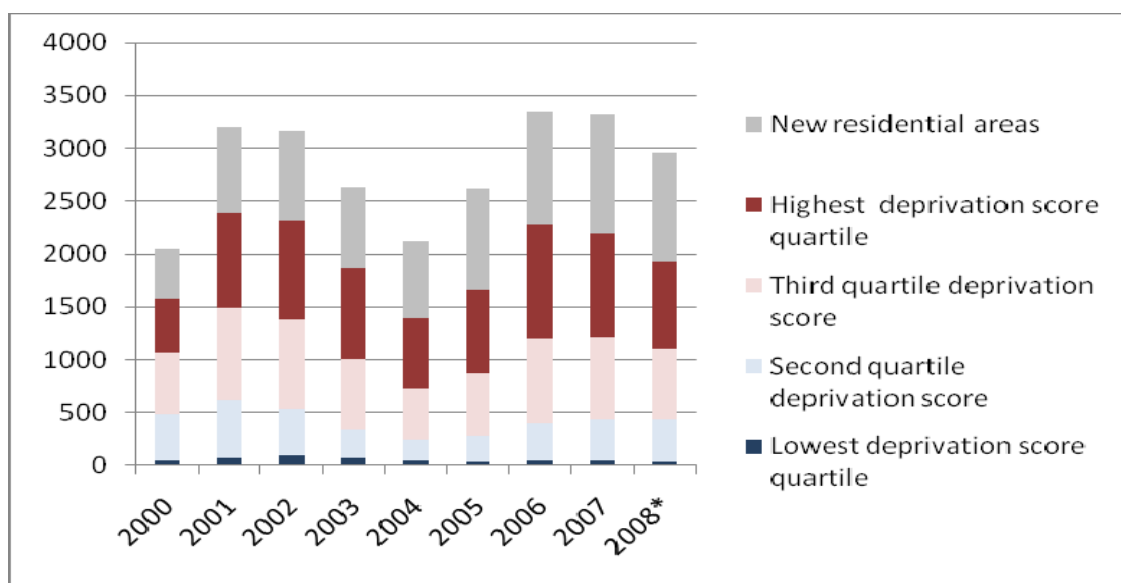
* based on 2008 Q1 only, but scaled to 12 months

(b) Midlands



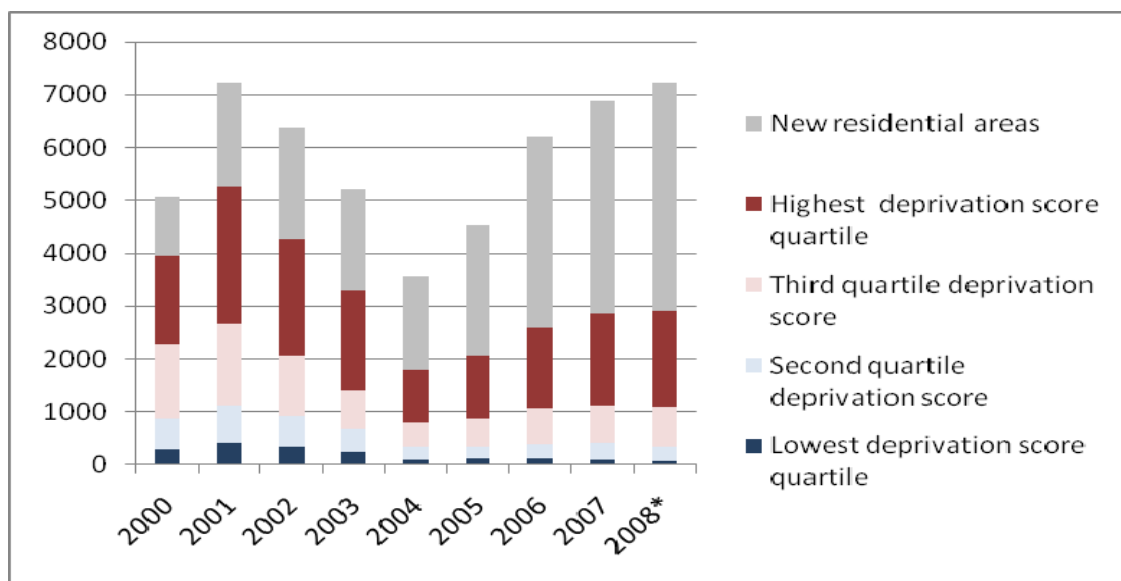
* based on 2008 Q1 only, but scaled to 12 months

(c) London



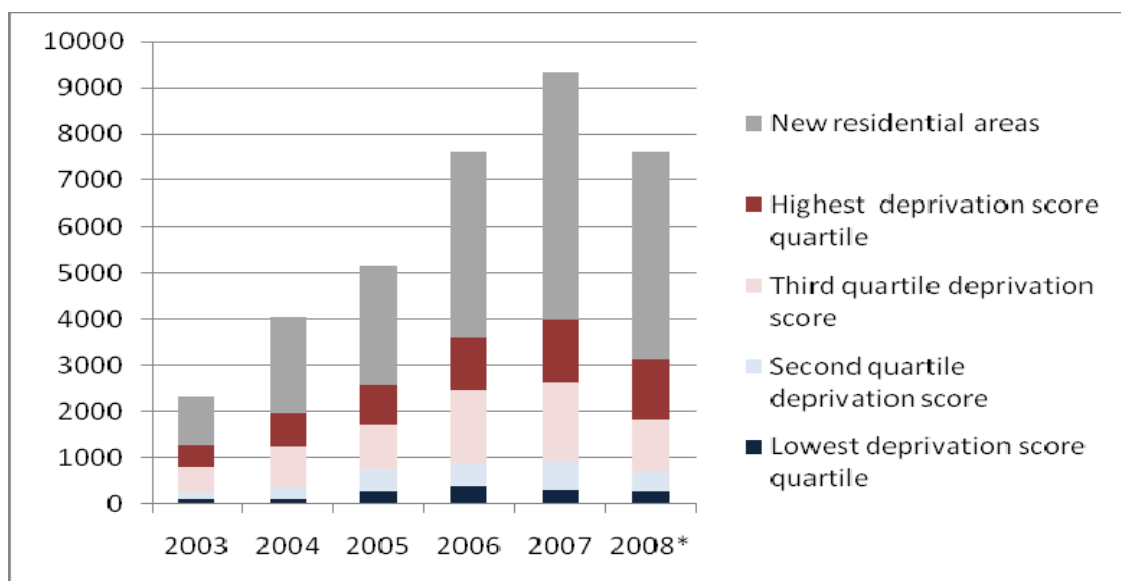
* based on 2008 Q1 only, but scaled to 12 months

(d) Rest of South



* based on 2008 Q1 only, but scaled to 12 months

Figure 5.4: Numbers of new sales (excluding re-sales) of LCHO dwellings in England by Deprivation Quartile on a three year moving average



* based on 2008 Q1 only, but scaled to 12 months

Appendix 6: Derivation of tenure mix categories

The methodology described in chapter 3 involved the construction of a typology of tenure mix and change for hectare cells across England. The typology is organised into two main groups:

- **Mono-tenure areas.** Cells where the above proportion of households renting from an LA exceeded 70% are regarded as forming part of a mono-tenure estate (provided they included at least one dwelling in each cell). Subcategories of mono-tenure areas and other locale types in 1981 were defined. As boundaries are not predefined, the identification of physical property clusters depended upon the application of rules capturing the configuration of properties on the grids. 'Substantial' and 'small' housing areas were distinguished by reference to the geographic scale of contiguous cells of residential property. A cell forming part of a (substantial) **LA Mono-tenure** area was identified as one with at least 16 LA units within 200 metres in 1981 and which has at least one neighbouring cell meeting all these defining conditions. A cell was treated as forming part of a **LA Small Mono-tenure** area if the tenure mix criterion was met but either the condition regarding absolute numbers of units is not met, or if no neighbouring cell met the entire set of conditions.
- **Mixed areas.** Cells characterised by other patterns of tenure mix in 1981 were identified in a similar manner. Two subcategories of **substantial mixed** housing area were identified. In 1981, between 5% and 70% of dwellings within 200 metres of cells forming the first subcategory (**LA Mixed**) were rented from an LA. To ensure appropriate physical scale, each cell assigned to this subcategory was also required to have had at least eight LA units within 200 metres, and to have at least two neighbouring cells which satisfied this entire set of conditions. In the second subcategory cells with between 5% and 29% of dwellings within 200 metres were rented from an LA. To ensure the identification of areas at an appropriate scale, all cells assigned to this second substantial mixed category were required to have had at least two LA units within 200 metres. **LA Small Mixed** areas comprised cells where between 5% and 70% of dwellings were rented from an LA in 1981, but the physical configuration conditions defining the two sub-categories of substantial mixed housing areas were not met.

Two further categories of cells were defined on the basis of information for 1981. The first included residential property, but either no LA housing, or insufficient to meet any of the criteria set out above (**Low or No Social Housing**). The second set of cells included no residential property at all in 1981 (**New Contexts**). In total, seven categories of area are defined on the basis of 1981 information alone.

Where any subsequent changes in tenure mix since 1981 were relatively small, the category to which any hectare cell has been assigned in 2001 is that determined by the analysis of the 1981 information alone. Two other categories have been defined, however, to reflect the local impact of RTB sales and large scale voluntary transfers (LSVT) in the 1980s. In the first, a cell belongs to a RTB area (i.e. categories **LA RTB Mono-tenure** and **LA RTB Not Mono-tenure**) where the share of dwellings within 200 metres rented from the LA fell by more than 33% between 1981 and 1991, provided that certain additional criteria were satisfied. These ensure that there was at least one dwelling in the cell in 1981, that the total number of dwellings within 200 metres did not fall by more than 25%; that any increase in dwellings rented from RPs was less than 30% and that the absolute fall in the number of LA units was at least 5%.

The second additional dimension of the typology takes account of LSVTs up to the time of the 2001 Census. Given the problems in distinguishing property rented from LAs from that rented from RPs in the 2001 Census, the first step was to identify (cell by cell) property transferred by LSVT up to that time. This allowed the identification of LSVT areas. The principal condition for treating a cell as forming part of an LSVT area is that the proportion of houses within 200 metres rented from an RP in 2001 exceeded that in 1991 by more than 20%, provided also that the proportion of dwellings rented from an LA fell by at least 15% across the same radius. To ensure the identification of housing areas of an appropriate scale, three further conditions had to be met. First, there must have been at least one dwelling in the cell both in 1991 and 2001. Second, the absolute increase in RP units within 200 metres of the cell must have exceeded three. Finally any cell assigned to an LSVT area is required to have at least two neighbouring cells which also satisfy the entire set of conditions. Having identified LSVT areas, it was possible to define a further category, differentiating cells affected by LSVT corresponding to each of the 1981 categories of residential. It is therefore possible to identify LSVT substantial mono-tenure (**LSVT Mono-tenure**), **LSVT Small Mono-tenure**, **LSVT Not Mono-tenure** (substantial mixed categories) and so on. Property transferred through LSVT formed part of neighbourhoods previously and differentially affected by RTB sales. Hence it is possible for a particular cell to form part of both an RTB area and an LSVT area, which gives rise to the further categories **LSVT RTB Mono-tenure** and **LSVT RTB Not Mono-tenure**.

Further categories were introduced to deal with other categories of change over the period since 1981, recognising cells where no dwellings existed in 1981 but units have since been built (picking out areas at the 1981 urban fringe, previously undeveloped pores within urban areas, areas previously in non-residential urban use and scattered development elsewhere). A catch-all category (**Other**) includes unusual cases. Such areas include, for example, those areas which were mono-tenure estates in 1981, but where in 2001 the proportion renting from an LA was less than 30% (without meeting criteria for inclusion in the RTB or transfer categories).

Appendix 7: Selection of deprivation index components

Table 1 shows the results of a Principal Components Analysis (PCA) of the relationships between them and shows that they constitute three distinct components which are not correlated with each other.

Table 1: Component Matrix for Deprivation Indicators

Variable	Component		
	1	2	3
ZUNEMP	0.8033	0.0766	-0.1811
ZOVERC	0.6519	0.2782	-0.4364
ZNOCAR	0.9106	0.0739	0.1987
ZLAHA	0.8106	-0.2936	0.0658
ZLONPEN	0.3603	0.0064	0.8949
ZSINGPAR	0.5148	-0.5682	-0.2327
ZPOORAM	0.2892	0.8489	-0.0116
ZSOCCL	0.6720	-0.1276	-0.0716
AVE_Z	0.9943	0.0585	0.0448

Note: see text for relevance of highlighted cells

One of these components (Component 3 in Table 1) corresponds more or less directly to the lone pensioner indicator (*ZLONPEN*, highlighted). Its spatial incidence is not closely related to that of any of the other indicators. A second component (2 in Table 1) corresponds closely to the measure of the lack of exclusive use of all amenities (*ZPOORAM*, highlighted) – a reflection of poor private sector housing – which again tends not to coincide geographically with the other measures. The remaining measures form a single dimension genuinely reflecting shared variability. There seems a strong case for considering the use of a composite indicator which includes only this group of measures (showing high correlations on Component 1 in Table 1).

Given these considerations, three variant composite measures (CM) were defined:

- CMI: comprising all the variables listed in Table 1
- CMII: as CMI but excluding lone pensioners and the amenities measure
- CMIII: as CMII but excluding also the LA and housing association/RP renting measure

One particular matter to note is the question of including a measure of LA and housing association/RP rented housing as a component of the composite deprivation measure. On the one hand, it may be argued that including the measure is a form of double counting since access to the tenure is rationed on the basis of need which suggests some form of material deprivation. On the other hand, the role of LA housing (in particular) in reproducing social stigma may have non-marginal impacts on deprivation. In other words, households are more deprived, *ceteris paribus*, as a result of living in an area dominated by LA housing, irrespective of their own tenure and material wealth. Regardless of these different views, however, the effect of the inclusion or exclusion of the LA housing and housing association/RP variable is marginal relative to the other components and, in the interests of consistency with

other measures, such as the official deprivation indices, including the IMD (which includes it), the variable was retained in the selected composite measure.

Given that it was possible to use several plausible composite measures of deprivation (as discussed above), it is important to appreciate possible differences in interpretation between these measures and the extent to which the use of any one might lead to substantively different conclusions. CMII was selected for two reasons. First it was preferred to CMI because the geographic distribution of lone pensioners and lack of standard amenities is quite distinct from that of deprivation as a whole. Second, although choosing between CMII and CMIII was less straightforward, CMII was chosen for the reasons stated earlier. Crucially the substantive results about the changing relationship between the location of new RP housing and deprivation did not depend on the choice between CMII and CMIII.

Interpolation methods

As discussed in chapter 3 of the main report, it was necessary to calculate deprivation scores for each ‘cell’ on the hectare grid. This required the construction of hectare grids with the total number of dwellings, numbers of dwellings rented from LAs, and numbers of dwellings rented from RPs for 1981, 1991 and 2001 in each hectare. This entailed working backwards from a hectare grid for the second quarter of 2001, using the Royal Mail’s Postcode Address File (PAF), DCLG’s Land Use Change Statistics (LUCS,) and using information at Census tract level (Enumeration District or Output Area).

Projection of the deprivation scores onto the grids entailed making assumptions about how deprivation is distributed spatially *within* the (changing) Census tracts. This was approached in two ways. The first assumed that the distribution of deprivation simply reflects the distribution of households (i.e. interpolation method IM1). The second approach acknowledges the likelihood that deprivation is disproportionately focused within areas of social housing within the Census tracts (i.e. interpolation method IM2). In principle IM1 must understate the relation between deprivation and social housing while IM2 overstates it.

The key to calculating IM2 was to estimate regression relationships between the social housing z-score and the overall z-score for each Census year at Census tract level and then to calculate a predicted z-score for each cell on the basis of the z-scores for social housing calculated at hectare cell level.

Table 2: Relationship between social housing z-score (ZLAHA) and overall z-score (AVE_Z)

	intercept	coefficient	R²
1981	0.065004	0.375753	0.425
1991	-0.00911	0.560597	0.674
2001	-0.00965	0.569839	0.768

The resulting regression equations (summarised in Table 2) are themselves revealing. Just because one indicator (such as the proportion of the population of a census tract renting from a social landlord) forms part of a composite measure does not imply that the relation between the two variables will be particularly strong. Over time, the relation between concentrations of LA housing and of deprivation has in fact become much stronger (the R^2 value increases over time) and the coefficient linking housing tenure and deprivation increased (especially between 1981 and 1991). In 1981 only 43% of the variability of the composite measure could be predicted on the basis of the social housing component; by 2001 the social housing measure could

predict 77% of the variability. The implication is that the significance of ‘mono-tenure’ estates has itself been changing, with changes in social and other policy leading to an increasing concentration of deprivation within social housing estates.

Implementation of IM2 relies on the use of the regression equation for the respective year to ‘allocate’ any deprivation score within Census tracts. Just as it is important to be aware of the possible implications of choosing between the variant composite measures of deprivation, it is important to be clear about the choice of the variant interpolation measures. Given the inevitable tendency of IM1 to understate the concentration of deprivation in social housing, and the tendency of IM2 to overstate it, it is important to be clear just how different the outcomes on analyses based on the two procedures might be.

On the basis of what has been set out above (i.e. three different measures of deprivation, and two methods of interpolating to the 100m grid cell level) six sets of grids were produced. Each set of grids contains one member for each Census year.

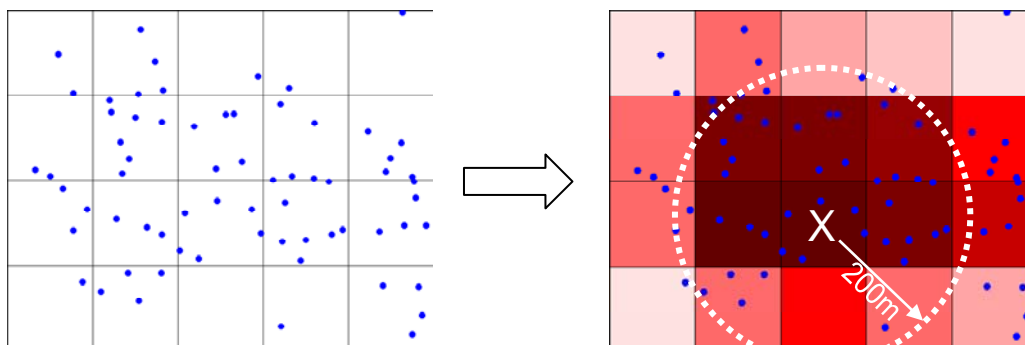
	IM1	IM2	
CMI			} For each year
CMII			
CMIII			

Note: CM and IM as defined in text

Results generated using CMII with IM1 are the basis for the results presented in chapter 3. The reasons for focussing on CMII are set out above. It is difficult to adduce *a priori* reasons for preferring either of the interpolation methods over the other. Given that some interpolation error is inevitable, it seemed preferable to report the results based on IM1 to avoid inadvertently overstating any tendency for deprivation to be focussed within social housing, although in fact, the choice of interpolation method had only a limited effect on the results.

Appendix 8: Spatial moving averages

In the analytical methods described in chapter 3, use is made of spatial moving averages to compute aspects of tenure mix and social deprivation for local areas with reference to surrounding areas. The diagram below explains the concept behind spatial moving averages.



The grid is composed of cells, each containing a varied quantity of a phenomenon (e.g. social rented dwellings)

A spatial moving average computes the average incidence of that phenomenon over a specified radius (e.g. 200m). In this example, the cells are shaded to represent the average quantity over 200m. The effect is to 'smooth' the data spatially. The dashed circle represents the cells used to calculate the value for the cell marked 'X'.

Appendix 9: References

- Adamson D (2010) *The Impact of Devolution: Area-based Regeneration Policies in the UK*, Joseph Rowntree Foundation, York.
- Allen C, Camina M, Casey R, Coward S and Wood M (2005) *Mixed Tenure Twenty Years On: Nothing out of the Ordinary*, Joseph Rowntree Foundation, York.
- Ambrose P, Barlow J, Bonsey A and Pullin M with Donkin V and Randles J (1996) *The Cost of New Homes*, RICS, London.
- Ashton D N and Maguire M J (1986) *Young Adults in the Labour Market*, Research Paper No. 55, Department of Employment, London.
- Berube A (2005) *Mixed Communities in England: A US Perspective on Evidence and Policy Prospects*, Joseph Rowntree Foundation, York.
- Bibby P (2005) GIS, worldmaking and natural language, pp. 55-84 in Fisher P and Unwin DJ (eds) *Re-presenting GIS*, Chichester: John Wiley.
- Burrows R (1999) Residential mobility and residualisation in social housing in England, *Journal of Social Policy*, **28** (1), pp. 27-52.
- Cameron S (2006) From low demand to rising aspirations: housing market renewal within regional and neighbourhood regeneration policy, *Housing Studies*, **21** (1), pp. 3-16.
- Carr-Hill R (1997) Impact of housing conditions on health status, Paper presented at seminar on *The Wider Impacts of Housing*, Scottish Homes, Glasgow.
- Crook A, Currie J, Jackson A, Monk S, Rowley S, Smith K and Whitehead C (2002) *Planning Gain and Affordable Housing: Making it Count*, Joseph Rowntree Foundation, York.
- Crook ADH, Dunning R, Ferrari ET, Henneberry JH, Watkins CA, Burgess G, Lyall Grant F, Monk S, Whitehead CME and Rowley S (2010) *The Incidence, Value and Delivery of Planning Obligations in England in 2007-08*, Department for Communities and Local Government, London.
- DCLG (Department for Communities and Local Government) (2008c) *Neighbourhood Management Pathfinders: Final Evaluation Report. People, Places, Public Services: Making the Connections*. DCLG, London.
- DCLG (Department for Communities and Local Government) (2008b) *New Deal for Communities: A Synthesis of New Programme Wide Evidence: 2006–7*. NDC National Evaluation Phase 2. Research Report 39. DCLG, London.
- DCLG (Department for Communities and Local Government) (2010) House building: March quarter 2010, England, *Housing Statistical Release*. DCLG, London.
- DoE (Department of the Environment) (1983) *Urban Deprivation*. Information Note 2, Inner Cities Directorate, DoE, London.

DTLR (Department for Transport, Local Government and the Regions) (2002) *Action to Tackle Housing Abandonment*, News Release, 2002/0154, 10 April.

Feinstein L, Lupton R, Hammond C, Mujtaba T, Salter E and Sorhaindo A with Tunstall R, Richards M, Kuh D and Johnson J (2008) *The Public Value of Social Housing: A Longitudinal Analysis of the Relationship between Housing and Life Chances*, The Smith Institute, London.

Finlay S and Davis R (2009) *Attitudes to Housing*, Ipsos MORI/ DCLG, London.

Haydon C, Lupton R, Tunstall R and Fenton A (2009) *Evaluation of the Mixed Communities Demonstration Projects*, DCLG, London.

Heriot Watt University (2009) *Existing Tenants Survey 2008: Tenant Mobility and Aspirations*, Tenant Services Authority, Cambridge.

Hills J (1991) *Unravelling Housing Finance: Subsidies, Benefits and Taxation*, Clarendon Press, Oxford.

Hills J (2001) Illusion or exclusion? The role of housing subsidies and benefits, *Urban Studies*, **38** (11), pp. 1887-1902.

Holms C (2006) *Mixed Communities: Success and Sustainability*, Joseph Rowntree Foundation, York.

Housing Studies (2000) Special issue on Housing and Health, vol. 15 no. 3.

Kleinman M (1999) there goes the neighbourhood? Area policies and social exclusion, *New Economy*, December.

Kleinman M and Whitehead C (1999) Housing and regeneration: the problem or the solution? *National Institute Economic Review*, **170** (4), pp. 78-86.

Lupton R and Power A (2005) Disadvantaged by where you live? New Labour and neighbourhood renewal, in Giddens A and Diamond P (eds) *The New Egalitarianism*, Polity Press, Oxford.

Lupton R and Power A (2004) *What we know about neighbourhood change: a literature review*, CASE report 27, Centre for the Analysis of Social Exclusion, London School of Economics and Political Science, London.

McGregor A and McMannachie A (1995) Social exclusion, urban regeneration and economic integration, *Urban Studies*, **32** (10), pp. 1587-1600.

McLarty K, Allen N, Butler S and Cheesborough S (2009) *Attitudes to Housing: Findings from Focus Groups*, Ipsos MORI/DCLG, London.

Martin G and Watkinson J (2003) *Rebalancing Communities: Introducing Mixed Incomes into Existing Rented Housing Estates*, Joseph Rowntree Foundation, York.

Monk S (1990) *The Speculative Housebuilder*, Discussion Paper 29, Property Research Unit, Department of Land Economy, University of Cambridge.

Monk S, Crook T, Lister D, Rowley S, Short C and Whitehead C (2005) *Land and Finance for Affordable Housing: The Complementary Roles of Social Housing Grant*

New Affordable Homes: What, for whom and where have Registered Providers been building between 1989–2009? Appendices

and the Provision of Affordable Housing through the Planning System, Housing Corporation, London and Joseph Rowntree Foundation, York.

Monk S, Holmans A, Jones M, Lister D, Short C and Whitehead C (2007) *The Demand for Social Rented Housing – A Review of Data Sources and Supporting Case Study Analysis*, CCHPR, Cambridge.

Murie A (1997) The social rented sector, housing and the welfare state in the UK, *Housing Studies*, **12** (4), pp. 437-461.

ODPM (Office of the Deputy Prime Minister) (2005) *New Deal for Communities 2001–2005. An Interim Evaluation* ODPM/CRESR, London: and Sheffield.

Pawson H, Donohoe A, Jones C, Watkins D, Fancy C, Netto G, Clegg, S and Thomas A (2006) *Monitoring the Longer-term Impacts of Choice-Based Lettings*, DCLG, London.

Phillips D and Harrison M (2010) Constructing an integrated society: historical lessons for tackling black and minority ethnic housing segregation in Britain, *Housing Studies*, **25** (2), pp. 221-235.

Power A and Willmot H (2005) Bringing up families in poor communities under New Labour, in Hills J and Stewart K (eds) *A More Equal Society? New Labour, Poverty, Inequality and Exclusion*, Policy Press, Bristol.

Power A (1999) *Estates on the Edge*, Palgrave Macmillan, Basingstoke, UK.

Silverman E, Lupton R and Fenton A (2005) *A Good Place for Children? Attracting and Retaining Families in Inner Urban Mixed Income Communities*, Joseph Rowntree Foundation, York.

Smith G (1999) *Area-based initiatives: the rationale and options for area targeting*, LSE CASE Paper No 25, Centre for the Analysis of Social Exclusion, London School of Economics.

Smith L and Whitehead C (1998) *Evaluation of the Single Regeneration Budget Challenge Fund: Key Results from the Residents' Baseline Social Survey*, Discussion Paper 100, Department of Land Economy, University of Cambridge.

Stockdale J, Whitehead C and Rennie R (2002) *The performance of mainstream law and order services in deprived and non-deprived areas in England*, LSE Discussion paper No 5, London School of Economics.

Walker R (1997) *Bad for Business*, Shelter, London.

Whitehead C (2002) Response: housing, tenure and opportunity, *Housing Studies*, **17** (1), pp. 63-68.

Whitehead C (1998) *The Benefits of Better Homes*, Shelter, London.

Glossary

ALMO	Arms length management organisation
BME	Black and minority ethnic
CBL	Choice based lettings
CORE	Continuous Recording
DCLG	Department for Communities and Local Government
DoE	Department of the Environment (former)
DTLR	Department for Transport, Local Government and the Regions
ED	Enumeration District
EP	English Partnerships
GIS	Geographical information system
HCA	Homes and Communities Agency
HMR	Housing Market Renewal
HRP	Household Representative Person
IMD	Index of Multiple Deprivation
IMS	Investment Management System
LA	Local authority
LCHO	Low cost home ownership
LPA	Local Planning Authority
LSVT	Large scale voluntary transfer
LUCS	Land Use Change Statistics
NAHP	National Affordable Housing Programme
NDC	New Deal for Communities
NMP	Neighbourhood Management Pathfinder
OA	Output Area
ODPM	Office of the Deputy Prime Minister (former)
PAF	Postcode Address File
PCA	Principal Components Analysis
PFI	Private Finance Initiative
PPS3	Planning Policy Statement 3
RP	Registered Provider
RTB	Right to Buy
S106	Section 106
SAVE	Selling Alternate Vacants on Existing Estates
SHE	Survey of English Housing
TSA	Tenant Services Authority

New Affordable Homes: What, for whom and where have Registered Providers been building between 1989–2009? Appendices

homesandcommunities.co.uk
mail@homesandcommunities.co.uk
0300 1234 500



Kurshida Mirza
Homes and Communities Agency
7th Floor
Maple House
149 Tottenham Court Road
London
W1T 7BN
020 7874 5947
Kurshida.Mirza@hca.gsx.gov.uk

The Homes and Communities Agency is able to provide literature in alternative formats including large print, Braille and audio. Please contact us on 0300 1234 500 or by email at mail@homesandcommunities.co.uk for further information.

Publication date: May 2011