THE DEMAND FOR SOCIAL RENTED HOUSING – A REVIEW OF DATA SOURCES AND SUPPORTING CASE STUDY ANALYSIS

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Overview

The national picture

- Compared to the population as a whole, the social sector currently contains:
  - higher proportions of younger and older tenants (particularly living alone), lone parents, ethnic minorities and tenants in receipt of housing benefit;
  - lower proportions of couples and households in paid employment;
  - more overcrowding and higher proportions of housing in poor areas
- Three-quarters of social tenants think the social sector is a good type of housing.

Regional patterns

- There is a marked **North/South divide**: the **North East** and **North West** can be seen as the most disadvantaged; **Yorkshire and the Humber, East Midlands** and **West Midlands** are an intermediate group and the **East, South East** and **South West** the least disadvantaged
- **London**, with its larger social sector, is significantly different.

Past changes in the sector

- The social rented sector peaked at about 5.5 million dwellings at the end of the 1970s and fell to 4.1 million by 2003. Building rates fell after the 1970s
- The loss of households was concentrated among couple households and the 45-64 age range, reflecting the impact of Right to Buy sales
- Social sector tenants in full-time paid employment fell by 1.35 million between 1981 and 2001-02 as large numbers of tenants reached retirement age
- Incomes of social tenants in employment rose much less than average.

Characteristics of those moving in and out

- The ages and household types of those moving out of the sector are very different from those moving in
- Right to Buy sales (2 million between 1971-2001) have affected both the size and composition of the social rented sector (particularly its age profile).

The future

- Entrants to the sector are about 280,000 a year, with 240,000 departures a year, of which 85-89,000 are dissolutions at high ages
- The estimated net increase in social tenants in 2002-2011 is about 30,000 a year (not including Right to Buy), mostly in the south of England
- Analysis of the components of change suggests that the sector will be housing three distinct groups: a transitional group, a long term group and a small group who enter in old age
- Around 700,000 private tenants would like social housing and 160,000 social rented sector households expect to and have incomes large enough to buy.

The case study evidence

- The effects of anti social behaviour and fear of crime are key concerns

- The changing economic, social and ethnic composition of tenants has resource implications for support services as well as social inclusion and anti social behaviour initiatives
- Some stock is unpopular because aspirations have risen. Tenants mainly aspire to owner occupation and to larger properties in better areas
- Although there are schemes that provide incentives to move, for example to reduce under-occupancy, there is little sense of how effective they really are.

CHAPTER 1

Introduction

Background

1.1 This research on the demand for social rented housing was commissioned by the Office of the Deputy Prime Minister (ODPM) from the Cambridge Centre for Housing and Planning Research in December 2003[1]. The aim of the research was to gain a better understanding of the role of this sector, as well as to build up a national picture of the flows into and out of the sector and predict future demand for social housing as traditionally defined. This report presents the findings of the study. It is intended as a source document for others to use and for this reason information is presented in tables showing both absolute numbers and proportions where appropriate.

1.2 The objectives of the study were to review existing data on the role of the social sector with further follow-up case study work and to provide answers to a range of questions using the most robust secondary data available at the time. This was necessarily only possible at national and to some extent regional level. To complement the secondary analysis, and to explore some of the implications for management and resources facing social landlords, six case studies were conducted in contrasting local areas.

1.3 The research questions were:

1. Who lives in social housing now?
2. Who will live in the social sector in the future?
3. What are the differences between council and Registered Social Landlord (RSL) tenants?
4. How is the composition of the social sector changing?
5. What is the demand for social housing?
6. To what extent is the demand for social housing not met?
7. Do people prefer bricks and mortar to personal subsidies?
8. What factors affect demand?
9. Is there a mismatch between vacancies and housing required?
10. Does existing supply meet the demand?
11. Is there under-occupation?
12. Is there an intermediate market?
13. What influences flow in and out of the sector?
14. Who is entering?
15. Who is leaving?
16. Why are they entering?
17. Why are they leaving?
18. How do flows affect the composition?

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[1] The responsibilities of the Office of the Deputy Prime Minister (ODPM) were taken over by the newly created Department for Communities and Local Government on 5 May 2006.

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19. How long do different types of household stay in the sector?

1.4 In order to address these questions, the report is structured into seven chapters which summarise and explain the main findings. The detail of the information is in the five annexes. The seven chapters are:

1. Introduction
2. The present characteristics and circumstances of tenant households: the national picture
3. Tenant characteristics analysed by region
4. Comparison of London and England as a whole
5. Past changes in the size and composition of the sector, including components of change
6. The future of demand for social rented sector tenancies. This includes both a demographic-based projection and inflows and outflows
7. Qualitative evidence from case study interviews of individual districts

Of the five annexes, three cover aspects of the source data including some preliminary analyses. The fourth provides greater detail on the case studies while the final annex is the literature review.

The social rented sector

1.5 It is useful to provide some basic information about the social rented sector[2] as traditionally defined. In terms of size, the sector peaked in the 1970s and has been shrinking ever since. In 1971 local authority and housing association rented property was 29 per cent of the total housing stock. This compares with only 19 per cent in 2003.

1.6 In London and the metropolitan cities the social rented sector is a larger proportion of the total. London stands out with 26 per cent social rented housing. In contrast, in some rural areas, such as Fareham, it is only 7.5 per cent.

1.7 Looking at social sector tenant households in employment, those working full-time amounted to over 50 per cent of all social sector tenants in the 1970s but only 23 per cent in 2000-01. Part time employment among social sector tenants has risen since 1977-78, from nearly 4 per cent to over 8 per cent.

1.8 The proportion of retired households in the social rented sector has increased from 21 per cent in 1997-78 to 36 per cent in 2000-01. Unemployment has remained fairly static at around 6 per cent over the same period although it rose to 13 per cent of social sector households in 1984. Economically inactive households have risen from 17 to 26 per cent over the same period.

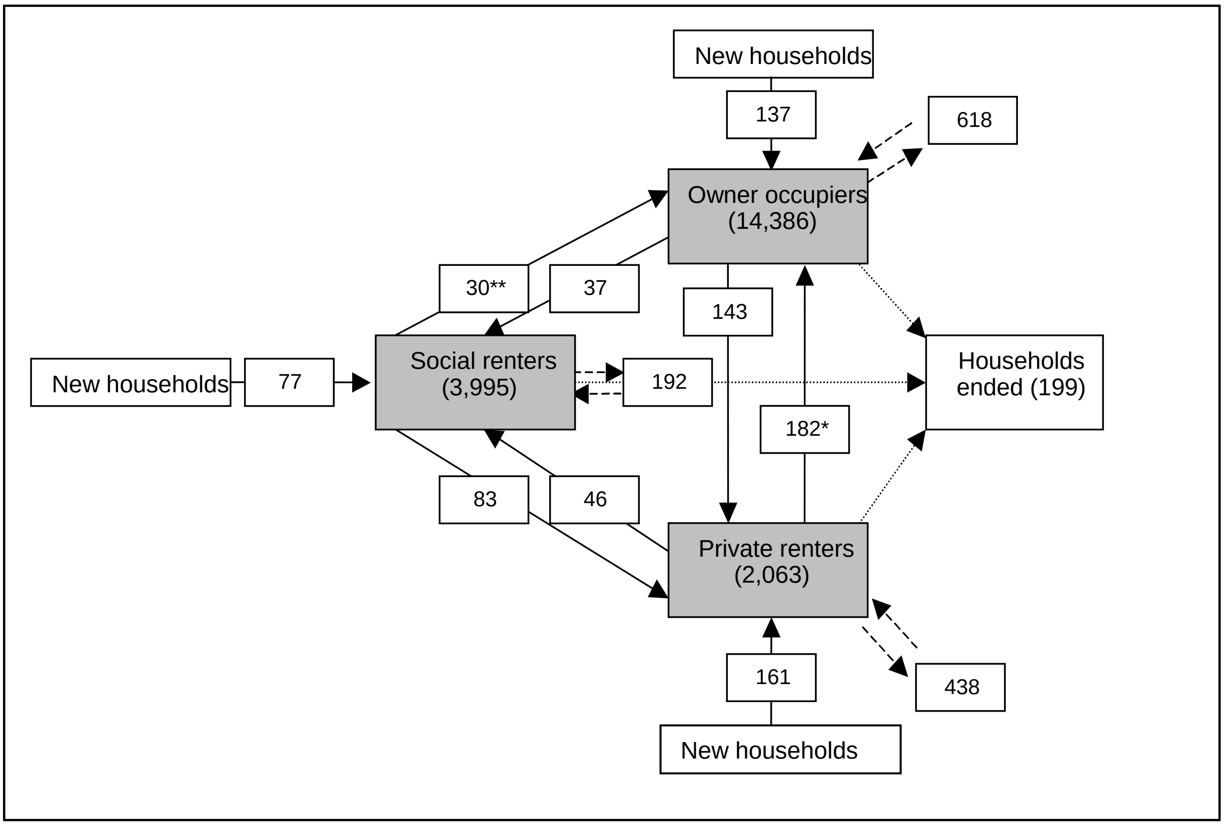
1.9 This is a different pattern from households who are home owners. Their employment rates have fallen from almost 70 per cent in full-time work to 62 per cent between 1977-78 and 2000-01. Part-time work has risen from 3 to 5 per cent. The rate of retirement age households has increased from 17 to 27 per cent, rather less than in

[2] The figures that follow are taken from the *Housing Trailers to the Labour Force Survey* and *Housing in England*, various dates.

the social rented sector. Unemployment has remained below 2 per cent of households while other economically inactive households fell from 9 to 5 per cent over the same period.

1.10 The shrinking of the sector is thus clearly linked to its role in the housing system. Where it was once the tenure of choice for many working households who then stayed on into retirement, it is now housing increasingly impoverished people – impoverished in the sense of lacking full-time employment which is related to lacking decent incomes. As this study shows, social sector tenants tend to be low-paid or dependent on benefits or both. This is because they are elderly, sick, disabled, or lone parents with young children. They are also more likely to be unemployed than people in other tenures. The unemployment rate – as opposed to the proportion of households who are unemployed – in the social sector in 2000-01 was 16.1 per cent compared to 3.9 per cent in the country as a whole. In the owner occupied sector the unemployment rate was 1.5 per cent.

1.11 Another important aspect of this study is that it analyses the flows into and out of the social sector. The diagram below shows the current picture (taken from the Survey of English Housing).



Figures or arrows indicate the number of households (thousands) Moving into, out of and within each sector in the 12 months before interview. Figures (alongside text) in boxes indicate the total number of households (thousands) in the tenure in 2002-3. The chart also shows the estimated number of moves out of a household, for example, because of death, a move to an institution, or joining another household.
* In addition an estimated 15,000 private renter households became sitting tenant purchasers.
** In addition an estimated 75,000 social renter households became sitting tenant purchasers.

1.12 Figure 1 shows that the largest flows into the social sector currently come from newly forming households (77,000), while the largest outward moves were to the private rented sector (83,000). However, the flows of new households into the two private sectors were both considerably larger than those into the social sector– 137,000 into owner occupation and 161,000 into private renting. The flows into and out of owner occupation were closer in size than might be expected – 30,000 moves from social renting to home ownership but 37,000 moves from owner occupation into social renting.

1.13 Figure 1 also shows considerable movement within each of the sectors. Over 600,000 households moved house in the owner occupied sector, while 190,000 moved within the social sector and a further 160,000 moved house within the private rented sector.

1.14 The figure provides a picture of the relative sizes of the different tenures as well as the movement between them. It is important to understand why these moves happen in order to provide a better understanding of the role of the social sector, both now and in the future.

1.15 This study aims to do this mainly by analysing secondary data and drawing on previous published work. A more qualitative understanding of some of the issues is provided by the case studies.

Some prior issues

1.16 An important question when trying to understand the role of social housing both now and in the future is whether we should be talking about demand or need. Demand is only relevant where people have genuine choices and it is not at all clear that there is a sufficient supply of housing available, particularly in certain areas, to enable any kind of choice at all. Where people lack the income to access market housing, there is a sense in which they have no choice but to look to social housing which therefore must be seen as something that they need rather than demand.

1.17 It is vital to emphasise the distinction between a supply-determined and a demand-determined system. If supply is constrained, administrative rules on access mean that only those households considered to have the highest priority will be allocated social housing. Therefore when looking at information about households who are tenants at the present time (the statistical present), the question is how far this reflects the effect of access rules. There is also a distinction between whether the system is supply-constrained nationally, and whether in practice this varies between regions.

1.18 Finally, a distinction must be made between demand, need and aspirations. The evidence is mainly about need (or social demand in the sense of who Government is prepared to house). A similar distinction is required between social rented housing as traditionally defined and affordable housing, as well as between short term and longer term demand.

Data sources

1.19 The main data sources used in this research were the Survey of English Housing, the 2001 Census, CORE (the COntinuous REcording system of entrants to the social sector) and the Existing Tenants' Survey. In addition, use was made where relevant of the General Household Survey and the London Housing Survey, together with the official population and household projections and the Department's HIP data (now HSSA).

1.20 These data have been analysed largely to test how far and in what ways the social rented sector differs from the national average. Thus most tables provide a comparison with England as a whole, rather than providing a breakdown of each tenure separately. This is partly for ease of analysis, as there is far less information on the private rented sector, for example, since any owner occupied home may be let out without this being reflected in official statistics. But it also serves to highlight where changes in the social sector are merely following changes and trends in the wider society and where, in contrast, something specific is happening in the social sector that is not reflected in social change more generally. While the social sector itself is thus part of that national picture, it is now less than 20 per cent of the total and so this is a valid statistical practice (which it would not be, for example, if owner occupation was compared to England in total).

1.21 The data mainly relate to 2001-03, partly to ensure reasonable compatibility with the 2001 Census, and partly because in order to undertake regional level analysis, survey data such as the Survey of English Housing have to be pooled over three years to produce a large enough sample. There have been some important changes since 2001-03, notably the decline in take up of the Right to Buy local authority property by sitting tenants. For this reason forecasts assume current trends but omitting the impact of Right to Buy.

CHAPTER 2

Social rented sector households and their housing: the national picture

Main findings

- Tenants of local authorities and RSLs are sufficiently similar in age, type of household, and employment status to be grouped together as the 'social rented sector'
- Social sector tenants differ from the population as a whole in several aspects. Compared to the population as a whole, the social sector contains:
    - Lower proportions of couples and higher proportions of lone parents
    - Higher proportions of younger and older tenants, with lower numbers in the middle age groups. This is often termed 'hollowing out'. In particular there are higher proportions of older people living alone
    - Higher proportions of households from non-white ethnic groups
    - Lower proportions of households in paid employment. Those that are in employment have lower incomes
    - Higher numbers of all social tenants are in receipt of housing benefit
    - Higher proportions of people in poor health
    - Higher levels of overcrowding, and fewer households with a spare bedroom
    - Slightly fewer dwellings that meet the 'decency' standard, and higher proportions of housing in poor neighbourhoods.
- Three-quarters of social sector tenants think the social sector is a good type of housing.

2.1 This chapter describes the characteristics and circumstances of households in the social rented sector in England as a whole, and whether there are significant differences between local authority (LA) and registered social landlord (RSL) tenants. Together these groups comprise some 19-20 per cent of all households. Social sector tenants are compared with all households in relation to the following characteristics:

- age;
- type of households;
- household size;
- employment status;
- occupation;

- health;
- ethnicity;
- incomes;
- density of occupation and overcrowding;
- physical condition of dwellings; and
- tenants' opinions about this tenure.

Comparing the social sector with the population as a whole is a common approach, used for example in the English House Condition Survey reports when looking at the social sector separately.

Local authority and Registered Social Landlords' tenants

2.2 The social rented sector comprises households renting their accommodation from local authorities (LA or council tenants) and from registered social landlords (RSL or housing association tenants). Using data from the 2002-03 Survey of English Housing (SEH) we can compare types of household, age of household head, and employment status. These are shown in Tables 2.1, 2.2 and 2.3 below. Differences in total proportions are due to rounding.

Table 2.1: Social sector tenants by household type 2002-03

	Couple, no dependent children	Couple with dependent children	Lone parent	Other multi-person households	One-person households	Total
LA tenants number (thousands)	490	425	431	244	1,165	2,775
RSL tenants number (thousands)	190	189	216	90	535	1,220
All social sector number (thousands)	680	615	647	334	1,700	3,975
Social sector as proportion of all tenures (per cent)	9.5	13.3	50.0	18.5	28.3	19.0

Source: *Housing Statistics 2003*

Table 2.2: Social sector household heads by age 2002-03

	Under 30	30-44	45-54	55-64	65 and over	Total
LA tenants number (thousands)	340	712	352	344	971	2,719
RSL tenants number (thousands)	198	362	135	134	417	1,247
All social sector number (thousands)	537	1,076	486	478	1,388	3,988
Social sector as proportion of all tenures (per cent)	24.6	17.3	13.6	15.2	27.0	19.6

Source: *Housing Statistics 2003*

Table 2.3: Employment Status of Household Reference Person in 2002

	Full-time work	Part-time work	Unemployed	Retired	Other economically inactive	Total
LA tenants number (thousands)	633	194	175	962	756	2,720
RSL tenants number (thousands)	314	98	76	385	333	1,207
All social sector number (thousands)	947	292	251	1,347	1,089	3,927
Social sector as proportion of all tenures (per cent)	9.3	21.4	45.3	25.0	47.3	19.1

Source: *Housing Statistics 2003* [3]

2.3 The evidence suggests that, whilst the social sector as a whole has a distinctive profile, compared with that of other tenures, the circumstances of the two categories of tenants are sufficiently similar in terms of household type, age and employment status for them to be grouped together for purposes of description and analysis.

2.4 This chapter now considers how the profile of all social sector tenants compares with that of the whole population.

[3] In tables taken from the 2001 census, the number of social sector tenants is under-stated. The explanation is thought to be that some 210,000 local authority and RSL tenants whose rent was met in full by Housing Benefits described themselves as living rent-free. If that is the correct explanation of how 160,000 households gave their landlords as a local authority and 50,000 as a housing association yet entered themselves as living rent-free, then the number of tenants not in paid employment will be somewhat under-stated, as hardly anyone in paid work would have the whole rent met from Housing Benefit.

Households analysed by type, age and size

2.5 Households in the social sector can be analysed in terms of the age profile (of head of household) and type of household. Five household types can be distinguished using the Survey of English Housing: married couples, cohabiting couples, lone parents, other multi-person households, and one-person households. This profile is shown in table 2.4

2.6 Table 2.4 shows, for instance, that 25 per cent of households aged under 30 were social sector tenants whereas only 14 per cent of those aged 45 to 54 were in the social sector. It also shows for example, that 11 per cent of married couple households (of all ages) were social sector tenants, whereas of those aged under 30, 14 per cent were social sector tenants.

2.7 Overall, 20 per cent of households were social sector tenants but, as this table shows, this varies significantly between different household types and ages. The highest proportions of social sector tenants are found amongst lone parent households aged under 30, 73 per cent of whom live in the social sector. The lowest rates are found amongst married couples aged 45 to 54, only 8 per cent of whom live in the social sector.

2.8 It can also be seen that higher than average proportions of social sector tenants are in the youngest and oldest age groups. This is the consequence of what is sometimes termed the hollowing out of the social rented sector. The processes that have led to this age distribution, which include Right-to-Buy and other sales to sitting tenants, are discussed in Chapter 5.

2.9 The sizes of households in the social rented sector are shown in Table 2.5. In order to show large households accurately, census data are used.[4]

[4] The census figures are as published without adjustment for the under-statement of social sector tenants because of the misclassification as ‘rent-free’.

Table 2.4: Social rented sector tenants: type of household and age 2000-01 to 2002-03

	Age Under 30	30-44	45-54	55-64	65-74	75 and over	Total
Married couple households (with and without children)							
Number in social rented sector ('000)	56	314	176	191	192	186	1,116
Social sector as per cent of households in all tenures	14	10	8	10	13	21	11
Cohabiting couple households (with and without children)							
Number in social rented sector ('000)	101	124	30	16	7	4	283
Social sector as per cent of households in all tenures	17	15	13	16	21	25	16
Lone parent households (female)							
Number in social rented sector ('000)	228	373	56	9	3	1	671
Social sector as per cent of households in all tenures	73	51	36	43	…	…	54
Other multi-person households (male head)							
Number in social rented sector ('000)	12	19	23	15	15	8	93
Social sector as per cent of households in all tenures	7	12	17	16	24	18	14
Other multi-person households (female head)							
Number in social rented sector ('000)	7	40	50	38	30	30	194
Social sector as per cent of households in all tenures	9	40	28	25	38	33	29
One-person households (male)							
Number in social rented sector ('000)	67	168	87	108	114	108	651
Social sector as per cent of households in all tenures	19	20	25	32	36	37	26
One-person households (female)							
Number in social rented sector ('000)	55	66	77	111	222	481	1,013
Social sector as per cent of households in all tenures	23	18	27	27	32	39	32
All households							
Number in social rented sector ('000)	533	1,131	511	497	586	822	4,080
Social sector as per cent of households in all tenures	25	18	14	16	22	32	20

Source: ODPM from Survey of English Housing 2000-01, 2002-03

Table 2.5 Size distribution of social sector tenant households

Number of persons in household	Social sector tenant households Number ('000)	All households Number ('000)	Proportion of social sector households (per cent)
1	1,758	6511	27.0
2	1,081	7404	14.6
3	578	3360	17.2
4	411	2894	14.2
5	211	1071	19.7
6	85	315	27.0
7	22	73	30.2
8 or more	13	48	28.4
Total	**3078**	**21676**	**14.2**

Source: Census, Standard Table 051

2.10 Large households (five persons or more) are only 8 per cent of all social rented sector households. However, accommodating them can be a source of difficulty as the social rented sector does not have many large houses. Of the 331,000 households of five persons or more, 109,000 had fewer rooms than persons in the household (see Table 2.17).

Employment status and occupation

2.11 The employment status used in Table 2.6 is that of the household reference person (or household head). Who the household reference person is depends initially on economic activity – in order of priority: full-time employment, part-time employment, unemployed or economically inactive – and then on age. Table 2.6 shows the employment status of the household reference person analysed according to age. The census table 013, which is the source, provides this information for ages 16 to 74. At age 75 or above the proportion of people that are economically active is small. Economically active is defined as all those in paid work, both full and part-time, plus those who are unemployed ie seeking paid work. Table 2.7 gives the proportions.

Table 2.6: Employment status of household reference persons in social rented sector households: England 2001: numbers

Totals in thousands	**16-24**	**25-34**	**35-44**	**45-54**	**55-pension age ([a])**	**Pension age to 74**	**All ages 16-74**
Economically active							
Employee	81	319	375	276	149	53	1253
Self-employed	3	30	46	32	17	6	134
Unemployed	29	70	71	46	23	3	242
Full-time student ([b])	8	7	5	2	1	—	23
Economically inactive							
Retired	—	1	1	4	30	575	611
Student ([b])	10	14	10	3	1	1	39
Looking after home/family	51	126	98	36	12	3	326
Permanently sick or disabled	8	43	91	129	119	53	443
Other	19	42	44	33	25	25	188
All households	**209**	**653**	**741**	**561**	**376**	**718**	**3,258**

([a]) Pension age is 60 for women and 65 for men.

Table 2.7: Employment status of household reference persons in social rented sector household: per cent

(percentage of total)	**16-24**	**25-34**	**35-44**	**45-54**	**55-pension age ([a])**	**Pension age to 74**	**All ages 16-74**
Economically active							
Employee	6.5	25.5	30.0	22.0	11.9	4.2	100
Self-employed	2.2	22.4	34.3	23.9	12.7	4.5	100
Unemployed	11.9	28.9	29.3	19.0	9.5	1.2	100
Full-time student ([b])	34.7	30.4	21.7	8.6	4.3	-	100
Economically inactive							
Retired	-	0.1	0.1	0.5	4.9	94.4	100
Student ([b])	25.6	35.9	25.6	7.7	2.6	2.6	100
Looking after home/family	15.6	38.6	30.1	11.0	33.7	0.9	100
Permanently sick or disabled	1.8	9.7	20.5	29.1	26.8	11.9	100
Other	10.1	22.3	23.4	17.5	13.3	13.3	100
All households	**6.4**	**20.0**	**22.7**	**17.2**	**11.5**	**22.0**	**100**

([a]) Pension age is 60 for women and 65 for men.

Note: ([b]) Students who say they are looking for paid work are classed as economically active and those who say they are not looking for paid work are classed as economically inactive.

Source: 2001 Census, Standard Table 013

2.12 Table 2.8 compares the social sector tenants in Table 2.6 with the employment status of households in all tenures. It shows the proportions of social sector tenants in each group that were employed (including self-employed) in 2001 and the proportions that were retired, or permanently sick or disabled, with corresponding proportions for households in all tenures.

Table 2.8: Employment status by age, social sector tenants and all tenures compared (per cent)

	Age of household head					
	16-24	**25-34**	**35-44**	**45-54**	**55-Pension age**	**Pension age-74**
Social sector tenants						
Proportion of social sector tenants employed or self-employed	40	53	57	55	44	8
Proportion of social sector tenants retired or permanently sick or disabled	4	7	12	24	40	87
All tenures						
Proportion of all tenures employed or self-employed	56	83	86	86	72	15
Proportion of all tenures retired or permanently sick or disabled	2	2	4	7	21	83

Source: As Table 2.7

2.13 From Table 2.8 we can show that between ages 25 and pension age there was a 28 to 31 per cent difference between the proportion of social sector tenant households in paid work and the proportion of households in all tenures in paid work. In all age ranges the proportion of households outside the labour force through retirement or permanent sickness and disability was higher in the social sector than in all tenures. In the 55 to pension age group there was almost a 2:1 ratio between the proportion of retired or permanently sick or disabled in social sector tenant households and the proportion in all households.

2.14 Table 2.8 also shows that the proportion of household reference persons in employment was much lower among social sector households. This contrast is explained primarily by higher proportions that were economically inactive (ie outside the labour force altogether) rather than higher unemployment.

2.15 Unemployment was nevertheless higher in the social rented sector than among all households, as Table 2.9 (below) shows. Numbers unemployed are shown as proportions of all economically active household heads (the usual definition of an unemployment rate).

Table 2.9: Proportions of households unemployed: England 2001 (per cent)

	Age of household head				
	16-24	25-34	35-44	45-54	55-pension age
Social rented sector					
Unemployed as proportion of economically active	24	16	14	13	12
Unemployed as proportion of all household heads	14	11	10	8	6
All tenures					
Unemployed as proportion of economically active	10	4	4	3	4
Unemployed as proportion of all household heads	7	4	3	3	3

Source: As Table 2.7

2.16 In all age ranges unemployment rates among social sector tenants were much higher than among households in all tenures. This was not something new in 2001: the history of this trend is outlined in Chapter 5.

2.17 The occupations of social sector tenants are shown in Table 2.10 with those of all household reference persons for comparison. The occupations are classified according to the National Statistics Socio-economic Classification, which has replaced Socio-Economic Group and the Registrar-General's Social Class.

Table 2.10: Socio-economic classification of social rented sector household reference persons: England 2001

		Number in social sector (thousands)	Proportion of social sector (per cent)
1.1	Large employers and higher managerial occupations	31	1.4
1.2	Higher professional occupations	40	1.8
2.	Lower managerial and professional occupations	264	11.8
3.	Intermediate occupations	179	8.2
4.	Small employers and own account workers	146	6.5
5.	Lower supervisory and technical occupations	243	10.9
6.	Semi-routine occupations	485	21.7
7.	Routine occupations	495	22.2
L14.1	Never worked	182	8.2
L14.2	Long-term unemployed	115	5.2
L15	Full-time students	52	2.3
Total		**2,232**	**100.0**

2.18 The socio-economic classification introduced in the 2001 census does not show the formal distinction between manual and non-manual occupations. However, the proportion of social sector tenants in semi-routine and routine occupations was almost twice as great as for all households. At the other end of the scale there were comparatively few social sector tenants in the higher managerial and professional occupations; although they were somewhat more numerous in the lower managerial, professional and intermediate occupations, and the lower supervisory and technical occupations. Tenure-specific information about incomes and occupations is not available, but the mix of occupations of social sector households only partly explains the low level of incomes (see section on incomes below).

Health and disability

2.19 Table 2.6 (above) shows that the most substantial number of social sector household reference persons that were economically inactive was by reason of being permanently sick and disabled. Further information about poor health and disability among social rented sector households is provided by the 2001 census and the Survey of English Housing (SEH). The census asked for information about whether household members' health was 'good', 'fairly good', or 'not good' and whether they had a limiting long-term illness or disability. SEH asked whether respondents or their partners had a serious medical condition or disability. Table 2.11 shows proportions of adult members of social sector tenant households that had a limiting long-term illness or disability, plus those who did not, but stated that their general health was not good. Corresponding proportions of households of all tenures are shown for comparison.

Table 2.11: Proportion of members of social sector households and all households whose health is not good or who have a limiting long-term illness or disability (per cent)

	Social Sector Rented	**All Tenures**
Age (Persons)		
16-24	10.9	6.5
25-34	18.6	8.9
35-44	27.6	12.8
45-54	41.9	19.8
55-64	54.4	31.5
65-74	56.7	42.3
75 and over	68.4	60.8

Source: 2001 Census, Standard Table 017

2.20 At ages 25 to 54, the proportion of members of social rented sector households that said their general health was not good or that they suffered from a limiting long-term illness or disability was more than twice as great as for the whole private household population. The difference in these proportions at ages 55-64 was the largest in absolute terms; but in the two highest ages groups, 65-74, and 75 and over this difference became successively smaller.

2.21 A similar comparison of proportions of households where the reference person or partner had a serious medical condition or disability is shown in Table 2.12. It is taken from the Survey of English Housing, with data for 2001-02 and 2002-03 combined. The sample size means that broader age ranges have to be used than in Table 2.11.

Table 2.12: Households where the reference person or partner has a serious medical condition or disability: England 2001-03

	Whether has serious medical condition or disability (thousands)				**Proportion with serious medical condition or disability (*) (per cent)**
	Yes	**No**	**Not stated**	**Total**	
Tenure and age					
Social rented sector					
Under 30	62	462	8	532	12
30-44	236	849	21	1,106	22
45-59/64	397	467	27	891	46
60/65-74	363	286	16	665	56
75 and over	501	291	23	815	63
All ages	**1,559**	**2,354**	**96**	**4,009**	**40**
All tenures					
Under 30	128	1,817	105	2,150	6
30-44	590	5,574	119	6,283	10
45-59/64	1,360	4,866	144	6,371	22
60/65-74	1,144	1,807	54	3,005	39
75 and over	1,360	1,128	61	2,548	55
All ages	**4,582**	**15,292**	**444**	**20,357**	**23**

(*) The bases from which these percentages were calculated exclude not stated.

Source: Tables from the Survey of English Housing supplied by ODPM

2.22 Table 2.12 refers to household reference persons or their partners whereas Table 2.11 refers to all household members, but both tables show a very similar picture. Ill health and disability is much more prevalent among social rented sector households than among the household population as a whole. The proportions for reference persons in Table 2.12 and all adult household members in Table 2.11 with disabilities or poor health appear very similar. An association between health and disability and housing tenure could be explained by poor health and disability as a cause of low earning power and hence a lesser ability to afford house purchase or to keep up payments on a mortgage. Whether that is the whole explanation is not evident.

Ethnicity

2.23 It is possible to consider the position of ethnic minority households in the social rented sector from two angles:

(a) the proportion of all social sector tenant households that are members of the different ethnic groups (ie the ethnic mix of the social sector); and

(b) the proportion of households in the different ethnic groups that are social sector tenants.

Both are shown in Table 2.13, along with the proportion of all households that are from each ethnic group. The numbers are as published in the census; note the caveat about under-statement because some households whose landlord is a local authority or housing association are included in the census as rent free (see Paragraph 2.9 above).

Table 2.13: Ethnic group of household reference persons in the social rented sector 2001

	Number of households (thousands)	**Ethnic group as proportion of all households in all tenures (per cent)**	**Ethnic group as proportion of all social sector households (per cent)**	**Proportion of each ethnic group that are social sector tenants (per cent)**
White (British)	3,379	88.9	85.8	18.6
White (Irish)	91	1.7	2.3	26.1
White (Other)	77	2.6	1.9	14.2
Mixed	46	0.7	1.1	32.3
Indian	30	1.5	0.8	9.6
Pakistani	28	0.8	0.7	16.3
Bangladeshi	29	0.3	0.7	48.4
Other Asian	13	0.4	0.3	16.4
Black Caribbean	118	1.3	3.0	42.9
Black African	89	0.9	2.3	50.8
Black (Other)	16	0.2	0.4	50.6
Chinese	10	0.4	0.3	13.3
Other	16	0.3	0.4	22.3
All groups	3,941	100.0	100.0	19.3

Source: 2001 Census, Standard Table 111

2.24 The social rented sector has a higher proportion of non-white households, 10 per cent, compared to the whole population of households which has 7 per cent. There are large differences between the ethnic groups in terms of the proportions that are social sector tenants. Not all of this variation is necessarily specific to ethnicity. Income and employment status could account for some of the difference, but it is hard to see how all the difference between, for example, the proportions of Indian (9 per cent) and Black Caribbean households (43 per cent) that are social sector tenants could be explained by such causes. The ethnic minority populations are very concentrated geographically, with a high proportion in London. The regional information about ethnic minority households in the social rented sector (Tables 3.7 and 3.8) is therefore important.

Incomes and receipt of housing benefit

2.25 Table 2.14 considers the incomes of social sector tenants, compared to those of all households. Income is defined as the gross weekly income of the household reference person and partner (if any). Income from all sources, for example, Child Benefit, is included.

Table 2.14: Distribution of gross weekly income of social sector tenant households and all households 2001-02

	Under £200	**£200 but under £300**	**£300 but under £400**	**£400 but under £500**	**£500 and over**	**Mean (£)**	**Median (£)**
Distribution of Income (as a percentage of social sector as a whole)							
Where the household reference person is in work	22	27	19	14	17	340	300
Where the household reference person is not in work	79	16	3	1	0	150	140
Distribution of Income (as a percentage of all household incomes)							
All tenures							
Where the reference person is in work	8	11	14	14	54	680	530
Where the reference person is not in work	60	21	8	4	6	220	170

Source: *Housing Statistics 2003*, Table 8.8. Original source Family Resources Survey

2.26 Social sector tenants in paid work have on average lower incomes than households in paid work in all tenures. Nevertheless, there is an upper tail to the distribution of incomes of social sector tenants: the 17 per cent with gross incomes of £500 a week or more is equivalent to 200,000 in total. Some may well move to owner-occupation (see Table 5.11); but as they do so, evidence suggests that others from within the social sector may increase their incomes and so there may remain a pool of households with incomes that may appear sufficient to buy housing in some areas. Some households may also leave the sector via the Right to Buy.

2.27 There is less difference between the social sector and all households in terms of the income distribution of those not in paid employment, though for households as a whole there is an upper tail (probably due to large investment incomes) that has no counterpart among social sector tenants. The principal source of income of social sector tenants not in paid employment is state benefits.

2.28 Numbers and proportions of social sector tenant households receiving Housing Benefit are shown in Table 2.15. Tenants renting from local authorities and renting from Registered Social Landlords (RSL) are shown separately. This is because in most places RSL rents are higher than council rents, which could conceivably lead to differences in the proportion of tenants entitled to Housing Benefit and receiving it.

Table 2.15: Proportions of social rented sector tenants receiving housing benefit by employment status of the household reference person

	Receiving Housing Benefit (thousands, per cent in brackets)	Not Receiving Housing Benefit (thousands, per cent in brackets)	Total households (thousands, = 100 per cent))
Rented from Local Authority			
Working full-time	47 (8)	543 (92)	590
Working part-time	111 (45)	135 (55)	246
Unemployed	105 (85)	19 (15)	124
Retired	629 (70)	270 (30)	899
Other economically inactive	649 (89)	80 (11)	729
All	1,553 (60)	1,036 (40)	2,589
Rented from RSL			
Working full-time	31 (11)	253 (89)	284
Working part-time	55 (47)	61 (53)	116
Unemployed	57 (89)	7 (11)	64
Retired	242 (69)	109 (31)	350
Other economically inactive	271 (90)	30 (10)	301
All	669 (60)	448 (40)	1,115

(*) Excludes not stated.

Source: ODPM from Survey of English Housing

2.29 The proportions of local authority and RSL tenants in each employment status receiving Housing Benefit are very similar, even though RSL rents are higher. The difference between the proportions of tenants working full-time that receive Housing Benefit is only on the margins of statistical significance. Nearly half of those working part-time claimed Housing Benefit. However, it is clear that Housing Benefit is received primarily by tenants who are unemployed or non-employed, rather than the so-called ‘working poor’. Only 11 per cent of social rented sector tenants that said that they received Housing Benefit were in full- or part-time work[5].

[5] Calculated from the table thus: 47 + 110 + 31 + 55 = 244, which is 10.9 per cent of 1,553 + 669 = 2,222, the total in receipt of Housing Benefit.

The social housing stock

2.30 The English House Condition Survey (EHCS) provides a profile of the social housing stock in England as a whole and in the regions. The full analysis is not reproduced here; however it is useful to present some key aspects before going on to look at density (over-crowding and under-occupation) and other aspects of stock condition.

2.31 In 2001 there were 21.1 million dwellings in England of which 20 per cent were in the social sector. The stock is old: almost 40 per cent was built before 1945 (8.1 million) and 21 per cent before 1919 (4.4 million). Newer housing is smaller in size and on smaller plots than older housing. The oldest housing (pre-1919) is concentrated in city and other urban centres. Most of the dwellings in suburban and rural areas have been built since 1945. Nationally, social housing has a much younger age profile than the housing stock as a whole. Only a fifth were built before 1945 and nearly half were built since 1964.

2.32 Almost 20 per cent of the national stock are flats, but the distribution of flats between regions is not even: more than a third of them are located in London where 46 per cent of all dwellings are flats. Nationally, the social sector comprises a higher proportion of small dwellings (60 per cent) than the private sector (30 per cent). The region with the highest proportion of small – one and two bed – dwellings is the South East (67 per cent) while in the East and West Midlands the proportion of smaller dwellings is only 55 per cent of the social stock. However, if floor space is taken as the comparator, there may be no real regional differences in size, as the average floor space for social sector dwellings in all the regions is similar to the national average.

Density of occupation and condition of dwellings in the social rented sector stock

2.33 Density of occupation, ie overcrowding, sufficiency of space, and under-occupation can be measured either by the number of rooms relative to the size of the household; or by the number of bedrooms in relation to the size and composition of the household. The census records only the total of habitable rooms. Information about the number of bedrooms comes only from housing surveys (in this case the Survey of English Housing), which restricts the scale to national and regional level. Information about the number of bedrooms allows the bedroom standard to be used as a measure of density of occupation. The bedroom standard (in Table 2.16 below) is the statistical standard[6] and depends on the age and sex of household members and their relationships. Its basic principles are that not more than two persons should share a bedroom; that persons of opposite sex should not share a bedroom unless they are living as a couple or are both under age 10; and that each person aged over 21 not living as a member of a couple should have a bedroom to him- or herself.

[6] This is defined in full in *Housing in England 2001/02*, (ODPM, 2003) page 187, and is not the same as that used by the Department of Work and Pensions for determining whether any part of a Housing Benefit claimant's rent should be disallowed on grounds of the accommodation being larger than needed.

Table 2.16: Density of occupation as measured by the bedroom standard, England 2002-03

	Number of Bedrooms				
	Fewer than standard	**Equal to standard**	**1 above standard**	**2 or more above standard**	**Total**
Social rented sector tenants					
Number (thousands)	206	2,035	1,200	525	3,966
Proportion of social sector households (per cent)	5.2	51.3	30.3	13.2	100.0
All tenures					
Number (thousands)	498	5,095	7,379	7,283	20,255
Proportion of households in all tenures (per cent)	2.5	25.2	36.4	36.0	100.0

Source: *Housing Statistics 2003*, Table 8.6

2.34 The social rented sector is more densely occupied than the housing stock as a whole, with a closer fit between household size and dwelling size. Of the 4,119,000 one- and two-person households in 2001 with six rooms or more, only 243,000 (6 per cent) were social sector tenants (Census 2001, Standard Table 051).

2.35 Table 2.16 shows that the proportion of social sector tenants in overcrowded accommodation (having fewer bedrooms than the bedroom standard) was twice as great as for households in all tenures. The same can be shown from census information relating to household size where a larger proportion of households in the social rented sector had more than 1.5 people per room (see Table 2.17). This is a less sophisticated measure than the bedroom standard and dates back to the inter-war years, but is shown here because it can be used at regional level (see Table 3.13). The reason is that the social rented sector's disproportionate share of larger households (Table 2.5) is not matched by a corresponding share of large dwellings.

Table 2.17: Density of occupation in terms of persons per room: England 2001

	Persons per room			
Social sector	**1.0 or less**	**1.0 up to 1.5**	**Over 1.5**	**Total**
Number (thousands)	3,783	112	46	3941
Proportion of social sector households (per cent)	96.0	2.8	1.2	100
Households in all tenures				
Number (thousands)	10,064	270	117	10451
Proportion of social sector households (per cent)	96.3	2.6	1.1	100
Social rented sector as per cent of all households	**19**	**41**	**39**	99

2.36 The condition of the social rented sector dwelling stock may be compared with that for all tenures using the 2001 English House Condition Survey information about the number and proportion of dwellings meeting the decent dwellings criteria[7]. It is also possible to look at how the proportion in poor neighbourhoods varies between neighbourhoods of largely different tenures.

2.37 The criteria for a decent dwelling are:

(a) that the dwelling meets the statutory minimum standard of fitness for habitation;

(b) that the dwelling is in a reasonable state of repair;

(c) that the dwelling has reasonably modern facilities and services; and

(d) the dwelling provides a reasonable degree of thermal comfort.

These criteria are defined in full in Appendix D of *English House Condition Survey 2001*. Table 2.18 shows the number of social sector dwellings that do not meet one or more of these criteria.

Table 2.18: Dwellings that do not meet one or more of the criteria for a decent dwelling, 2001

Number of dwellings (thousands)	**Social rented sector**	**All tenures**
Criteria		
Fitness	179	885
Repair	314	1,870
Modern facilities and services	192	502
Thermal comfort	1,258	5,560
One or more of the criteria not met	1,574	6,993
All criteria met (ie decent)	2,604	14,147
Total number of dwellings	4,178	21,140
Decent homes as proportion of all dwellings (per cent)	62	67

Source: *English House Condition Survey 2001*, Supporting tables, Table A3.8.

2.38 Table 2.18 shows that 62 per cent of the social rented sector stock in 2001 met all the conditions of the decent standard, as compared with 67 per cent of the entire stock in all tenures. Not meeting the thermal comfort criterion was by far the commonest reason for not meeting the decent homes standard.

[7] These criteria are more relevant than the standard of fitness for human habitation and presence of the basic amenities. The proportion of dwellings without these amenities is very small, and the fitness standard is but one of the elements of the decent dwellings standard. This standard is therefore the more relevant to policy.

2.39 The English House Condition Survey also attempted to assess the environmental quality of neighbourhoods. Some 2.4 million dwellings were in neighbourhoods assessed as poor, by reference to indicators of physical appearance, such as neglected buildings and open space, and behaviour, such as vandalism (see *English House Condition Survey 2001*, page 156). Neighbourhoods were classified into ‘predominantly private build’, ‘predominantly council build’, and ‘other/mixed’. These are shown in Table 2.19, cross-analysed by the proportion of dwellings that met the decent dwellings criteria.

Table 2.19: Poor neighbourhoods by tenure

(numbers of dwellings in thousands)

	Predominantly private build	Predominantly council build	Other/mixed
Not poor neighbourhoods			
Decent dwellings	9,204	2,626	1,189
Dwellings not decent	3,698	1,507	516
All dwellings	**12,903**	**4,133**	**1,705**
Poor neighbourhoods			
Decent dwellings	546	478	105
Dwellings not decent	694	475	103
All dwellings	1,240	952	207
All neighbourhoods	**14,142**	**5,085**	**1,913**
Proportion of dwellings in poor neighbourhoods (per cent)	**9**	**19**	**11**

Source: *English House Condition Survey 2001*, Supporting Tables, Table A5.17

2.40 Some of the dwellings in predominantly council build neighbourhoods are owner-occupied as a result of purchase by sitting tenants, which explains why the total number of dwellings in these neighbourhoods (table 2.17) is 900,000 higher than the total number of social rented sector dwellings (table 2.18). The proportion of dwellings in predominantly council build neighbourhoods that were in poor neighbourhoods was more than twice as great as the proportion for predominantly privately built neighbourhoods. Nevertheless, almost four-fifths of dwellings in council-built neighbourhoods were not in poor neighbourhoods.

Household’s opinions about living in the social rented sector

2.41 The Survey of English Housing in 2003 provided information about households’ opinions of their own tenure and also their opinions about the advantages and disadvantages of owner-occupation and renting. The last are discussed in Chapter 6 in connection with the future demand for social sector rented housing. The opinions about households’ own tenure and about the social rented sector are shown here in Table 2.20.

Table 2.20: Household's attitudes towards their own tenure and to the social rented sector, 2003

(Percentages)

Statement	Attitude to statement			
	Agree	**Neither agree nor disagree**	**Disagree**	**No opinion**
Taking everything into account, my current tenure is a good type of housing tenure				
Owners	95	3	1	0
Social rented sector tenants	76	12	10	2
Private rented sector tenants	46	22	29	2
I would like to live in social housing if I could get it				
Owners	5	8	86	1
Private rented sector tenants	29	14	55	2

Source: ODPM from the Survey of English Housing

2.42 A substantial proportion of social sector tenants have a positive view of their tenure, much more so than private sector tenants. It is also of interest that almost 30 per cent of private sector tenants said that they would like social housing if they could get it. The perception of a local authority (or RSL) tenancy as a preferable alternative to renting from a private landlord has far from disappeared, despite the apparently widespread view that private sector renting is in competition with the social rented sector. The proportion of owner-occupiers saying that they would like to live in social sector housing is very low, only five per cent, as would be expected, but it is five per cent of a very large number.

CHAPTER 3

Social rented sector households and their housing: regional analysis

Main findings

- There is a marked **north/south divide** in the social rented sector reflecting that in England as a whole.
- The social sectors in the **North East** and **North West** have the highest unemployment rates, the highest proportion of households outside the labour force, and the highest proportion with poor health. In these respects the social rented sector reflects the circumstances of households in all tenures. The proportion of social sector tenants who are couple households in these areas is lower than in the rest of England. Conversely these regions have the highest proportion (apart from London) of one-person households below pension age. These two regions can be seen as the most disadvantaged.
- **Yorkshire and the Humber, East Midlands** and **West Midlands** are an intermediate group, with unemployment rates, proportions in ill health and proportions outside the labour force lower than in the Northern regions.
- The **East, South East** and **South West** regions are the parts of England where unemployment is lowest, participation in the labour force highest, and pay (apart from the South West) highest. Higher proportions of social sector tenants than in the rest of England are in paid employment, with higher incomes on average. Nevertheless, unemployment rates among social sector tenants are much higher than for all households in all tenures, as is the proportion of working age households outside the labour force. More households in the social sector are couples, as well as slightly more one-person households above pension age, than in the other regions. Younger one-person households in the social sector are much fewer than in the other regions.
- The inter-regional differences in the mix of types of household are less pronounced. In the South, families with children, older men and older women have a greater influence on the composition of the sector and on who moves into the sector. If the perception of the social rented sector is one of a largely rationed system in the South but more of a demand-led system in the North, then the long established rationing criteria seem to be operating. Where housing pressure is fairly low, a demand to live independently by younger people to live on their own is met, in a way that is not (at least to the same extent) in the South.
- **London** is sufficiently different from all the other regions to merit a separate chapter (chapter 4).

3.1 This chapter describes the characteristics of social sector tenant households analysed by region. The first part of the chapter uses 2001 Census data on household characteristics because the Survey of English Housing (SEH) is not sufficiently robust in terms of its sample size for regional analysis. Incomes are analysed using the Family Resources Survey which is larger than the SEH. The second part of the chapter looks at new social sector tenants using information from the CORE dataset. This information is collected by Registered Social Landlords (RSL) only, not by local authorities. Its value lies in the fact that in principle it is a full count, not a sample.

3.2 Inter-regional comparisons of the existing population of social sector tenants and new entrants enables us to assess whether there are differences between regions that could be attributable to differential pressures on the social rented sector and different employment and income patterns. The pressures on the social rented stock are not as strong in much of the north and parts of the midlands as in the south, while employment opportunities are greater and incomes higher in the south of England.

3.3 Inter-regional comparisons of the existing population of social sector tenant households are explored via:

- age;
- employment status;
- occupation;
- ethnicity;
- health;
- type of household;
- density of occupation;
- household and dwelling size;
- condition of dwellings (grouped regions only); and
- income.

Characteristics and circumstances of new tenants are explored via:

- previous tenure;
- household type;
- age;
- employment status;
- new RSL tenants who were previously owner-occupiers;
- employment status of new tenants previously living with family or friends; and
- incomes.

3.4 The discussions here relate to the 8 regions outside London. (London is discussed in detail in chapter 4). Three groups can be discerned: (a) the North East and North West regions; (b) Yorkshire and Humber, East Midlands, and West Midlands; and (c) the south outside London, ie the East, South East, and South West regions. There are, though, differences between the South West and the other regions.

3.5 Census data is used in this chapter and a caveat must be applied to it as 210,000 households renting from local authorities and registered social landlords were counted as rent-free, presumably because their rent was met from Housing Benefit. As proportions of all social sector tenant households they varied from 6 per cent (in the South East) to 8 per cent (in the West Midlands). This is unlikely to distort regional comparisons significantly.

Age

3.6 The age distribution of social rented sector household reference persons by region is shown in Table 3.1 below.

Table 3.1: Distribution of ages of household reference persons in the social rented sector

(per cent)

	Age Under 25	25-34	35-44	45-54	55 to pension age (*)	Pension age to 74	75 and over	All ages (thousands = 100.00 per cent)
North East	5.9	14.8	16.6	14.2	9.5	20.8	18.2	295
North West	5.7	16.3	18.3	14.9	9.9	18.5	16.4	565
Yorkshire and Humber	5.8	15.8	16.5	13.4	9.5	19.8	19.2	434
East Midlands	6.1	16.3	17.2	13.1	9.2	18.5	19.6	303
West Midlands	6.2	17.4	17.9	14.1	10.0	18.2	16.2	444
East	4.9	16.0	17.5	13.5	9.2	18.7	20.1	369
London	4.5	18.4	23.8	15.7	9.5	15.4	12.7	790
South East	4.8	15.9	18.1	13.6	9.4	18.7	19.5	459
South West	4.6	15.6	17.7	13.8	9.5	19.0	19.8	282
England	5.3	16.6	18.8	14.2	9.6	18.2	17.3	3,941

(*):Pension age is 60 for women and 65 for men.

Source: Census 2001, Standard Table 013

3.7 The age distribution of social sector tenant households is fairly similar across the regions with the exception of London. In all regions other than London the proportion of households in the 25-54 age range was between 45 and 50 per cent. The proportion above pension age was around 38-39 per cent apart from in the North West (35 per cent) and West Midlands (34 per cent). Although the South West has a comparatively high proportion of older people in all tenures, the proportion of social sector tenants above pension age (39 per cent) was not out of line with other regions. In contrast, in London, the comparatively young age distribution of the whole population is reflected in the ages of social sector household heads, with only 28 per cent above pension age, and 58 per cent in the prime working age range of 25-54 years.

Employment status

3.8 The regional age distributions have a strong influence on employment status. Table 3.2 shows the proportion in broad age ranges that were economically inactive, ie without a job and not looking for one; and the proportion unemployed in all age ranges together. The source table from the census comprised household reference persons aged 16-74 only; therefore Table 3.2 only includes details for this age range. An important question about regional differences in unemployment and economic inactivity of social rented sector households is whether they reflect regional differences for all tenures together. For comparative purposes Table 3.2 includes details for all tenures.

Table 3.2: Proportions of household heads economically inactive or unemployed: social sector tenants and all households

(per cent)

	Economically Inactive				Unemployed
	Under 45	45-54	55-Pension age	Pension age to 74	All ages 16-74
North East					
Social rented sector	37.7	43.6	61.4	95.2	8.8
All tenures	16.3	16.2	36.4	91.1	4.1
North West					
Social rented sector	40.0	45.9	60.9	93.6	7.6
All tenures	15.6	15.2	32.1	87.8	3.1
Yorkshire and Humber					
Social rented sector	34.0	36.7	52.3	93.7	9.3
All tenures	13.5	12.0	28.3	88.0	3.2
East Midlands					
Social rented sector	34.8	35.8	49.1	92.4	8.1
All tenures	11.4	10.0	24.5	86.5	2.7
West Midlands					
Social rented sector	34.0	36.2	49.1	92.2	8.7
All tenures	13.4	11.7	25.1	86.0	3.3
East					
Social rented sector	30.6	32.8	38.2	89.7	6.0
All tenures	9.3	8.2	20.4	83.4	2.0
London					
Social rented sector	35.7	36.7	49.3	89.0	8.2
All tenures	14.7	15.3	27.0	81.6	3.8
South East					
Social rented sector	31.5	28.7	39.0	87.9	5.0
All tenures	8.9	7.6	19.6	81.4	1.8
South West					
Social rented sector	32.7	32.5	44.4	90.3	5.4
All tenures	10.2	9.2	23.3	83.9	2.0
England					
Social rented sector	34.9	36.6	49.6	91.4	7.4
All tenures	12.5	11.5	25.5	85.0	2.8

Source: Census 2001, Standard Table 013.

3.9 Table 3.2 shows large inter-regional variations in the proportion of social sector tenant household reference persons that were outside the labour force (unemployed or economically inactive). The proportions outside the labour force were highest in the North East and North West, lower in Yorkshire and Humber and in the two Midlands regions, and lowest in the East, South East, and South West. This is a geographical pattern that is familiar in many contexts and has been termed the North/South divide.

3.10 However, the absolute differences between the proportions of social sector household reference persons not participating in the labour force were larger in all regions than for all tenures together. In the 45-54 age ranges for example, the average proportion economically inactive in the North East and North West regions was between 44 and 45 per cent for social sector tenants and between 15 and 16 per cent for all tenures. In the East, South East, and South West regions the average was between 29 and 33 per cent for social sector tenants and 7 to 9 per cent for all tenures. In the East, South West and South East, 14 per cent more social sector tenants participated in the labour force than in the North East and North West. For all tenures the difference was only 7 to 8 per cent. London does not fit this pattern well, as it has much higher proportions of the economically inactive than the other southern regions, as high as in the two Midlands regions.

3.11 A salient feature across all the regions lies in the low proportion of all employed (including self-employed) household reference persons that are social sector tenants.

Table 3.3: Proportions of employed household reference persons who are social sector tenants

(per cent)

	Age				
	Under 35	**35-44**	**45-54**	**54 to pension age**	**Social sector as proportion of all households**
North East	19.6	14.3	11.9	11.4	27.6
North West	14.2	11.0	8.8	8.1	20.1
Yorkshire and Humber	17.2	11.6	9.6	9.6	21.0
East Midlands	12.5	9.6	7.6	7.5	17.5
West Midlands	16.5	12.2	9.9	9.4	20.6
East	12.6	10.3	8.4	8.4	16.5
London	14.6	17.9	15.8	15.2	26.2
South East	10.6	8.8	7.2	7.1	14.0
South West	10.6	8.9	6.9	6.4	13.5
England	13.6	11.7	9.4	9.0	19.3

Source: Census Standard Table 013

3.12 The proportion of employed household reference persons that are social sector tenants varies inter-regionally with the size of the social sector. London's large social sector accommodates a correspondingly large proportion of the London labour force.

Occupation

3.13 A regional comparison of the socio-economic classification of social sector and all household reference persons is shown in Table 3.4. The categories are as defined in the National Statistics Socio-economic Classification, which has replaced Socio-Economic Groups (SEG) and the Registrar-General's Social Classes. The table represents all households as well as social sector tenants to show how far inter-regional differences between social sector tenants reflect differences for all households.

3.14 In all regions, and in England, social sector tenants are proportionately fewer in managerial and professional occupations and more numerous in routine and semi-routine occupations. These proportions are similar across the northern and midlands regions but in the southern regions there are higher proportions of social sector tenants in the managerial and professional categories and corresponding lower proportions in the semi-routine and routine groups. The difference between the South (excluding London) and the Midlands and North matches the difference in occupations in all tenures. London is different: the ratio between the social sector and all tenures employed in managerial and professional occupations is higher than in all other regions and the proportion in routine and semi-routine occupations is correspondingly lower. A comparison with the South East region, which overall has a similar occupational structure to London, illustrates this point in Table 3.5 below.

Table 3.4: Distributions of household reference persons between socio-economic classifications: social sector tenants and all households

(per cent)	Managerial and Professional		Intermediate	Small employers and own account	Lower supervisory ([a])	Semi-routine	Routine	Long term unemployed ([b])
	Higher	Lower						
North East								
Social sector	2.0	8.7	7.1	4.3	10.5	23.4	26.4	17.5
All tenures	10.1	22.3	9.3	8.3	13.1	15.0	16.1	5.8
North West								
Social sector	2.5	10.1	7.6	5.4	10.5	23.1	24.2	16.5
All tenures	12.3	23.8	9.4	10.6	11.7	13.9	13.5	4.7
Yorkshire and Humber								
Social sector	2.5	9.5	6.8	5.5	11.3	23.7	26.9	13.9
All tenures	11.7	23.3	8.5	10.9	12.2	14.1	15.2	4.1
East Midlands								
Social sector	2.5	9.6	6.2	5.8	11.9	23.1	28.1	12.8
All tenures	13.0	24.3	8.0	11.2	12.3	13.3	15.0	3.0
West Midlands								
Social sector	2.4	9.0	7.0	5.5	11.5	24.4	24.7	14.6
All tenures	12.5	23.0	9.1	12.9	10.7	11.4	10.8	2.1

Table 3.4: Distributions of household reference persons between socio-economic classifications: social sector tenants and all households - *continued*

(per cent)

	Managerial and Professional	Intermediate	Small employers	Lower supervisory ([a])	Semi-routine	Routine	Long term unemployed ([b])	
East								
Social sector	3.3	12.4	7.8	8.7	12.8	22.4	24.0	8.6
All tenures	15.8	27.3	9.1	12.9	10.7	11.4	10.8	2.1
London								
Social sector	5.3	17.6	11.4	7.0	8.8	18.9	14.2	16.7
All tenures	18.7	30.2	10.9	10.1	7.0	10.0	7.3	5.8
South East								
Social sector	3.4	12.7	8.3	9.0	13.2	22.2	23.1	8.1
All tenures	18.5	28.9	9.4	12.5	9.8	10.1	9.0	1.8
South West								
Social sector	2.7	11.0	6.9	8.3	12.8	23.8	25.6	8.9
All tenures	13.6	26.3	8.7	14.2	11.3	12.4	11.4	2.0
England								
Social sector	3.3	12.1	8.2	6.7	11.1	22.3	22.7	13.6
All tenures	14.7	26.1	9.2	11.4	10.7	12.4	11.8	3.6

([a]) Lower supervisory and technical.
([b]) Never worked and long-term unemployed.

Source: 2001 Census Standard Table 046

Table 3.5: Socio-economic classification of household reference persons in the South East region and London

(per cent)	London	South East	Difference (London minus South East)
Managerial and Professional			
All tenures	48.9	47.4	+1.5
Social sector	22.9	16.1	+6.8
Routine and semi-routine			
All tenures	17.3	19.1	-1.8
Social sector	33.1	45.3	-11.2

Source: Table 3.4

3.15 Table 3.5 shows that there are larger differences in the proportion of social sector tenants employed in managerial and professional occupations between London and the South East than for all tenures. Similarly, the proportions in routine and semi-routine occupations are lower in the London social sector than in all tenures. This reflects London's role as a world city (Hall, 1989) and its associated industrial structure which also differs from that of the South East (Hamnett, 2003).

Ethnic groups

3.16 Table 3.6 compares the ethnic composition of the social rented sector in the regions in two ways: (a) the distribution of social rented sector households between ethnic groups; and (b) the proportion of households in each ethnic group that are social sector tenants. For reasons of space some grouping of categories is necessary. All the white categories are aggregated, as are all the mixed categories.

Table 3.6: Distribution of social sector household reference persons between ethnic groups

(per cent)

	White	Mixed	Asian			Black		Chinese	Other
			Indian	Pakistani	Bangladeshi	Caribbean	African and other		
North East	99.0	0.3	0.1	0.1	0.1	—	0.1	0.1	0.1
North West	95.6	0.9	0.4	0.7	0.3	0.9	0.7	0.3	0.3
Yorkshire and Humber	96.0	0.7	0.3	1.0	0.1	1.0	0.5	0.1	0.3
East Midlands	94.5	0.9	1.2	0.4	0.1	1.8	0.6	0.1	0.3
West Midlands	90.5	1.3	0.9	1.4	0.5	4.0	0.8	0.2	0.4
East	96.5	0.7	0.3	0.3	0.3	1.0	0.4	0.1	0.3
London	67.9	2.6	1.9	1.0	2.7	9.6	11.2	0.7	2.4
South East	96.3	0.7	0.4	0.6	0.3	0.7	0.5	0.2	0.4
South West	97.8	0.6	0.1	0.1	0.1	0.7	0.3	0.1	0.2
England	90.0	0.6	0.8	0.7	0.8	3.0	2.7	0.3	1.1

(*) Includes Asian or British Asian, country not stated.

Source: 2001 Census, Standard Table 111

3.17 London stands out in having comparatively high proportions of households in the social rented sector from ethnic minorities. The proportion of household reference persons in London describing themselves as ‘white British’ was 57.3 per cent; the others in the ‘white’ group in Table 3.6 are Irish (5.1 per cent) and ‘other white’ (5.5 per cent). Differences in the ethnic distribution of social sector tenants can arise from either or both of (a) the ethnic distribution of all households or (b) the proportion of households in each ethnic group that are social sector tenants. Table 3.7 shows the latter.

3.18 In all regions other than London over 90 per cent of social sector households have household reference persons describing themselves as ‘white’ and the proportions that are social sector tenants are therefore quite similar (Table 3.6). There are marked differences, however, between non-white ethnic groups in the proportions that are social rented sector tenants. At national level these differences are well known. For instance, the proportion of households of Indian origin that are social sector tenants is much lower than the corresponding proportion of West Indian households. The interest here is in how these proportions vary between regions.

3.19 Table 3.7 shows substantial inter-regional differences in proportions of households in each ethnic group that are social sector tenants. To an extent this is likely to be because some of the totals of households are very small, for instance in the North East and South West regions. However, there are some significant similarities. In all regions Indian and Chinese households are proportionally the least likely to be social sector tenants, while a rather higher proportion of Pakistani households are social sector tenants, as are a distinctly higher proportion of West Indian households. London stands out in Table 3.7, with a higher proportion of social sector households in all the non-white ethnic groups distinguished here. The higher proportion of social sector tenants is particularly pronounced among Bangladeshi and Black African households, and to only a slightly lesser extent among West Indian households. The differences between London and the other regions are much too large to be explained just by the proportionally larger social rented sector in London.

Table 3.7: Proportion of Households in Ethnic Groups that are Social Sector Tenants

(per cent)

	White	Mixed	Asian			Black		Chinese	Other
			Indian	Pakistani	Bangladeshi	Caribbean	African and other		
North East	27.8	44.8	7.3	10.7	28.6	22.0	28.1	10.3	15.5
North West	20.0	35.6	9.9	14.3	26.9	43.2	50.5	16.1	18.7
Yorkshire and Humber	21.1	32.6	8.7	13.2	21.7	38.7	39.1	11.4	19.0
East Midlands	17.4	34.1	10.4	15.8	27.8	37.1	37.2	9.1	14.6
West Midlands	20.3	41.3	7.9	16.5	32.7	43.1	41.5	14.2	17.8
East	16.5	17.6	6.9	13.7	33.9	27.8	17.3	7.8	11.1
London	23.1	36.9	11.2	20.3	63.0	46.9	57.0	17.5	22.9
South East	13.9	17.7	6.8	19.5	35.5	24.9	21.8	6.9	11.2
South West	13.5	21.2	7.0	16.0	28.3	29.0	26.3	6.0	10.1
England	18.6	32.3	9.6	16.3	48.4	42.9	50.8	13.3	34.3

(*) See note to Table 3.7.

Source: As Table 3.6

HEALTH AND DISABILITY

3.20 Census data were used in Chapter 2 (Tables 2.10 and 2.11) to show that higher proportions of members of social sector tenant households stated that their health was not good or that they had a limiting long-term illness or disability. Table 3.8 shows how far these proportions differ between regions. Proportions for members of all households are included in the table for comparison. The census asked all persons whether their general health was ‘good’, ‘fairly good’, or ‘not good’; and separately whether they had any limiting long-term illness or disability. These two categories have been combined for Table 3.8 below which shows those whose health was ‘not good’ plus those with a limiting long-term illness or disability.

Table 3.8: Proportions of household members experiencing poor health: analysis by age and region

	Age 16-34	35-44	45-54	55-64	65-74
North East					
Social sector	16.9	31.2	47.6	61.9	63.8
All tenures	10.3	16.3	25.9	42.4	52.1
North West					
Social sector	17.5	32.7	49.3	63.0	63.4
All tenures	9.2	15.4	24.1	38.5	47.9
Yorkshire and Humber					
Social sector	15.4	28.3	43.7	57.5	60.7
All tenures	8.4	13.7	21.8	35.3	46.8
East Midlands					
Social sector	15.6	28.5	42.4	54.3	56.8
All tenures	8.1	12.9	19.9	31.9	43.2
West Midlands					
Social sector	15.2	27.6	41.9	53.2	58.2
All tenures	8.4	13.5	20.9	33.1	44.7
East					
Social sector	14.4	24.8	36.1	45.7	49.5
All tenures	7.3	10.9	16.5	25.8	37.3
London					
Social sector	13.5	25.9	40.2	52.7	53.6
All tenures	7.0	13.2	20.9	32.6	42.3
South East					
Social sector	14.1	24.7	36.2	43.4	50.0
All tenures	7.0	10.2	15.3	24.4	35.7
South West					
Social sector	15.9	26.7	39.3	50.3	52.9
All tenures	8.1	11.9	17.6	27.3	38.0
England					
Social sector	15.1	27.6	41.9	55.1	56.7
All tenures	8.6	12.8	19.8	31.5	42.3

Source:Census 2001, Standard Table 017

3.21 In all regions and in all age ranges the proportion of members of social sector tenant households that are in poor health (on the evidence of their answers to census questions) is much higher than for the whole household population. The difference between the social sector and all tenures is similar in absolute terms in all the regions, so the inter-regional differences in the proportion of all household members in poor health is reflected in the inter-regional proportions of members of social sector tenant households in poor health. The inter-regional differences are large: between the South East and the North East the differences for the whole population are three percentage points (in round terms) at ages 16-34, six percentage points at ages 35-44, 10 per cent at 45-54 and 15 per cent at ages 55-64.

3.22 There are several possible reasons why the proportions of social sector tenants who reported ill health are higher than in the whole population, including the adverse effect of unemployment on health and the link between low income and poor health. This includes loss of income due to ill health as a cause of mortgage default.

Type of household

3.23 The distribution of household types is shown in Table 3.9. The census household type categories are not all defined in exactly the same way as in the Survey of English Housing and other surveys. In particular there is a category of one-family household termed ‘all pensioner’. Comparison with survey estimates suggests that these households are at least for the most part couples with both members above pension age. For present purposes they are taken as being married couple households with both members aged 60 and 65 or over. Cohabiting couples of these ages are fairly few. Not all are necessarily married couples, some, for instance, could be siblings, so the proportion for married couples may be slightly high. The other categories distinguished in Table 3.9 are cohabiting couple households, lone parent households, other multi-person households, and one-person households, divided into above and below pension age. The table follows the Survey of English Housing and includes lone parents with only non-dependent children with other multi-person households, not with lone parent households as in the census.

Table 3.9: Types of households in the social rented sector: regional analysis numbers (thousands)

('000)

	Married couple households	Cohabiting couple households	Lone parent households	Other multi-person households	One-person households		Total
					Below pension age	Above pension age	
North East	74	20	42	27	56	76	295
North West	122	37	94	58	120	133	565
Yorkshire and Humber	114	32	60	39	78	111	434
East Midlands	78	23	46	26	54	76	303
West Midlands	113	33	70	43	86	99	444
East	107	29	51	32	57	94	369
London	160	41	137	117	186	147	790
South East	131	35	67	42	65	117	459
South West	80	22	41	24	42	73	282
England	985	272	611	402	745	926	3941

Proportions (per cent)

	Married couple households	Cohabiting couple households	Lone parent households	Other multi-person households	One-person households		Total (per cent)
					Below pension age	Above pension age	
North East	25.2	6.9	14.3	9.2	18.8	25.7	100
North West	21.6	6.6	16.7	10.2	21.3	23.6	100
Yorkshire and Humber	26.3	7.4	13.9	8.9	17.9	25.6	100
East Midlands	25.8	7.6	15.3	8.5	17.7	25.2	100
West Midlands	25.5	7.5	15.8	9.7	19.4	22.3	100
East	29.1	7.9	13.7	8.6	15.5	25.2	100
London	20.3	5.2	17.4	14.9	23.6	18.6	100
South East	28.7	7.7	14.6	9.3	14.2	25.4	100
South West	28.3	7.9	14.6	8.5	14.9	25.9	100
England	25.0	6.9	15.5	10.2	18.9	23.5	100

3.24 Across the regions there are more similarities than differences in the mix of types of household in the social sector. The proportions of lone parent households do not differ much between the regions, nor do the proportions of cohabiting couple households and other multi-person households (except in London). With the exception of London, with its comparatively young population, the proportions of one-person households above pension age are similar, with no evidence of any South/Midlands/North difference. There is however more of a difference between the proportions of married couple households, with a corresponding difference in the proportion of one-person households below pension age. The significant difference is between the South excluding London, the Midlands and North, and London.

Size of households and dwellings, density of occupation and overcrowding

3.25 At the regional level the bedroom standard cannot be used within tenures because the sample size is too small. Instead 'persons per room' (from the census) is used. The distribution of household size is a very important influence on the distribution of numbers of households by persons per room. The distribution of household sizes by region is shown in Table 3.10.

3.26 The proportion of one-person social rented sector households is higher in the North and Midlands (see Table 3.10) than in the South (apart from London). The proportions of households of two or three persons are similar in all regions; but the proportions of households with four or five persons are distinctly higher in the South. In the South excluding London the explanation probably lies in the higher proportion of couple households (Table 3.9).

3.27 London has the largest proportion of large households with six persons or more. There are 4 per cent in London, 3 per cent in England as a whole, and 2 per cent in the North East. This could be related to London's distinctive ethnic mix[8].

[8] To ascertain whether the comparatively high proportion of large households in London is connected with its very distinctive ethnic mix a cross-analysis of household size by ethnic group would be needed. That would be technically possible from the census but is not yet available.

Table 3.10: Distribution of households by numbers of persons per household, by region: social rented sector in England 2001

Numbers (thousands)

('000)	Number of Persons							
	One	**Two**	**Three**	**Four**	**Five**	**Six**	**Seven or more**	**Total**
North East	131	81	40	26	11	5	2	295
North West	254	143	77	50	26	10	4	565
Yorkshire and Humber	189	119	56	39	20	7	3	434
East Midlands	130	81	40	29	15	5	2	303
West Midlands	185	118	63	43	22	10	4	444
East	150	101	51	39	19	7	3	369
London	333	185	114	83	44	22	90	790
South East	182	120	66	51	26	10	4	459
South West	115	75	39	29	15	6	2	282
England	1665	1024	5434	390	201	83	35	3,941

Source: 2001 Census, Standard Table S051

Table 3.10.2: Proportion (per cent)

(per cent)	Number of Persons							
	One	**Two**	**Three**	**Four**	**Five**	**Six**	**Seven or more**	**Total** (per cent)
North East	44.5	27.3	13.6	8.8	3.9	1.5	0.5	100
North West	44.9	25.4	13.6	8.9	4.6	1.7	0.7	100
Yorkshire and Humber	43.5	27.4	13.0	9.0	4.6	1.7	0.7	100
East Midlands	42.8	27.0	13.3	9.4	4.9	1.8	0.7	100
West Midlands	41.6	26.6	14.1	9.7	5.0	2.2	0.9	100
East	40.6	27.4	13.7	10.4	5.2	1.9	0.8	100
London	42.2	23.4	14.4	10.5	5.6	2.8	1.2	100
South East	39.7	26.1	14.3	11.1	5.8	2.2	0.9	100
South West	40.8	26.7	13.8	10.5	5.4	2.0	0.8	100
England	42.3	26.0	13.8	9.9	5.1	2.1	0.9	100

Source: 2001 Census, Standard Table S051

3.28 Density of occupation, and especially overcrowding, depends on the size of dwellings as well as the household. The size distribution of occupied social rented sector dwellings is shown in Table 3.11.[9]

Table 3.11 Size distribution of social rented sector dwellings

Numbers (thousands)

('000)	Number of Rooms						
	One	**Two**	**Three**	**Four**	**Five**	**Six or more**	**Total**
North East	2	12	56	93	85	46	295
North West	6	23	123	149	167	97	565
Yorkshire and Humber	4	16	95	134	123	62	434
East Midlands	3	13	64	85	87	51	303
West Midlands	4	17	98	124	133	68	444
East	5	19	82	102	100	61	369
London	31	81	214	234	156	74	790
South East	8	29	107	127	118	70	459
South West	3	13	64	86	72	43	282
England	67	224	906	1134	1039	571	3,941

Proportions (per cent)

Per cent	Number of Rooms						**Total** (per cent)
	One	**Two**	**Three**	**Four**	**Five**	**Six or more**	
North East	0.8	3.9	19.5	31.4	28.8	15.5	100
North West	1.0	4.1	21.8	26.4	29.6	17.2	100
Yorkshire and Humber	1.0	3.6	21.9	30.8	28.3	14.3	100
East Midlands	1.0	4.4	21.1	28.0	28.8	16.8	100
West Midlands	1.0	3.9	22.0	27.8	30.0	15.3	100
East	1.4	5.2	22.3	27.7	27.0	16.4	100
London	3.9	10.2	27.1	29.6	19.8	9.4	100
South East	1.7	6.3	23.4	27.6	25.6	15.3	100
South West	1.0	4.7	22.5	30.6	25.6	15.5	100
England	1.7	5.7	23.0	28.8	26.4	14.5	100

[9] Strictly speaking the units are household spaces, but given local authority and registered social landlords' letting policies they are practically equivalent to dwellings.

3.29 The mix of dwelling sizes in the social rented sector in London is completely different from the other regions, with a much higher proportion of small dwellings (three rooms or fewer) and a lower proportion of large dwellings (six rooms or more). But otherwise the differences between the regions are small. There is a slightly higher proportion of small dwellings in the South excluding London than in the North and Midlands, and a lower proportion of five room dwellings. The mix of sizes of dwellings in the stock is influenced by sales as well as by what was originally built. Sales of local authority dwellings have included disproportionate numbers of three-bedroom houses as opposed to small flats.

3.30 The number of households in overcrowded conditions is determined by the size distributions of both dwellings and households, and how well they are matched (ie whether it is the larger households that occupy the larger dwellings). The measure of overcrowding used here is the number of persons per room: not exceeding one person per room; over one person per room but not exceeding 1.5; and over 1.5 persons per room. The last denotes a degree of crowding that is severe: five or more persons in a three room dwelling; seven or more in a four room dwelling.

3.31 Table 3.12 shows the regional distribution of overcrowding in absolute numbers, which are then expressed as proportions of the total for England. What is being shown therefore is the absolute numbers in each region, and how each region's share of overcrowded households compares with the same region's share of the national total of households of all densities of occupation.

Table 3.12: Regional distribution of households in the social rented sector with more than one person per room

	Persons per room over 1.0 not over 1.5		**Over 1.5 persons per room**		**All households**
	number (thousands)	**Proportion of England total** (per cent)	**number** (thousands)	**Proportion of England total** (per cent)	**Proportion of England total** (per cent)
North East	4.7	4.2	1.2	2.6	7.5
North West	11.0	9.8	2.6	5.6	14.3
Yorkshire and Humber	8.8	7.9	2.0	4.3	11.0
East Midlands	6.2	5.5	1.5	3.2	7.7
West Midlands	11.1	9.9	3.0	6.5	11.3
East	7.9	7.1	2.1	4.5	9.4
London	42.4	37.9	29.2	63.1	20.0
South East	13.1	11.7	3.4	7.3	11.6
South West	6.8	6.1	1.3	2.8	7.2
England	112.0	100.0	46.1	100.0	100.00

Source: 2001 Census, Standard Table 052

3.32 Table 3.12 shows that overcrowding in the social rented sector is concentrated in London. It results from the combination of a higher than average proportion of large households (Table 3.10) and a lower proportion of large dwellings (Table 3.11).

Condition of the social rented sector dwelling stock

3.33 The principal source of information about the condition of local authorities' and Registered Social Landlords' (RSL) dwelling stocks is the 2001 English House Condition Survey (EHCS). The sample size is not large enough to provide separate estimates of stock condition for each of the regions. The published information is for three groups of regions: the Northern regions (North East, North West, and Yorkshire and Humberside); the south-east regions (London and the South East); and the rest of England (East Midlands, West Midlands, East, and South West).

3.34 Table 3.13 shows the numbers and proportions of local authority and RSL dwellings that did not meet one or more of the criteria for a decent dwelling (the statutory fitness standard, reasonable repair, reasonable thermal comfort, and modern services and amenities) in each of the three groups of regions. Separate figures are shown for local authorities and RSLs, because RSL stocks are on average more recently built and so more likely to meet the thermal comfort and modern amenities and services criteria.

Table 3.13: Social sector stock condition: dwellings not meeting the decent dwelling criteria by grouped regions

	Northern regions	South East regions	Rest of England	England
Local authorities				
All dwellings (thousands)	1,036	755	999	2,790
Not meeting all criteria (thousands)	428	352	411	1,191
Proportion not meeting all criteria (per cent)	41	47	41	43
Registered social landlords				
All dwellings (thousands)	367	505	516	1,388
Not meeting all criteria (thousands)	91	127	165	383
Proportion not meeting all criteria (per cent)	25	25	32	28
Social rented sector				
All dwellings (thousands)	1,403	1,260	1,515	4,178
Not meeting all criteria (thousands)	519	479	576	1,574
Proportion not meeting all criteria (per cent)	37	38	38	38

Source: *English House Condition Survey 2001*, Supporting Tables, Table A3.18.

Incomes

3.35 Information about incomes of social sector tenants has been obtained from the Family Resources Survey which has more detailed information than the Survey of English Housing. Information was provided for the three years 2000-01, 2001-02, and 2002-03. The three years are combined together to provide a large enough sample for regional comparisons. A distribution by ranges of income is shown for households where the head (or household reference person) is in work, together with mean, median, and upper quartile incomes. For households where the head is not in work only the mean, median and upper quartile incomes are necessary because the incomes are very similar in the different regions. For these households where the head is not in work, the principal source of income is state benefits, which are uniform across the country except for Housing Benefit which is not treated as part of income. Income is gross weekly income of the household heads and partner. Where there is no partner or a partner with no income, the income is that of the household head.

3.36 The distributions, means, medians, and upper quartiles in Table 3.14 must be taken as approximate rather than exact as a result of the variability between the data for the three individual years which are combined together in the table. The geographical pattern of differences in incomes is in line with that for incomes generally. The South West is an area with low pay. The comparatively high proportions of households in London with gross incomes of £500 a week or more should be seen alongside the proportion of social sector householders in managerial and professional occupations (Tables 3.4 and 3.5).

Table 3.14: distribution of gross weekly incomes of social sector households with the head in work

	Proportion (per cent)					Mean	Median	Upper Quartile
	Under £200	£200 but under £300	£300 but under £400	£400 but under £500	£500 or over			
North East	32	29	17	10	13	292	254	387
North West	31	28	19	14	9	294	260	385
Yorkshire and Humber	28	29	16	13	14	308	276	410
East Midlands	32	25	21	12	11	294	276	389
West Midlands	27	29	18	14	12	314	283	403
East	24	24	18	13	20	344	300	463
London	19	23	19	14	26	399	343	504
South East	23	24	17	15	22	355	318	473
South West	30	24	19	13	15	318	323	376
England	26	26	18	13	17	333	292	430

Source: ODPM from Family Resources Survey

3.37 Mean, median, and upper quartile incomes of social sector households where the head is not in work are shown in Table 3.15 together with the proportion of households where the head is not in work.

Table 3.15: Gross weekly incomes of social sector households where the head is not in work: means, medians, and upper quartiles

	Proportion not in work (per cent)	Gross weekly income (£)		
		Mean	**Median**	**Upper Quartile**
North East	75	151	138	187
North West	73	152	141	187
Yorkshire and Humber	74	156	141	187
East Midlands	72	151	137	189
West Midlands	71	152	135	189
East	66	150	134	184
London	68	154	134	186
South East	63	152	135	185
South West	69	154	141	187
England	70	153	138	186

Source: ODPM from Family Resources Survey

3.38 For households where the head is not in work the three summary measures of income: mean, median, and upper quartile vary hardly at all between regions. That is expected, as for social sector tenant households where the head (or 'reference person') is not in paid work social security benefits are the main source of income. These are paid according to scale rates that do not vary geographically.

New tenants of registered social landlords: regional analysis

3.39 The regional analysis presented above is based on data sources that cover all tenures. They are mainly survey data conducted at national level and their relatively small sample sizes make regional breakdowns difficult. A data source that can be used robustly at regional level is the CORE system relating to new tenants of registered social landlords (RSL). It can be used to explore regional differences in the characteristics of those currently moving into the social rented sector.

3.40 The CORE information is collected through lettings. The data are in principle a complete count, not a sample. Since the focus is on new entrants to the social rented sector, lettings to households who are already tenants of the same or a different RSL have been excluded. So too have lettings to households moving from local authority tenancies, as for present purposes they are best treated as internal moves within the social rented sector. Table 3.16 shows the previous tenure of new RSL tenants.

Table 3.16: New RSL tenants in 2001-02: analysis of previous tenure by region

(per cent)

	Private rented sector ([a])	**Owner-occupiers**	**Living with family or friends**	**Temporary accom-modation**	**Other**	**Number** (= 100 per cent)
North East	28.4	15.3	48.2	4.2	3.9	4,639
North West	31.9	10.3	46.2	5.6	6.1	18,107
Yorkshire and Humber	30.6	11.0	45.0	7.5	5.9	7,477
East Midlands	28.2	8.2	46.9	9.7	7.1	7,837
West Midlands	21.0	8.5	51.2	9.6	9.5	13,028
East	30.7	9.1	41.1	11.3	7.8	8,044
London	20.7	2.6	30.4	38.3	7.9	7,638
South East	33.0	7.7	35.7	16.7	7.0	11,985
South West	37.9	9.2	31.1	15.7	6.1	8,369
England	29.3	8.9	42.3	12.6	7.0	87,124

([a]) Includes tied accommodation occupied by virtue of employment.

Source: Cambridge Centre for Housing and Planning Research from CORE

3.41 The mix of previous tenures in London is very different from the other regions. A far higher proportion of new tenants in London came from temporary accommodation and far fewer from the other tenures. Very few came from owner-occupation in comparison with the other tenures, which suggests that in London those households leaving owner-occupation can get an RSL tenancy only via the homelessness route. It is also notable that a comparatively high proportion came from temporary accommodation in the South East, South West, and (to a lesser extent) East regions, with a correspondingly lower proportion that previously lived with family and friends.

3.42 An analysis of the types of households of new RSL tenants is shown in Table 3.17. The categories used in the CORE tabulations are different from the terms used in surveys. What CORE calls ‘1 elder’ and ‘2 elders’, for example, are termed here as one-person households above pension age, and two-person households above pension age. Two-adult households are not necessarily couples. A distinction is drawn between two adults with no children and two or more adults with children, since historically families with children had a higher priority than childless households.

Table 3.17: Distribution of types of households among registered social landlords' new tenants: regional analysis 2001-02

(percentage across)	One-person households		Two adults, no children		Two or more adults and children	Lone parent households	Others
	Below pension age	**Above pension age**	**Below pension age**	**Above pension age**			
North East	49.9	11.7	6.6	3.8	6.0	17.4	4.5
North West	44.9	11.1	5.8	2.7	7.7	22.5	5.2
Yorkshire and Humber	45.2	9.9	6.1	3.9	8.7	20.8	5.3
East Midlands	44.7	8.5	7.6	2.9	9.7	22.5	4.0
West Midlands	45.3	9.5	7.5	3.0	8.8	21.5	4.4
East	37.1	12.2	7.9	4.2	12.4	22.1	4.0
London	41.8	11.3	3.6	2.1	11.7	24.0	5.5
South East	29.1	16.6	6.8	4.8	15.6	23.2	3.9
South West	28.9	15.5	7.3	5.3	14.1	24.3	4.6
England	40.6	11.9	6.6	3.6	10.5	22.3	4.6

Source: Cambridge Centre for Housing and Planning Research from CORE

3.43 The principal inter-regional contrast in Table 3.17 is between the proportions of new tenants that were below pension age living alone. As proportions of all new tenants they were markedly fewer in the south of England outside London than in the Midlands and North. In the other direction, a higher proportion of new tenant households in the southern regions were multi-adult households with children. The proportions that were lone parent households were very similar.

3.44 An analysis by age is in Table 3.18. The age ranges are as in the CORE tabulations from which the table was taken.

Table 3.18: Distribution of ages of household heads among RSL new tenants: regional analysis 2001-02

(percentages across)

	Ages					Number (= 100 per cent)
	Under 30	**30-44**	**45-59**	**60-64**	**65 and over**	
North East	42.6	28.1	13.3	3.1	12.8	4,639
North West	42.1	30.6	12.9	3.6	10.8	1,107
Yorkshire and Humber	43.6	29.2	13.0	3.1	11.1	7,477
East Midlands	49.3	28.0	10.8	2.9	9.0	7,837
West Midlands	48.1	28.4	10.5	2.9	10.0	13,028
East	42.0	29.8	11.3	3.3	13.6	8,044
London	39.0	35.1	11.6	3.9	10.5	7,640
South East	36.7	28.2	13.3	5.0	16.9	11,984
South West	35.2	29.9	13.5	4.5	16.9	8,369
England	42.1	29.7	12.2	3.7	12.3	87,125

The ages are of 'person 1', which is equivalent to household head.

Source: Cambridge Centre for Housing and Planning Research from CORE

3.45 In Table 3.18 the proportion of new tenant households with heads under 30 (many of them among the one-person households) is lower in the South East and South West than in the Midlands and North, with a corresponding higher proportion aged 60 and over. Table 3.19 shows the regional distribution of households by employment status.

Table 3.19: Employment status of new RSL tenants: regional analysis 2001-02

	Full-time work	**Part-time work**	**Unem-ployed**	**At home not seeking work**	**Retired**	**Sick or disabled**	**Other** ([a])
North East	24.5	7.1	26.1	12.0	14.6	12.2	3.6
North West	24.9	6.9	22.6	17.4	12.7	11.5	4.0
Yorkshire and Humber	26.3	7.6	22.4	17.1	12.5	9.6	4.3
East Midlands	24.8	6.4	23.4	17.4	10.6	9.2	8.1 ([b])
West Midlands	28.9	6.8	24.8	16.1	11.5	7.8	4.1
East	30.6	7.5	15.7	19.2	15.1	9.1	2.8
London	22.2	7.1	20.9	21.8	11.9	9.8	6.2
South East	28.0	7.3	11.5	21.6	19.4	9.7	2.4
South West	22.9	9.2	11.8	21.5	19.4	12.7	2.4
England	26.1	7.3	19.8	18.4	14.1	10.1	4.1

([a]) Includes students, 1.7 per cent in England as a whole.
([b]) Students 5.9 per cent.

Source: Cambridge Centre for Housing and Planning Research from CORE

3.46 Table 3.19 shows marked inter-regional contrasts between the proportions of new RSL tenants that are unemployed, and are retired; but less so in the proportions in full-time work. The employment status of two categories of new tenants would seem to warrant further analysis: former owner-occupiers, and those previously living with family and friends. The former are an exceptional group in terms of the overall pattern of changes of tenure; the latter are newly formed households (though some may have lived as independent households previously before going to live with friends and family).

3.47 Table 3.20 shows the proportions of former owner-occupiers who were retired or in full- and part-time work and the proportion aged 60 and over. The proportion in England in total that were retired is 55 per cent, whereas the proportion of all new tenants that were former owner occupiers in England was less than 10 per cent. The table refers to households that were owner-occupiers just before the move to an RSL tenancy.

Table 3.20: New RSL tenants who were previously owner-occupiers

	Number in CORE ('000s)	**Proportion of all new tenants that were owner occupiers ([a]) (per cent)**	**Proportion retired (per cent)**	**Proportion in full- or part-time work (per cent)**	**Proportion aged 60 or over (per cent)**
North East	713	15.3	50	26	54
North West	1,866	10.3	49	27	52
Yorkshire and Humber	824	11.0	51	27	56
East Midlands	641	8.2	48	23	52
West Midlands	1,111	8.5	50	26	52
East	729	9.1	59	22	63
London	201	2.6	64	13	67
South East	921	7.7	71	14	74
South West	769	9.2	70	14	72
England	7,787	8.9	55	23	59

([a]) Taken from Table 3.16

Source: Cambridge Centre for Housing and Planning Research from CORE
Note: The categories overlap so percentages do not sum to 100 across rows.

3.48 There is a clear inter-regional contrast between the South and the North and Midlands in the proportions of previous owner-occupier tenants that were retired and were aged 60 or over.

3.49 Table 3.21 shows the employment status of new tenants who previously lived with family and friends. Also shown is the proportion that was under age 30.

Table 3.21 Employment status of new RSL tenants who were previously living with family or friends

(percentage across)	Full-time work	Part-time work	Unemployed	At home not seeking work	Retired	Sick or disabled	Other	Proportion under age 30
North East	30.5	7.8	31.3	11.6	4.8	10.0	3.8	60.2
North West	31.4	7.6	27.0	15.3	5.1	9.1	4.5	58.1
Yorkshire and Humber	32.7	8.1	27.1	15.0	4.5	7.6	4.9	59.1
East Midlands	29.9	7.7	26.7	16.7	3.7	6.8	8.5	64.0
West Midlands	35.7	7.5	26.8	14.7	4.7	6.2	4.3	61.8
East	40.2	8.5	16.4	18.2	6.7	6.9	2.9	58.1
London	34.3	8.6	15.6	18.7	11.0	6.9	4.9	51.7
South East	36.3	8.1	12.4	21.9	11.5	7.5	2.4	52.2
South West	31.3	10.0	13.7	20.8	10.4	10.6	3.1	53.4
England	33.6	8.0	22.9	16.7	6.5	7.9	4.4	58.9

Source: Cambridge Centre for Housing and Planning Research from CORE
Note: Categories overlap so proportions do not sum to 100.

3.50 The employment status of new tenants previously living with family or friends differs markedly between regions. There is a sharp contrast between the North and Midlands and the Southern regions in the proportions of unemployed tenants, but a smaller contrast in the proportions of those in full-time work. Also notable are the higher proportions of tenants that are retired in the South East and South West. .

3.51 Income distributions of new social sector tenants are shown in Table 3.22. The ranges are those in the CORE tables. The original data distinguish ranges of £350 to £450, £450 to £550 a week and over £550. These are not shown separately here because the number of households with incomes in these ranges is very small. Comparing the totals in Table 3.22 with Table 3.16 reveals that many households did not provide information about their incomes. However, it is not clear whether this produced any bias.

Table 3.22: Distribution of weekly income of new RSL tenant households

(percentages across)	Ranges of income (£/week)					Number of records (= 100 per cent)
	£100 or under	**Over £100 not over £150**	**Over £150 not over £250**	**Over £250 not over £350**	**Over £350**	
North East	47.3	21.7	23.0	5.7	2.3	3,662
North West	44.0	22.8	24.0	6.8	2.4	13,508
Yorkshire and Humber	42.9	22.7	25.0	7.2	2.2	6,259
East Midlands	43.4	23.1	23.5	7.9	2.1	6,018
West Midlands	43.6	21.6	24.7	7.5	2.7	10,447
East	37.3	21.7	27.3	9.7	4.0	6,304
London	45.8	21.5	21.6	7.8	3.3	6,067
South East	34.8	21.7	26.3	11.6	5.6	9,351
South West	37.7	23.9	25.6	9.7	3.2	6,444
England	41.6	22.3	24.6	8.3	3.1	68,060

Source: Cambridge Centre for Housing and Planning Research from CORE

3.52 The geographical pattern of differences in the characteristics and circumstances of new RSL tenants can be seen to be broadly similar to the regional differences in the circumstances of the existing population of social sector tenant households (Table 3.14). This follows a broad North/Midlands/South divide. London is the exception because its pattern is more like the Midlands than the South.

CHAPTER 4

Social rented sector tenants in London compared with the whole of England

Main findings

- In comparison with England as a whole, social rented sector households in London have on average proportionately fewer couple households, more younger or middle aged one-person households and slightly more lone parent households
- The proportion of social sector households in London that are unemployed is higher and the proportion not in the labour force is much lower than in England as a whole. In part these differences are because of the younger age structure of London's population
- The proportion of couple households where both members are in full-time paid work is higher in London but this is balanced by a lower proportion of couples with one member in full-time and one in part-time employment
- Incomes of households with heads (or 'household reference persons') in full-time work are higher in London, for each type of household. 26 per cent of social sector couple households with heads in full-time work in London report weekly incomes of £700 or more, as compared with 10 per cent in England
- Incomes of households with heads not in paid employment are very similar in London and England as a whole because the benefit system applies equally across the country
- In London private sector tenants resemble social sector tenants (with and without Housing Benefit) more closely than in England as a whole, although lower proportions receive Housing Benefit, irrespective of age and type of household
- There are greater contrasts in income and employment status within the social rented sector in London than in the rest of England
- In terms of employment status and health, social sector tenants in London resemble those in the Yorkshire and Midlands regions (Chapter 3) rather than the South East and East.

4.1 This chapter assesses the characteristics and circumstances of social rented sector tenants in London. The social rented sector in London is of special interest, for reasons that include its large size both in absolute (almost 20 per cent of the England total) and proportional terms (26 per cent of London's housing stock) as well as the level of heavy and sustained pressure on the sector. The chapter uses the 2002 Greater London Authority's London Housing Survey to show aspects of the composition of the social rented sector that cannot be shown from the 2001 census standard tables or from the Survey of England Housing separately for London. Comparison is therefore made with data from the 2001-02 Survey of English Housing for England as a whole.[10]

4.2 The chapter compares type of household cross-analysed by:

- age;
- employment status by age and (separately) type of household;
- number of working members in the household;
- employment status in combination of members of couple households; and
- incomes according to household type.

It also includes comparisons of private sector tenants with and without Housing Benefit. Housing Benefit enables the private rented sector to take some of the strain that would otherwise fall on the social rented sector; but where the pressure for tenancies is fairly low it makes the private rented sector potentially a rival.

4.3 In Tables 4.1 to 4.4 (which compare age, household type, and employment status for social sector tenants in London with the national profile) give percentage distributions, not survey estimates of actual numbers. The total number of social rented sector households in London is about 800,000, and in England as a whole between 4.0 and 4.1 million (according to exact date and source), so comparing actual numbers would not bring out the similarities and contrasts unless converted into percentages.

Type of household and age of social rented sector tenants

4.4 Table 4.1 compares household types by age. The age distribution of households in London is considerably younger than in England as a whole, both for all households together and for the four types of households individually. This reflects the age structure of London's population, which is younger than for England as a whole because of inward migration at the younger ages and outward migration at the higher ages. Differences between inward and outward movers probably explain the lower proportion of couple households in London.

4.5 Table 4.1 highlights marked differences between London and England. For example, in London 13.4 per cent of social sector households aged 30-44 are lone parent households, compared with 9.9 per cent in England.

[10] The London Housing Survey and Survey of English Housing are separate surveys and are grossed separately. It is not possible to derive estimates for England excluding London by subtraction and then compare them with London.

Table 4.1: Age of household head and type of household, London compared with England

(percentages)

Age of household head	One-person households	Couple households	Lone-parent households	Other multi-person households	All households
London (2002)					
Under 30	3.8	5.7	5.2	2.7	17.4
30-44	7.9	11.5	13.4	2.5	35.3
45-59	9.3	5.3	2.0	2.8	19.5
60 and over	20.9	5.3	0.2	1.6	27.9
Total	42.0	27.8	20.7	9.5	100.0
England (2001-02)					
Under 30	2.5	4.7	5.7	0.4	13.3
30-44	5.5	11.0	9.9	1.4	27.8
45-59	6.6	7.4	2.0	2.5	18.5
60 and over	25.9	11.7	0.2	2.5	40.4
Total	40.6	34.8	17.8	6.9	100.0

Source: London Housing Survey (London data) and Survey of English Housing (England data)

Employment status

4.6 The employment status of household heads in the social rented sector in London and in England as a whole is analysed by their age in Table 4.2 and by household type in Table 4.3[11].

[11] A caveat must be made about the comparison of the proportion of household heads that were unemployed. The 2001 census (Standard Table 013) gives proportions of unemployed household heads as a proportion of all household heads as 6.1 per cent in England and 7.2 per cent in London. The England figure of 4.8 per cent in Table 4.2 from the Survey of English Housing looks rather low; but the figure for London of 14.8 per cent from the London Housing Survey looks very high.

Table 4.2: Employment status by age of the household head

(percentages)	Full-time work	Part-time work	Unemployed	Retired	Sick or disabled	Student	Other economically inactive (a)	Government training scheme	All households
Age of household									
London 2002									
Under 30	5.0	2.1	3.2	—	0.3	2.2	4.3	0.1	17.4
30-44	11.0	4.5	6.9	0.1	2.8	1.5	8.3	0.2	35.3
45-59	5.1	1.9	4.2	1.0	4.9	0.1	2.0	0.1	19.3
60 and over	1.3	0.7	0.4	23.4	1.7	—	0.4	—	27.9
Total	22.3	9.2	14.8	24.6	9.7	3.8	15.0	0.4	100.0
England 2001-02									
Under 30	3.8	2.2	1.2	—	0.7	0.4	4.8	0.1	13.3
30-44	9.4	4.7	2.4	—	3.7	0.5	6.8	0.2	27.8
45-59	7.5	2.0	1.0	0.2	5.5	—	2.1	—	18.5
60 and over	1.3	0.5	0.1	35.6	2.3	—	0.5	—	40.4
Total	22.1	9.4	4.8	35.9	12.3	0.98	14.1	0.3	100.0

Differences between row and column total percentages are due to small amounts of missing data affecting the grossing.

Source: London Housing Survey (London data) and Survey of English Housing (England data)

Table 4.3: Employment status of household head by type of household 2001-02 and 2002

(percentages)	**Full-time work**	**Part-time work**	**Unemployed**	**Retired**	**Sick or disabled**	**Student**	**Other economically inactive**	**Government training scheme**	**All households**
London 2002									
One-person households	7.3	2.0	6.0	18.9	6.4	0.9	0.5	0.1	42.0
Couple households	8.9	3.1	3.6	4.3	1.4	0.8	5.6	0.1	27.8
Lone-parent households	3.3	2.6	4.0	0.3	0.7	1.5	8.0	0.1	20.7
Other multi-person households	2.8	1.5	1.3	1.3	1.1	0.8	0.7	0.1	9.5
Total	22.3	9.3	14.9	24.8	9.6	4.0	14.8	0.4	100.0
England 2001-02									
One-person households	5.3	1.6	2.0	24.2	5.7	0.1	1.4	0.2	40.6
Couple households	12.2	3.5	1.3	9.5	4.3	0.2	3.5	0.1	34.8
Lone-parent households	2.6	3.7	1.2	0.1	1.1	0.5	8.5	—	17.8
Other multi-person households	1.9	0.6	0.4	2.0	1.1	0.1	0.7	—	6.9
Total	22.1	9.5	4.8	35.9	12.2	1.0	14.2	0.4	100.0

Differences between row and column total percentages are due to small amounts of missing data affecting the grossing.

Source: London Housing Survey (London data) and Survey of English Housing (England data)

4.7 For couple households, the employment status of both members can be analysed in combination (Table 4.4). Three statuses for each member are distinguished: full-time work, part-time work and not in employment. The base is the number of couples for whom information was available about the employment status of both members. This information is not available for all couples, which may be the reason why there is no column for couples where one member was in full-time employment and the other was not in employment.

Table 4.4: Employment status of members of couple households in combination: analysis by age 2001-02 and 2002

(per cent)	Both full-time work	One full-time, one part-time	Both part-time work	One part-time, one not in employment	Both not in employment	Total
Age						
London 2002						
Under 30	4.0	1.9	0.2	4.1	9.2	19.5
30-44	10.0	8.4	0.4	4.2	14.9	37.9
45-59	5.0	2.7	0.5	1.3	9.3	18.7
60 and over	0.5	0.4	0.1	1.9	20.9	23.9
Total	19.5	13.4	1.2	11.4	54.4	100.0
England 2001-02						
Under 30	2.6	3.7	0.3	1.9	3.9	12.4
30-44	5.8	8.5	1.0	3.4	10.0	28.7
45-59	5.3	5.1	0.4	1.7	7.5	19.9
60 and over	0.6	0.6	0.4	1.7	35.7	38.9
Total	14.4	18.0	1.9	8.7	57.0	100.0

Source: London Housing Survey (London data) and Survey of English Housing (England data)

4.8 The proportion of couples with two earners was very similar in London and England, although in London significantly more were both in full-time work. It is also noteworthy that the proportion of households with heads under age 60 where neither were in paid work was 33 per cent in London but only 21 per cent in England as a whole.

Household income

4.9 Table 4.5 shows gross household income (excluding housing benefit), for social sector households where the head is in full-time employment, by type of household.

Table 4.5: Social sector gross household incomes by household type: household head in full-time work

Thousands

	One-person households	Couple households	Lone-parent households	Other multi-person households	All households
Gross income (£/week)					
London 2002					
Under £200	6.2	2.5	3.0	1.2	12.9
£200 but under £300	15.8	9.7	4.7	2.4	32.7
£300 but under £500	19.1	20.5	8.8	3.8	52.1
£500 but under £700	2.5	11.6	3.4	3.4	21.1
£700 or over	1.4	15.7	1.0	2.3	20.6
Median gross household income £s (*)	305	475	350	450	390
Total	45	60	21	13	139
England 2001-02					
Under £200	57	31	36	11	135
£200 but under £300	79	86	55	12	232
£300 but under £500	59	170	33	16	279
£500 but under £700	5	82	5	7	99
£700 or over	-	41	-	2	
Median gross household income £s (*)	245	385	255	310	320
(Number of households – thousands)	200	410	130	48	788

(*) Estimated from the distributions (finer detail than in table).

Source: London Housing Survey (London data) and Survey of English Housing (England data)

Table 4.5: Social sector gross household incomes by household type: household head in full-time work (continued)

Per cent

	One-person households	Couple households	Lone-parent households	Other multi-person households	All households
Gross income (£/week)					
London 2002					
Under £200	13.7	4.1	14.4	9.0	9.3
£200 but under £300	35.1	16.2	22.6	18.1	23.5
£300 but under £500	42.4	34.1	41.7	29.1	37.5
£500 but under £700	5.6	19.4	16.4	26.5	15.2
£700 or over	3.2	26.1	4.8	17.4	14.8
Median gross household income £s (*)	305	475	350	450	390
total	100	100	100	100	100
England 2001-02					
Under £200	28.5	7.6	27.8	22.9	16.7
£200 but under £300	39.5	21.0	42.6	25.0	29.0
£300 but under £500	29.5	41.5	25.7	33.4	35.7
£500 but under £700	2.5	20.0	4.0	14.6	12.9
£700 or over	—	10.0	—	4.2	5.7
Median gross household income £s (*)	245	385	255	310	320
Total	100	100	100	100	100

(*) Estimated from the distributions (finer detail than in table).

4.10 The incomes of social sector tenants where the household head is in full-time work appear to be about 20 per cent higher in London than in England as a whole. This is higher than the 12 per cent difference between the London and England medians in Table 3.15 which is based on data from the Family Resources Survey. This data is likely to be a more accurate estimate of the differences, because both the London and national figures are from the same source, in contrast to the two surveys from which Table 4.5 is derived. There is however agreement about there being a larger upper tail to the distribution of social sector tenants' income in London with nearly 15 per cent of households with employed heads earning over £700 in London compared with only 6 per cent in England. Table 4.5 shows that this upper tail consists mainly of couple households and other multi person households.

4.11 A similar comparison is shown in Table 4.6 of gross household income (excluding Housing Benefit), for social sector households where the head is not in full-time work, by type of household.

Table 4.6: Household income by type of household: household head not in full-time work

Thousands	One-person households	Couple households	Lone-parent households	Other multi-person households	All households
Gross income (£/week)					
London 2002					
Under £100	119	14	31	7	170
£100 but under £200	63	36	64	14	178
£200 but under £300	7	28	15	6	56
£300 or over	6	22	4	7	39
Median ([a])	Under £100	£200	£140	£170	£130
(Number of households – thousands)	195	100	114	34	444
England 2001-02					
Under £100	681	64	182	17	944
£100 but under £200	482	366	298	50	1,196
£200 but under £300	58	201	73	22	355
£300 or over	7	134	17	18	176
Median ([a])	Under £100	£190	£130	£170	£130
(Number of households – thousands)	1,229	765	570	107	2,671

(*) Estimated from the distributions (finer detail than in table).

Table 4.6: Household income by type of household: household head not in full-time work (continued)

Per cent	One-person households	Couple households	Lone-parent households	Other multi-person households	All households
Gross income (£/week)					
London 2002					
Under £100	60.8	13.5	27.7	19.8	38.4
£100 but under £200	32.3	36.2	56.1	41.4	40.0
£200 but under £300	3.9	28.3	12.8	17.6	12.7
£300 or over	3.1	22.1	3.3	21.2	8.9
Median ([a])	Under £100	£200	£140	£170	£130
Total	100	100	100	100	100
England 2001-02					
Under £100	55.4	8.4	31.9	15.9	35.3
£100 but under £200	39.2	47.8	52.3	46.7	44.8
£200 but under £300	4.7	26.3	12.8	20.6	13.3
£300 or over	0.6	17.5	3.0	16.8	6.6
Median ([a])	Under £100	£190	£130	£170	£130
Total	100	100	100	100	100

(*) Estimated from the distributions (finer detail than in table).

4.12 Table 4.6 shows that there is little difference between the income distributions in London and England for the households where the head is not in full time work. For all household types together, the median weekly income in London of £130 is very close to that shown in Table 3.16 of £134 which is from the Family Resources Survey[12]. For England, the Family Resources Survey records an average household income of £136 per week compared with the figure of £130 from the Survey of English Housing in Table 4.6. The Family Resources Survey collects very detailed information about incomes, so the fact that the two income figures for all households taken together are so similar lends support to the estimates of income for the separate household types.

Private sector tenants with housing benefit

4.13 Private sector tenants receiving Housing Benefit are of interest in a study of the social rented sector because in shortage situations the private rented sector provides an alternative method of meeting housing need, with the rent paid wholly or partly by Housing Benefit, while in low pressure situations it is a potential competitor. In a

[12] Table 3.16 which uses data from the Family Resources Survey records the gross weekly incomes of social sector households where the head is not in work whereas the analysis above records income data where the head is not in full-time work.

shortage situation a reduction in the amount of private rented accommodation accessible to households that depend on Housing Benefit could be a significant source of additional pressure on the social rented sector.

4.14 Table 4.7 shows the proportions of private sector tenants paying rent that receive Housing Benefit, cross-analysed by type of household and age of the household head.

Table 4.7: Private sector tenant households: proportion receiving housing benefit by type of household and age of the household head

(Percentages)	One-person households	Couple households	Lone-parent households	Other multi-person households	All private sector tenants
Age					
London 2002					
Under 30	7.8	4.1	34.4	4.2	7.2
30-44	20.2	13.0	52.3	8.3	16.5
45-59	25.0	11.8	16.3	42.1	24.6
60 and over	34.8	35.5	—	31.6	31.9
All ages	18.6	10.5	44.2	8.4	14.7
(Total of private sector tenants (thousands))	(166)	(172)	(32)	(138)	(509)
England 2001-02					
Under 30	8.9	8.0	78.6	4.3	14.8
30-44	22.5	10.7	70.5	6.7	20.1
45-59	43.8	21.3	61.1	44.4	36.5
60 and over	55.9	33.9	—	33.3	37.8
All ages	28.7	13.1	72.2	9.1	23.7
(Total of private sector tenants (thousands))	(544)	(656)	(162)	(252)	(1,613)

Source: London Housing Survey (London data) and Survey of English Housing (England data)

4.15 In Table 4.7 London has a comparatively large private rented sector, in which about 15 per cent of households that pay rent receive Housing Benefit. In England as a whole, the proportion of private rented tenants that receive Housing Benefit is 24 per cent. Additionally in each of the four household types distinguished in Table 4.7, the proportion of private sector tenant households that receive Housing Benefit is lower in London. The probable explanation is that the private rented sector in London accommodates more people in better paid occupations. The National Statistics Socio-economic Classification shows that for private rented sector household heads, 48 per cent of those in London were in managerial and professional occupations, compared with only 34 per cent in England as a whole.

4.16 In Table 4.8 comparisons are made between the age distributions in the social rented sector and among private sector tenants receiving Housing Benefit, in London and England.

Table 4.8: Age distributions: social sector tenants and private sector tenants with Housing Benefit

Thousands	**Under 30**	**30-44**	**45-59**	**60 and over**	**Total**
London 2002					
Social sector	141	287	158	227	813
Private sector with Housing Benefit	14	36	10	15	75
England 2001-02					
Social sector	5372	1,121	746	1,620	4,034
Private sector with Housing Benefit	86	132	84	80	382

Percentages across	**Under 30**	**30-44**	**45-59**	**60 and over**	**Total** (per cent)
London 2002					
Social sector	17.4	35.3	19.5	27.9	100
Private sector with Housing Benefit	19.0	47.4	13.3	20.3	100
England 2001-02					
Social sector	13.3	27.8	18.5	40.4	100
Private sector with Housing Benefit	22.5	34.6	22.0	20.9	100

4.17 Table 4.9 shows an analysis of tenure by types of household. Because older men and women living alone are in many ways a distinct group within the one-person households category, this category is divided into those aged under 60 and those aged 60 and over.

Table 4.9: Types of Household: Social Sector Tenants and Private Sector Tenants with Housing Benefit

Thousands	Couple households	Lone-parent households	Other multi-person households	One-person households Under age 60	One-person households Age 60 and over	Total
London 2002						
Social sector	226	168	77	171	1708	813
Private sector with Housing Benefit	18	14	12	215	10	75
England 2001-02						
Social sector	1,402	717	278	593	1044	4,034
Private sector with Housing Benefit	86	117	23	99	57	382

Percentages across	Couple households	Lone-parent households	Other multi-person households	One-person households Under age 60	One-person households Age 60 and over	Total (thousands = 100 per cent)
London 2002						
Social sector	27.8	20.7	9.5	21.0	20.9	100
Private sector with Housing Benefit	24.1	19.2	15.5	27.9	13.4	100
England 2001-02						
Social sector	34.8	17.8	6.9	14.7	25.9	100
Private sector with Housing Benefit	22.5	30.6	6.0	25.9	14.9	100

4.18 In both London and England, as a whole, private sector tenants receiving Housing Benefit tend to be younger than social rented sector tenants. The difference is particularly marked in England as a whole where 59 per cent of social rented sector tenants are aged 45 and over, as compared with 43 per cent of private rented sector tenants with Housing Benefit. In London the proportions are 47 per cent and 34 per cent respectively, reflecting London's younger age pattern.

4.19 Both in London and in England as a whole the private rented sector with Housing Benefit accommodates proportionally more younger one-person households than does the social rented sector and more older men and women living alone. The private rented sector with Housing Benefit in London has a higher proportion of other multi-person households than the social rented sector, whereas in England the proportions are similar. However the proportions of one-parent households, although broadly similar in London, are much higher in the private rented sector in England.

4.20 Table 4.10 compares household employment status of social sector tenants with that of private sector tenants with housing benefit. The definitions of the categories differ between the London Housing Survey and the Survey of English Housing. The former calls household heads that are not employed: unemployed, retired or 'sick and disabled' 'looking after family'; the latter calls them 'other economically inactive'. The two terms are here treated as equivalent, though this cannot be known for certain.

Table 4.10: Employment status of social sector tenants and private sector tenants with Housing Benefit

Percentages	**Full-time work**	**Part-time work**	**Un-employed**	**Retired**	**Sick or disabled**	**Student**	**Other inactive/ looking after family**
London 2002 ([a])							
Social sector	22.3	9.3	14.9	24.8	9.6	4.0	14.6
Private sector with Housing Benefit	9.4	8.5	33.4	15.0	12.4	5.4	12.9
England 2001-02 ([b])							
Social sector	22.1	9.5	4.8	35.9	12.2	1.0	14.2
Private sector with Housing Benefit	9.2	12.9	10.5	17.8	18.9	1.0	29.1

([a]) Row totals do not add to 100 because government training schemes and asylum seekers are not included.
([b]) Row totals do not add to 100 because government training schemes are not included.

Source: London Housing Survey (London data) and Survey of English Housing (England data)

4.21 The mix of employment status of private sector tenants with Housing Benefit is very different from the social rented sector, particularly in the proportions of those in full-time work. Only to a very limited extent is Housing Benefit in the private sector a benefit for the working poor, both in London and in England as a whole, in contrast to the social rented sector.

Conclusion

4.22 The social rented sector in London is very diverse, much more so than in the other regions. Ethnicity is the extreme example, with 32 per cent of household heads non-white compared to 10 per cent in England as a whole (and between 4 and 5 per cent in the regions other than London). Diversity is also present in socio-economic status and income, to a greater extent than in England as a whole. The proportion of social sector household heads in managerial and professional occupations, 23 per cent, was much higher than in any other region, including the South East and 26 per cent of households with the head in work had gross incomes (of household head and partner) of £500 a week or more, as compared with 17 per cent nationally. The proportion of social sector households in London with economically inactive or unemployed heads was on a par with the Midlands, not the South East and East regions.

4.23 The similarity in proportions of economically inactive and unemployed household heads in London with the Midlands parallels the proportions of households in all tenures in London with economically inactive heads. A much more detailed investigation would be required to explain why a higher proportion of social sector households in London were economically inactive or unemployed than in the South East and East regions, and how these differences are related, if at all, to the social rented sector in London being under severe pressure. The fact that 38 per cent of registered social landlords' new tenants in London coming from temporary accommodation, as compared with between 12 and 13 per cent nationally and 10 per cent in the other regions taken together, is evidence of this greater pressure.

CHAPTER 5

Past changes in the social rented sector and characteristics of households moving in and out

Main findings

- The social rented sector reached a peak of about 5.5 million dwellings at the very end of the 1970s and fell to 4.1 million by 2003.
- Right to Buy sales averaged about 130,000 a year in 1981-91 and 45,000 a year in 1991-2001, compared with sales to sitting tenants of under 30,000 a year in 1971-81
- The contraction of the size of the social rented sector after the end of the 1970s was not just the result of sales. New building ran much lower in the 1980s than in the 1970s, and lower still in the 1990s.
- The reduction in the number of households in the social rented sector was heavily concentrated among couple households (a reduction of 1.66 million between 1981 and 2001-02). The number of lone parent households in the social rented sector rose by over 400,000 but this was an almost constant share of the totality of lone parent households.
- Reductions in the number of households in the social rented sector were greatest in the 45-64 age range and much smaller at high ages (the so-called hollowing out effect). This reflects the impact of the Right to Buy.
- Numbers of social sector tenants in full-time paid employment fell by 1.35 million between 1981 and 2001-02. This was not because of higher unemployment but because many more household heads were out of the labour force altogether
- An important reason for this was that many of the large number of household heads who became local authority tenants in the post-war decade reached retirement age in the later 1980s and the 1990s.
- Average incomes of social sector tenants in paid employment rose much less than did incomes generally, which suggest a growing concentration of tenants in poorer-paid jobs.
- Frequency of movement by social sector tenants increased during the 1990s, as did outward moves to the private rented sector.
- The ages and household types of movers from social renting to the private rented sector are different from those of households moving to the social sector from private renting. But there is a much greater contrast between movers to and from owner-occupation.
- There is a wider range of types of household, ages, and employment status among Right to Buy purchasers than among households who moved away from the social rented sector to become home owner-occupiers. But nevertheless a much higher proportion of recent Right to Buy purchasers are couple households and in full-time work than are social sector tenants in total.
- Because the characteristics of Right to Buy, purchasers have differed so much from

those of social sector tenants in total that the very numerous sales (2 million between 1971 and 2001) have had a strong impact on the composition of the social rented sector as well as its size.

- Right to Buy purchases are the reason why the age profile of social sector tenant households has two peaks (saddle shaped).

5.1 In this chapter past changes in the size of the social rented sector are summarised, together with changes in the characteristics of social sector tenant households and the characteristics of households entering the sector and leaving it for other tenures. The characteristics examined here are:

- type of household;
- age;
- employment status;
- income; and
- mobility.

This chapter also shows the effect of sales of houses to social sector sitting tenants (Right to Buy (RTB)) on the mix of ages, types of households, and employment status of those remaining in the social sector.

The changing size of the social rented sector

5.2 The size of the social rented sector at selected dates from 1971 onwards is shown in Table 5.1. This table does not include shared ownership, which unless separately distinguished, as in the 2001 census, is treated as a form of owner-occupation. The table shows numbers of dwellings, not households, because there are official estimates of stocks of dwellings by tenure. The numbers of vacant dwellings included in the stock totals are low, so the changes in numbers of dwellings can be taken as an accurate reflection of changes in the numbers of households in the social rented sector. Households that are sub-tenants of social sector tenants count as members of the private rented sector because they do not rent from social sector landlords. The totals of local authority and new town dwellings in all years in the table are official estimates, as are housing association dwellings from 1976. For 1971 an unofficial (but probably fairly accurate) estimate is included.

Table 5.1: Dwellings in the social rented sector in England

(thousands)	Local authorities and New Towns	Housing Associations (RSLs)	Total social rented sector	Social rented sector as per cent of all tenures total
1971 (April)	4,530	170	4,700	29.3
1976 (Dec)	4,985	281	5,266	30.7
1981 (April)	5,118	410	5,528	30.9
1986 (Dec)	4,500	495	4,999	26.5
1991 (April)	3,912	632	4,544	23.1
1996 (end-March)	3,470	942	4,412	21.6
2001 (end-March)	2,812	1,424	4,236	20.0
2003 (end-March) ([a])	2,457	1,621	4,078	19.0

([a]) provisional

Sources: 1971 (LAs and New Towns) and 1976-1991 from Department of the Environment *Key Background Figures*; 1996 – 2003 *Housing Statistics 2003* Table 1.1; 1971 (Housing Associations), figures derived from estimate for England and Wales in *Housing Policy Technical Volume,* Part III Table IX.

5.3 The social rented sector in England can be seen from Table 5.1 to have reached its maximum size, both absolutely and proportionately, at the end of the 1970s and the beginning of the 1980s, although the increase in the late 1970s was slow. The late 1970s and the beginning of the 1980s may reasonably be taken as a starting date for tracing the changes in the composition and circumstances of the households who lived in this sector when it was diminishing in overall size. The composition of its earlier growth, including whether within the growth there were changes that foreshadowed its subsequent decline, is outside the scope of this study. The focus is on the changes in the composition of the sector that have often been termed residualisation, associated with the social rented sector becoming the tenure of last resort.

5.4 It is important to show at the outset how far sales to sitting tenants (RTB) contributed to the overall reduction in the size of the social rented sector and how much was the result of the fall in new building. Table 5.2 shows net changes in the social rented sector stock in the decades 1971-81, 1981-91, and 1991-2001.

Table 5.2 Analysis of changes in the total social sector housing stock 1971-2001

(thousands)	1971-81	1981-91	1991-2001
New building	+1,112	+374	+246
Sales to sitting tenants (*)	-288	-1,217	-453
Other changes (net)	+4	-71	-101
Net change	+828	-984	-308

(*) Excludes sales by local authorities to housing associations.

Note: New building and numbers of dwellings sold are taken from information published by ODPM and its predecessors; the other (net) entry is a balancing item that comprises gains from conversions and losses from demolitions, plus or minus errors and omissions. Not all the figures are exact to the thousands to which they are shown, because (for example) sales in 1975 and earlier in England had to be estimated from England and Wales.

5.5 This table suggests that the impact of sales to sitting tenants during the 1970s was more than outweighed by the increase in the social sector from new building, so that the sector increased by over 17 per cent. However, in the 1980s this pattern reversed and RTB far outstripped the much reduced new build programme leading to an overall reduction in the sector of 18 per cent. In the 1990s, RTB sales declined and the rate of decline of the sector as a whole dropped off, although RTB was still nearly double the quantity of new build social housing in that decade.

Changes in the characteristics of social rented sector households

5.6 The composition of the social rented sector in terms of type of household, age, employment status and income is shown in turn below. All these factors are inter-related. Employment status is related to age and also to household type. Types of household are shown in Table 5.3, as estimated from surveys: the National Dwelling and Housing Survey in 1977-78; the Labour Force Survey (LFS) housing trailers in 1981, 1984, 1988 and 1991; the Survey of English Housing (SEH) for 1999-00 and 2000-01 (combined); and 2001-02. SEH for 2001-02 is kept separate as it used the concept of ‘household reference person’ (introduced in the 2001 census and in official surveys from 2001-02 onwards) in place of the previous concept of the household head. At this stage four broad categories of household are used: couple households; lone parent households; other multi-person households; and one-person households. As well as the estimated number of households of each type who were social sector tenants, the table also shows what proportions they were of all households of each type. In the Table 5.3 the numbers of households of each type in the social rented sector are quoted in thousands. The bracketed figures are social sector tenants as proportions of all households.

Household type

5.7 Table 5.3 shows, for example, that the estimated number of couple households in the social rented sector was 3.255 million in 1977-78 and 1,395,000 in 2001-02, and that these were 28.4 per cent and 11.6 per cent respectively of all couple households. The number of lone parent households (with dependent children) is shown to have risen in total by some 420,000, but have, if anything, fallen slightly as a proportion of all lone parent households. The increase in the number of lone parent households in the social rented sector was the result of the increasing number of lone parents in total and not because a higher proportion of them were housed in the social rented sector; this reflects the increase in divorce and separation nationally.

Table 5.3: Social sector tenant households analysed by type of household (with proportion of all households in brackets)

(thousands)	Couple households	Lone parent households	Other Multi-Person households	One-person households	All households
1977-78	3,255	292	388	1,247	5,200
	(28.4%)	(56.5%)	(31.9%)	(36.2%)	(31.1%)
1981	3,054	384	462	1,490	5,394
	(26.8%)	(57.8%)	(34.5%)	(39.0%)	(31.3%)
1984	2,483	455	428	1,651	5,017
	(21.8%)	(58.6%)	(30.8%)	(37.4%)	(28.0%)
1988	2,001	581	433	1,678	4,706
	(17.8%)	(59.3%)	(24.6%)	(35.7%)	(25.2%)
1991	1,796	539	395	1,705	4,436
	(15.2%)	(55.3%)	(27.0%)	(33.8%)	(23.0%)
1999-2001	1,488	697	292	1,782	4,259
	(12.3%)	(52.8%)	(21.4%)	(30.8%)	(20.6%)
2001-02	1,395	719	280	1,619	4,014
	(11.6%)	(52.8%)	(21.2%)	(29.0%)	(19.8%)

Source: Office of the Deputy Prime Minister from National Dwellings and Housing Survey, Labour Force Survey Housing Trailers and Survey of English Housing

5.8 Table 5.3 gives each household type in the social sector as a proportion of all households. This shows, for example, that in 1977-78, 28 per cent of all couple households lived in the social sector. There are caveats to be noted about the comparability of some of the figures in Table 5.3. Cohabiting couples were not distinguished before 1991 and the survey data before 2001-02 was grossed to pre-2001 population estimates. Nevertheless the reduction in the number of couple households among social sector tenant households is very clearly marked, both in absolute terms and as a proportion of all couple households. Furthermore, couple households were 63 per cent of all social rented sector tenants in 1977-78 but only 35 per cent in 2001-02. In all tenures together there was a fall in the proportion of couple households, but nothing like as large as in the social rented sector alone: from 69 per cent in 1977-78 to 59 per cent in 2001-02. The reduction in the number and proportion of couple households in the social rented sector was the principal change in terms of household types. In economic terms it was particularly important because most households with two earners or more are couples.

Age of household heads

5.9 A similar analysis of changes in the ages of social sector tenant household heads is shown in Table 5.4. Since the data for the table were taken from published survey reports (see source notes) some grouping of age ranges was necessary for comparability. As in Table 5.3, the numbers of social sector tenant households are shown in thousands and, in brackets, as percentages of all households in each of the age groups.

Table 5.4: Social rented sector tenant households: analysis by age of head
(with proportion of all households in each age group in brackets)

	Age of Head			
	Under 45	**45-64**	**65 and over**	**All households**
1977-78	1,583 (24.4%)	2,053 (34.6%)	1,602 (36.3%)	5,238 (31.1%)
1981	1,760 (26.0%)	1,860 (34.0%)	1,840 (39.0%)	5,460 (31.7%)
1984	1,610 (22.2%)	1,620 (27.4%)	1,810 (37.9%)	5,040 (28.1%)
1988	1,600 (20.3%)	1,281 (22.3%)	1,816 (36.3%)	5,040 (28.1%)
1991	1,564 (19.1%)	1,082 (18.3%)	1,790 (34.3%)	4,436 (23.0%)
1996-97	1,798 (21.2%)	1,104 (17.2%)	1,589 (30.3%)	4,493 (22.3%)
2000-01	1,759 (20.1%)	1,003 (14.8%)	1,457 (28.2%)	4,220 (20.4%)

Sources: 1977-78 from *National Dwelling and Housing Survey*, Table 4 (calculated from percentage distribution)
1981 and 1984 from *Housing in England: Housing Trailers to the 1981 and 1984 Labour Force Survey*, Table 2.2
1988 and 1991 from *Housing in England: Housing Trailers to the 1988 and 1991 Labour Force Survey,* Table 2.2
1996-97 from *Housing in England 1996/97,* Table A1.2
2000-01 from *Housing in England 2000/01,* Table A1.4

5.10 The largest reduction in numbers of social sector tenants, both absolutely and as a proportion of all households in each age group, was in the 45-64 age group. It was from this age group that a high proportion of RTB purchases were drawn (see Table 5.8 below). Important also is the early increase in the number of households aged 65 and over. Between the late 1970s and the early 1990s many of the exceptionally large number of households that came into the local authority sector in the decade after 1945 (when more council houses and flats were built than in any other decade before or since) reached age 65. The large number reaching retirement age contributed strongly to the increase in the number of social sector tenants with economically inactive heads. The number of new dwellings built for local authorities year by year reached its peak in 1953 and, after that, it declined until the early 1960s and with it the number of new tenants each year. In consequence, the number of tenants reaching age 65 each year ran lower in the 1990s than previously. Even so, in 2000-01 households with heads aged 65 and over were 35 per cent of all social rented sector households in 2000-01. This was lower than the 40 per cent in 1991 but nevertheless higher than the 31 per cent in 1977-78.

Employment status

5.11 The increase in the proportion of tenants above retiring age was an important element of the change in employment status of social rented sector households. These changes are shown in Tables 5.5 and 5.6. Table 5.5 shows the numbers of households with heads that were in full-time work, part-time work, unemployed and economically inactive (i.e. not in, and not looking for employment at the time). In Table 5.6 a more detailed analysis is given of household heads that were economically inactive. They were 38 per cent of all social sector tenant household heads in 1977-78, but 60 per cent in 1991 and 61 per cent in 2000-01. In Tables 5.5 and 5.6 the figures in brackets are social sector tenants as a percentage of all household heads in each category.

Table 5.5: Employment circumstances of social rented sector household heads (with proportion of all households in each category in brackets)

(thousands)

	Full-time work	Part-time work	Unemployed	Economically inactive	Total (*)
1977-78	2,713	18.8	300	1,993	5,195
	(26.0%)	(34.9%)	(51.5%)	(38.6%)	(31.1%)
1981	2,329	224	424	2,415	5,394
	(23.1%)	(40.6%)	(52.2%)	(41.8%	(31.3%)
1984	1,557	229	542	2,689	5,017
	(15.9%)	(31.9%)	(53.8%)	(41.9%)	(28.0%)
1988	1,215	268	468	2,737	4,706
	(12.0%)	(33.6%)	(52.9%)	(40.1%)	(25.2%)
1991	1,116	221	426	2,672	4,436
	(10.7%)	(25.9%)	(45.5%)	(37.7%)	(23.0%)
2000-01	974	356	157	2,619	4,220
	(8.8%)	(27.9%)	(51.6%)	(33.5%)	(20.4%)

Source: As Table 5.3.

5.12 Table 5.5 shows very clearly that the principal change in the employment status of social rented sector tenants since the late 1970s was the very large reduction in household heads in full time employment. This fell by nearly two-thirds both in absolute terms and as a proportion of all household heads in full-time work. The social rented sector's arithmetical share of unemployed household heads changed very little and its share of households with economically inactive heads fell. Between 1977-78 and 1988 the number of economically inactive household heads in the social rented sector rose by between 700,000 and 750,000. However, the number in the owner-occupied and private rented sector rose by over 900,000. Between 1988 and 2001 the number of economically inactive household heads in the social rented sector fell by about 100,000, but rose by over 1.1 million in the owner occupied sector. In other words, there were much larger increases in economically inactive heads in the private sector than in the social rented sector.

5.13 Economically inactive household heads are a very heterogeneous group, comprising among others, lone parents with dependent children and middle aged men and women who have taken formal or de facto early retirement. An analysis of households with economically inactive heads is in Table 5.6. Apart from students and lone parents they are classified by age. Previous work has found that the distinction between retired and long term sick and disabled is not drawn consistently in surveys so they are not distinguished here.

Table 5.6: Circumstances of social rented sector household heads that are economically inactive (with proportion of all households in each category in brackets)

(thousands)

	Student	Lone Parent	Other economically inactive				Total
			Under 45	**45-54**	**55 to retirement**	**Above retirement**	
1977-78	13	139	25	54	166	1,596	1,904
	(9%)	(66.8%)	(50%)	(51.4%)	(43.0%)	(37.4%)	(38.6%)
1981	20	191	67	80	223	1,834	2,415
	(16%)	(72.3%)	(59.8%)	(57.6%)	(43.1%)	(39.6%)	(39.6%)
1984	15	245	112	106	317	1,894	2,689
	(10%)	(77.0%)	(62.2%)	(56.1%)	(39.4%)	(39.6%)	(41.3%)
1988	17	309	118	132	288	1,873	2,737
	(13%)	(76.1%)	(52.7%)	(50.8%)	(36.0%)	(37.4%)	(40.1%)
1991	15	334	125	134	222	1,842	2,672
	(12%)	(74.6%)	(45.5%)	(45.9%)	(27.6%)	(35.9%)	(37.7%)
2000-01	12	404	233	195	241	1,515	2,619
	(21%)	(70.1%)	(56.8%)	(41.4%)	(24.3%)	(29.1%)	(33.5%)

Source: As Table 5.3

5.14 The increase in the number of social sector tenant households with economically inactive heads was partly the result of changes in the mix of household types and ages in the whole population. The increase in the number of lone parent households with dependent children that were social sector tenants was mainly due to the overall growth in the number of lone parent households, not to higher proportions being housed in the social sector. The increase and then decrease in the number of tenant households with economically inactive heads above retirement age was noted above (paragraph 5.10) in connection with the age distribution. The principal reason, which also applied to household heads aged 55-64 (men) and 55-59 (women), was the ageing of households that became social sector tenants in the post-war decade. Their effect on the total number of households with economically inactive heads was strongly marked. Of the increase of 740,000 between 1977-78 and 1988, 400,000 were aged 55 and over and between 1988 and 2000-01 there was a net reduction of about 120,000 in total in tenant households with economically inactive heads, which comprised a reduction of 400,000 aged 55 and over, and an increase of 270,000 in other categories.

Income

5.15 A relevant question is the extent to which tenants in paid employment were increasingly in lower paid work, or whether the amounts they earned kept pace with earnings generally. Income by tenure is taken from the Family Expenditure Survey[13]. Because the survey changed over time, a series of exactly comparable estimates of average incomes of economically active social sector tenants cannot be compiled from the published tables. Instead what is compared across time is the ratio of average incomes of social rented sector tenants who were economically active or in work, and the corresponding average for all tenures.

Table 5.7: Gross income of household head and spouse or partner households in work: selected years

	Mean (£)	Median (£)
1975 Annual incomes in England and Wales		
Local authority tenants	3,317	3,000
All tenures (estimated)	3,999	3,158
Local authority tenants as per cent of all tenures	83	95
1991 Annual incomes in England		
Local authority and housing association tenants	10,700	10,000
All tenures	20,700	17,600
Local authority tenants as per cent of all tenures	52	57
1996-97 Weekly incomes in Great Britain		
Social sector tenants	280	260
All tenures	530	440
Social sector tenants as per cent of all tenures	53	59
2001-02 Weekly incomes in England		
Social sector tenants	340	310
All tenures	680	530
Social sector tenants as per cent of all tenures	50	58

Sources: *Housing Policy* Technical Volumes, Tables II.30 and II.31
Housing and Construction Statistics 1982-1992, Table 12.1
Housing and Construction Statistics 1987-1997, Table 12.1
Housing Statistics 2003, Table 8.8

5.16 Between the mid-1970s and the beginning of the 1990s there was a steep fall in average income of local authority tenants with economically active heads relative to

[13] The starting point is mean and median gross incomes of household heads and wives in 1975 published in the *Housing Policy* Technical Volume. Since then the information about incomes by tenure published in successive issues of *Housing and Construction Statistics* varied, both in geographical coverage (Great Britain or England and Wales) and in definition (gross income or disposable income – ie net of income tax and employee's National Insurance contributions). In some years no averages for all tenures were included, and so had to be estimated from the averages for owner-occupiers, local authority tenants and tenants renting unfurnished from private landlords – which included housing associations.

the incomes of all households. Like is not necessarily being compared exactly with like but clearly there was a large change during that period. After the beginning of the 1990s, however, there appears to have been little further change. The same is true to some extent of the mix of household types (Table 5.3) and – particularly important for incomes – in employment status (Table 5.5). The pace of change in the characteristics of the social rented sector seems to have slackened after the beginning of the 1990s. This may well have been linked to the lower numbers of dwellings sold.

Right to Buy purchases by social sector tenants and the changes in the characteristics of tenant households

5.17 Right to Buy purchases by social sector tenants (Table 5.2) had a strong effect not only on the size of the social rented sector but also on the characteristics of the households. RTB purchasers were far from typical of the whole population of social sector households. They were disproportionately couple households, and in full-time work. Two sets of information are available: an analysis of sitting tenant purchasers in 1991, originally published in *Housing in England: Housing Trailers to the 1988 and 1991 Labour Force Surveys* (HHSO 1993); and from the 2000-01 Survey of English Housing about households that had bought as sitting tenants in the previous three years. The latter are shown in Table 5.17 in comparison with households that moved away to buy. The former are shown in Table 5.8.

Table 5.8: Age and employment status in 1991 of sitting tenant purchasers from local authorities

	(thousands) Age of household head			
	Under 45	**45 to retirement**	**Above retirement**	**All households**
Couple households				
Full-time employment	240	348	5	595
Part-time employment	3	13	12	29
Unemployed	22	24	3	50
Retired and other economically inactive	6	59	180	247
Total	273	446	201	920
Other types of household				
Full-time employment	61	76	3	140
Part-time employment	7	9	10	26
Unemployed	8	9	1	18
Retired and other economically inactive	7	23	136	167
Total	83	117	152	351
All household types				
Full-time employment	301	425	9	734
Part-time employment	10	22	22	55
Unemployed	30	33	4	67
Retired and other economically inactive	14	84	317	414
Total	**355**	**565**	**352**	**1,271**

Source: *Housing in England: Housing Trailers to the 1988 and 1991 Labour Force Surveys*, Table 10.13

5.18 The Survey of English Housing distinguishes owner-occupiers who came into home ownership by purchasing as sitting tenants from social sector landlords. It is possible to work out what would be the hypothetical characteristics of social sector households if there had been no sitting tenant sales (provided, of course, that in the absence of an opportunity to buy as sitting tenants, not many tenants would have moved away to buy). Table 5.9 shows this calculation for types of households, and Table 5.10 for the age structure.

Table 5.9: Effect of sitting tenant purchasers (Right to Buy) on number and proportion of social sector tenants

	Actual number and proportion of social sector tenants		Right to Buy purchasers (thousands)	Hypothetical number with Right to Buy purchasers added back	
	Number ('000)	**Proportion (per cent)**		**Number ('000)**	**Proportion (per cent)**
Married couple households	1,116	11.0	890	2,006	19.6
Cohabiting couple households	283	15.7	56	339	18.8
Lone parent households ([a])	720	52.4	47	767	56.0
Other multi-person households ([b])	287	21.6	125	412	31.0
Male one-person households, under 55	322	20.9	34	356	23.2
Male one-person households, 55 and over	330	34.8	82	412	43.4
Female one-person households, under 55	198	22.3	30	228	25.7
Female one-person households, 55 and over	814	35.0	182	996	42.8
Total, all households	4,079	20.0	1,449	5,528	27.0

([a]) Includes male lone parents, hence the difference from Table 4.
([b]) Both sexes.

Source: ODPM from Survey of English Housing 2000-01, 2002-03

5.19 The strongest effect of Right to Buy sales was on married couple households and least on lone parents and young and middle aged one-person households. From the source from which Table 5.9 was derived it is possible to work out that about one half of the overall reduction in the proportion of couple households that were social sector tenants (Table 5.3) was the result of RTB.

5.20 Table 5.10 shows actual proportions of households in each age range that are social sector tenants are compared with hypothetical proportions ie with the RTB purchasers added back in. The calculation is made for married couple households separately as this highlights the reasons for the steep fall in the number of couple households in the social rented sector, in many ways the most marked change in the composition of the sector.

Table 5.10: Proportions of households that are social sector tenants: actual and hypothetical for married couple households and all households

(per cent)	Married Couple Households		All Households	
	Actual	**Hypothetical with Right to Buy purchasers added back**	**Actual**	**Hypothetical with Right to Buy purchasers added back**
Under 30	13.8	14.8	19.8	20.3
30-34	10.7	13.7	18.5	20.8
35-39	10.2	14.6	18.4	22.4
40-44	9.0	15.5	17.0	23.3
45-49	8.2	16.9	14.9	22.7
50-54	7.3	18.2	13.0	22.7
55-59	8.8	19.5	14.2	24.1
60-64	10.5	22.7	18.0	29.0
65-69	12.4	23.9	20.3	31.4
70-74	14.5	28.1	24.2	36.2
75-79	20.4	32.6	30.2	40.7
80-84	20.9	31.6	32.3	40.7
85 and over	21.4	27.4	36.4	41.2

Source: ODPM from Survey of English Housing, calculations from 2000/01, 2001/02, and 2002/03 combined

5.21 Right to Buy purchasers help to explain the so-called hollowing out of the age profile of social rented sector households, expressed as proportions of all households in each age group. In the absence of RTB purchases the profile would have been fairly flat to the mid 50s, and then rising. Instead it has been saddle shaped with a dip in the middle. Another contributing factor is the decline in the proportion of newly forming households who became local authority tenants from the late 1950s. Households formed in the post-war decade when very large numbers of houses were built for local authorities were mostly in their 70s and above by 2001.

Changes in length of residence and mobility

5.22 The Survey of English Housing (SEH) and its predecessors asked households about the length of time the household head had been resident at the interview address. The distribution of lengths of residence provides evidence about internal mobility within the social rented sector. It complements information about moves (Table 5.12) within, into, and out of the social rented sector. The distribution of lengths of residence refers to residence at the same address, not the length of time as a social rented sector tenant. Table 5.11 compares lengths of residence in 1981, 1991, 1995-96 and 2000-01.

Table 5.11: Length of residence of social rented sector tenants

	Less than 1 year	1 year but less than 3	3 years but less than 5	5 years but less than 10	10 years or more	Total
Number (thousands)						
1981	530	890	750	1,020	2,280	5,470
1991	447	717	562	923	2,028	4,679
1995-96	549	752	536	782	1,784	4,404
2000-01	485	751	561	801	1,618	4,217
2001-02	432	702	518	804	1,566	4,023
Proportions (per cent)						
1981	9.7	16.3	13.7	18.6	41.7	100.0
1991	9.6	15.3	12.0	19.7	43.3	100.0
1995-96	12.5	17.1	12.2	17.8	40.5	100.0
2000-01	11.5	17.8	13.3	19.0	38.4	100.0
2001-02	10.7	17.4	12.9	20.0	38.9	100.0

Source: *Housing Trailers to the 1981 and 1984 Labour Force Surveys*, Table 2.7; *Housing in England Housing Trailers to the 1988 and 1991 Labour Force Surveys*, Table 2.9; *Housing in England 1995-96* Table A13.18; *Housing in England 2000-01*, Table A2.1; *Housing in England*, Table A2.1

5.23 Sampling variation introduces an element of uncertainty into the comparison of the years in Table 5.11. But it is fairly clear that there was no material change between 1981 and 1991 in the distribution of lengths of residence, but between 1991 and 2000-02 there was an increase in the proportion of households that had been resident less than three years. An important question is whether this is evidence of increasing instability of the social sector with more exits and more households wanting only short-term tenancies. Such tendencies have been inferred from the rapid rise in re-lettings of local authority tenancies (eg in work by Pawson, 1999). Survey information on moves by social sector tenants is shown in Table 5.12. Moves comprise outward moves to other tenures (owner-occupation and the private rented sector); and intra-sector moves, including moves from renting from local authorities to renting from housing associations, and vice versa.

Moves into and out of the social sector

5.24 The Survey of English Housing provides a useful flow chart of moves between all three main tenures: owner occupation, private renting and social renting. This is reproduced in Chapter 1. It also shows the flows of new households and household dissolutions. The SEH website contains the equivalent flow charts for past years. These demonstrate that the flows between tenures vary significantly from year to year. These fluctuations are probably linked to the economic cycle, or at least the housing cycle, but this is difficult to prove since changes in house prices reflecting changes in the market tend to follow a ripple effect, starting with London and rippling out gradually to adjacent regions and beyond. The main point, however, is that when estimating likely future flows in and out of the social sector, it is important to take this variability into account since a straight projection will be highly sensitive to the start date.

Table 5.12: Moves by social rented sector tenants 1984 to 2001-02

(thousands)

	Outward moves			Moves to other social sector dwellings	All moves by social sector tenants
	To owner-occupation	To private rented sector	Total		
1984	47	23	70	218	288
1988	42	28	70	209	279
1991	19	28	47	206	252
1994/95	38	42	80	270	351
1995/96	56	57	113	306	420
1996/97	39	57	96	320	414
1997/98	49	50	99	282	381
1998/99	47	42	89	262	352
1999/00	60	63	123	240	362
2000/01	33	58	91	225	316
2001/02	33	54	87	229	316
2002/03	29	46	75	192	267

Sources: *Housing in England: Housing Trailers to the 1998 and 1991 Labour Force Surveys*, Table 8.1; 03, Table 8.5

5.25 Table 5.12 shows the outward moves of social sector tenants since 1984. The number of moves by social sector tenants is shown to have declined since the mid-1990s by more than can be accounted for by the reduction in the total number of tenants. Exits to the private rented sector appear to have run level since the mid-1990s, but much higher than at the beginning of the decade and in the 1980s. The number of exits to owner-occupation has varied erratically, but appear to have been rather lower in 2000-01 and after than in the previous five years. High house prices provide a possible explanation, as does the housing market slump in the early 1990s for what might however be an erratically low figure.

5.26 To provide a picture of moves by households into and out of the social rented sector, estimates of inward moves are needed. These are shown in Table 5.13, from the same sources as Table 5.12. The outward moves are repeated from Table 5.12 for ease of comparison.

Table 5.13: Estimates of moves into and out of the social rented sector

(thousands)

	Moves Inwards: Tenure of Origin				Moves Outward: Tenure of Destinations		
	New households	**Private Rented Sector**	**Owner occupation**	**Total**	**Private rented sector**	**Owner occupation**	**Total**
1977-78 (*)	62	137	31	230	25	46	71
1984	170	61	24	255	23	47	70
1988	145	51	38	236	28	42	70
1991	144	46	38	228	28	19	47
1994-95	144	71	27	242	42	38	80
1995-96	109	86	46	241	57	56	113
1996-97	110	127	45	282	57	39	96
1997-98	104	106	32	242	50	49	99
1998-99	107	137	47	291	42	47	89
1999-00	115	103	53	271	63	60	123
2000-01	105	93	57	255	58	39	97
2001-02	79	86	33	188	54	33	87
2002-03	75	82	37	194	46	29	75

(*) Local authorities and new towns only.

Sources: 1977/78 from *Recently Moving Households,* Table 2.1
1984 from *Housing in England: Housing Trailers to the 1981 and 1984 Labour Force Survey*, Table 8.1
1988 and 1991 from *Housing in England: Housing Trailers to the 1988 and 1991 Labour Force Survey*, Table 8.1
1994-5 and after from *Housing in England 2000/01,* Table A2.3
2001-02 and 2002-03 from *Housing Statistics 2002 and 2003*, Table 8.5. Not fully comparable with 2000-01 and earlier because grossed to post 2001 census population estimate.

5.27 Table 5.13 shows that moves into the social rented sector from the private rented sector are more numerous than moves in the opposite direction. There are more inward moves in total than outward. This is explained (in the context of a declining social sector) by deaths and moves to institutional care (see Annex 7).

Characteristics of households moving into and out of the social rented sector

5.28 Table 5.14 compares the characteristics of households moving into the social rented sector (including newly formed households) with those of households moving to the private rented sector and to owner-occupation. The moves to owner-occupation therefore do not include RTB and other sitting tenants purchasers, who are considered separately (Table 5.12 and 5.16). Households included in Table 5.14 moved within the previous three years, hence the differences from Table 5.13, which compares households that moved within the previous year.

Table 5.14: Characteristics of households moving into and out of the social rented sector as at 2000-01
(thousands)

	Moves inward: tenure of origin				Moves outward: tenure of destination		
	New households	**Private rented sector**	**Owner occupation**	**Total**	**Private rented sector**	**Owner occupation**	**Total**
(a) Age of household head							
Under 25	106	44	3	153	19	5	24
25-34	89	77	33	199	40	46	86
35-44	27	53	36	116	31	44	75
45-54	7	29	25	71	18	23	41
55-64	0	15	10	25	2	4	6
65 and over	12	24	32	58	2	8	10
Total	241	242	139	622	112	130	242
(b) Type of household							
Couple, no dependent children	27	29	22	80	19	41	60
Couple, dependent children	46	41	24	111	21	52	73
Lone parent	61	73	29	163	24	8	32
Other multi-person	17	7	6	30	11	7	18
One person	88	92	58	238	37	22	59
Total	241	242	139	622	112	130	242
(c) Employment status of household head							
Full-time work	94	64	45	203	48	109	157
Part-time work	19	32	15	66	11	4	15
Unemployed	36	17	8	61	16	3	19
Retired	12	24	38	74	2	8	10
Other economically inactive	80	105	33	218	35	6	41
Total	241	242	139	622	112	130	242

Source: Calculated from *Housing in England 2000/01*, Tables A4.29 and A4.33

5.29 Table 5.15 gives the same information in percentages in order to make it easier to compare households moving into and out of the social rented sector. Some grouping together of categories is necessary.

Table 5.15: Characteristics of households moving into and out of the social rented sector as at 2000-01: percentage figures

(per cent)

	Inward Movers: Tenure of Origin				Outward Movers to Othe Tenures		
	New Households	**Private rented sector**	**Owner occupiers**		**Private rented sector**	**Owner occupiers**	**Total**
Age							
Under 35	81	50	26	56	53	39	45
35-54	14	34	44	29	44	52	48
55 and over	5	16	30	15	4	9	7
Total (thousands = 100 per cent)	**241**	**242**	**139**	**622**	**112**	**130**	**242**
Type of household							
Couple, no dependent children	11	12	16	13	17	32	25
Couple with dependent children	19	17	17	18	19	40	30
Lone parent	26	30	21	26	21	6	13
Other multi-person	7	3	4	5	10	5	7
One-person	37	38	42	38	33	17	324
Total (thousands = 100 per cent)	**241**	**242**	**139**	**622**	**112**	**130**	**242**
Employment status							
Full-time or part-time work	47	40	43	43	53	87	71
Unemployed	15	7	6	10	14	2	8
Economically inactive	38	53	51	47	33	11	21
Total (thousands = 100 per cent)	**241**	**242**	**139**	**622**	**112**	**130**	**242**

Source: Calculated from Table 5.14

5.30 About 30 per cent of households entering the social rented sector were couple households, as compared with 55 per cent of those moving to other tenures. Only 43 per cent of households entering the sector were in work, compared with 79 per cent of those moving to other tenures. However, because there were two and a half times as many households moving into the social rented sector as moved out, the number (as distinct from the proportion) of couple households and households with heads in work moving in exceeded the number moving out.

5.31 Outward movers to owner-occupation were predominantly couple households with heads in full-time work (72 per cent and 80 per cent respectively). Outward movers to private renting were a more diverse group, of whom just over one-half were in full or part-time employment. Inward movers from private renting differed from outward movers to private renting in age. Only 4 per cent of the outward movers were aged 55 or over, compared with 16 per cent of the inward movers.

5.32 RTB purchases also alter the composition of the social rented sector. Table 5.8 gives information about RTB purchasers in 1991. Table 5.16 gives more recent information, for purchasers in the three years before 2000-01 from the SEH. It is comparable with the data from the SEH in Tables 5.14 and 5.15.

Table 5.16: Type of Household and employment status in 200-01 of Right to Buy households in the previous three years

	Number (thousands)	**Proportion** (per cent)
Type of household		
Couple households	87	61
Lone parent households	16	11
Other multi-person households	19	13
One person households	23	16
Total	144	100
Employment status of household head		
Full-time employment	89	62
Part-time employment	20	14
Unemployed	3	2
Retired and other economically inactive	32	22
Total	144	100

Source: *Housing in England 2000/01*, Table A4.32

5.33 Table 5.17 compares the proportion of social sector tenants moving out to owner-occupation (Table 5.15) and the proportion of Right to Buy purchasers (Table 5.16) with all social rented sector tenants in 2001-02 (Tables 5.3 and 5.5) by household type and employment status.

Table 5.17: Types of household and employment status of all social rented households moving out to buy, and Right to Buy purchasers

(per cent)

	All social sector tenants	Movers to owner-occupation	Right to Buy purchasers
Type of household			
Couple households	35	72	61
Lone parent households	18	6	11
Other multi-person households	7	5	13
One-person households	40	17	16
All households	**100**	**100**	**100**
Employment status			
Full-time employment	23	84	62
Part-time employment	8	3	14
Unemployed	4	2	2
Economically inactive	62	11	22
All households (thousands = 100 per cent)	**100**	**100**	**100**

Source: Tables 5.3, 5.5, 5.15, and 5.16

5.34 The proportion of recent Right to Buy purchasers that are couple households in full-time work is lower than among households that move away to buy, but nevertheless much higher than among social sector tenants in total.

5.35 This corresponds with the higher proportion of recent RTB purchasers that are in full-time employment than those in the social sector overall. In general RTB purchasers are more likely than social sector tenants as a whole to be in full-time employment and couple households. However, RTB purchasers are less likely to be couples in full-time employment than those who move into owner occupation.

CHAPTER 6

Social rented sector households in England: the future

Main findings

- The number of households entering the social rented sector through moves from other tenures or as new households is estimated at about 280,000 a year.
- The number of departures from the sector is about 240,000 a year. Of these 85-89,000 a year are dissolutions of households at high ages due to death or moves to institutions. As proportions of total households in the social rented sector (about 2 ¼ per cent) they differ very little between regions apart from London.
- The net increase in social sector tenant households in 2002-2011 estimated from household projections is about 30,000 a year. Most of the increase will be in the South of England.
- These estimates do not take account of Right to Buy which is likely to continue to exceed increases from other sources and so the sector will continue to decline.
- Analysis of the components of change of those projected to enter and leave the sector between 2001 and 2011 suggests that the sector will be housing three distinct groups: those for whom it is a temporary tenure; those for whom it is a secure tenure for life; and a small group who enter in old age.
- The number of social rented sector households with incomes potentially large enough to move away to buy and who expect to do so is only about 160,000. More of those with the means to buy might choose do so in the future, and more tenant households might improve their incomes.
- There is evidence of a considerable demand to enter the social rented sector. An estimated 700,000 private sector tenants said that they would like to live in social housing if they could get it.
- There could also be a considerable demand from young people in London and the South to live in the social rented sector who cannot access it because of lower priorities. Their opposite numbers in the North and Midlands are able to do so because pressures are lower.

6.1 There are five main types of methodological approach currently available that can be used to project or forecast future trends in the number of social sector households. These are:

1. local housing needs assessments;
2. affordability models;
3. multi-tenure net stock models;
4. gross flows models;
5. econometric modelling at national and regional levels.

6.2 These approaches are described in detail in Bramley, 2000 and Fordham Research, 2001 (for local housing needs assessments); Bramley, 1992 (for an affordability model); Holmans, 1999 (for a multi-tenure net stock model); Department of the Environment, 1977 (for a gross flows approach); and Peterson, 1997 (for a national econometric model).

6.3 This chapter uses just two of these methods: a gross flows approach based on analysis of the age and household type characteristics of those entering and leaving the social sector; and a net stock approach based on population and household projections.

6.4 For the gross flows approach, this chapter draws on the analysis in previous chapters (Chapters 2, 3 and 5) of the characteristics of social rented sector tenant households, and how they have changed over the years, to produce an assessment of the prospect for the future. For the net stock approach it uses an estimate of the future net increase in social rented sector households derived from household projections, using work undertaken for Shelter (Holmans et al, 2004) and for the Chartered Institute of Housing (King, 2004). By definition the change in the number of social sector tenant households is the result of the number of new tenants entering social rented housing and the number that leave either through moves to other tenures or through household dissolution. Estimates of both are based on the assumption that recent trends will continue. Neither estimate takes account of the impact of Social Homebuy, which was introduced in 2005.

Flows in and out of the sector

6.5 Recent entrants to, and movers from, the social rented sector comprise: movers from private renting and owner-occupation, and new households who become social sector tenants; households moving out to become private sector tenants or owner occupiers; and household dissolution. The largest category of household dissolution is older people either dying or moving into residential care.

6.6 This estimate of the size of the social sector using flows between sectors and household formation and dissolution is independent of the estimates derived from household projections. However, the two methods produce similar results and should in principle agree. Both estimates exclude tenant households who become owner occupiers through the Right to Buy. These have to be estimated separately. The flows of households into and out of the social rented sector are also estimated separately, as they are influenced in different ways.

6.7 Changes in overall household totals, and their ages, are an important influence on households entering the social rented sector. So too are private sector rents and house prices, which strongly influence the number of households that can afford private sector housing. Moves out of the social rented sector are similarly affected by rents and house prices. Evidence about each of the flows is examined to see whether there are any indications that these past trends might be modified.

Future demand and need

6.8 The future number of social rented sector tenants will depend partly on demand and preferences by households, and partly on how the sector's suppliers of housing respond to demand and need. 'Housing need' in this context means the needs of households that cannot afford adequate housing at market rents and prices and therefore depend on assistance either through accommodation made available at rents below market levels, or income related assistance with rents. Which kinds of household and potential households are eligible for such assistance is partly a matter of custom and practice that has evolved over time, and partly statutory, particularly in respect of duties to homeless people. It is assumed that present policies and practices will continue.

6.9 The current circumstances of new tenants, and how the circumstances of tenants have changed in the past, give evidence about who in practice is recognised as being eligible for assistance. The circumstances of new tenants and of the present population of tenant households provides a starting point for both approaches used here: the analysis of flows of households entering and leaving the social rented sector; and the forecast of the net change in the number of social sector tenant households derived from household projections.

6.10 Estimates of future demand and need for social sector rented housing normally distinguish between newly arising need, ie resulting from events after the base date of the calculation and un-met need existing at the base date, usually termed either 'current need' or the 'backlog'. Newly arising need is generated in part by demographic changes such as the increase in the number of separate households and changes in the mix of types of households and in the ages and marital status of household heads.

6.11 However, newly arising need is not only influenced by demography. Policy-determined demolition and replacement of unsatisfactory dwellings generates a need for new dwellings to house the displaced households. Where the dwellings demolished are privately owned, this process produces an increase (compared with what would have happened otherwise) in the number of social rented sector households. Demolition and replacement of unsatisfactory dwellings in the social rented sector stock, in contrast, does not directly affect the number of social sector households. Present policies do not suggest any substantial increase in policy-led demolitions of privately owned dwellings other than in some of the Housing Market Renewal areas, so the assessment of future changes in the number of social sector households at national level is not affected by any inflow of households from the private sector to the social rented sector as a result of demolitions.

Future numbers of households

6.12 The future number of households in the social rented sector can be estimated from a household projection in which households are analysed by type and by sex, age, and marital status of the household head (or representative). The proportion of households that are social rented sector tenants varies significantly with all of these characteristics. Married couple households are the least likely, age for age, to be social sector tenants, and lone parent households the most. Among married couple households, the proportion of social sector tenants is highest in the youngest and oldest age groups.

6.13 Generally speaking, households rarely change tenure at ages above the mid-40s, except through purchase as sitting tenants at advantageous prices. The tenure proportions in age groups above 45-49 can therefore be forecast by rolling forward the proportions in the base year. The proportion of social sector tenants among married couples aged 55-59 in 2001, for example, will be approximately the proportion at age 65-69 in 2011 and at age 75-79 in 2021. Proportions in age groups below 45 are usually assumed to remain as in the base year.

6.14 The full detail is more complicated than this, but the basic principle is straightforward. Because proportions of social sector tenants in England are higher in the older age group, rolling forward the proportions, which can also be termed a cohort effect, produces reductions through time in the proportions of older households that will be social sector tenants. This method[14] was devised by the Department of the Environment in the early 1990s, and has been used most recently by Shelter (Holmans et al, 2004) and by Professor Dave King (2004) of the Population and Housing Research Group at Anglia Polytechnic University for the Chartered Institute of Housing.

6.15 ODPM (now Communities and Local Government) and its predecessors have not, however, produced national or regional estimates of social housing need since the mid-1990s. Their thinking is that such estimates are unlikely adequately to reflect the diversity of needs and priorities at the local level and in the past have led to the provision of new housing in areas where this did not represent the best use of resources. Instead, the Department set the strategic policy framework, within which regions and local authorities have the responsibility, through their housing strategies and plans, for assessing housing need and determining the best way to address it.

6.16 The method appears mechanistic, in that house prices, rents, mortgage interest rates and incomes do not explicitly enter the model. Implicitly, however, using past trends means that past inter-relationships between these variables and demand and need for social housing are assumed to continue into the future.

6.17 Incomes, prices, rents, and interest rates impact directly on numbers of households entering and leaving the social rented sector, and so impact indirectly on net changes. Insights could therefore potentially be gained by analysis of flows of households into and out of the social rented sector. Conceptually the following flows can be distinguished:

[14] There is scope for research about the effect of relativities between house prices, incomes, and mortgage rates on the proportions of younger households that become and remain social sector tenants, which could provide the evidence for alternative estimates based on different economic assumptions. Work by the Department of Applied Economics (DAE) (Cambridge University) for the Department of the Environment in the late 1990s provided the basis for assessments of the sensitivity of the 1996-based household projections to assumptions about incomes and interest rates. This work provided a useful cross-check on needs estimates based on a more demographic approach and also contained a number of insights into modelling the housing market as a precursor to the Barker Review of Housing Supply (2004, 2005). In the absence of social housing need estimates by Communities and Local Government (see paragraph 6.15), we understand that there are no plans at this stage to take the DAE approach further forward.

Moves inwards:

(a) new households that enter the social rented sector directly;
(b) moves by existing households from the private rented sector and owner-occupation;
(c) moves by households from outside England, from the rest of the United Kingdom and from outside the UK.

Moves outwards and dissolutions:

(d) moves from the social rented sector to owner-occupation and the private rented sector;
(e) households dissolved at high ages by death, moves to institutions, or to be members of someone else's household;
(f) households dissolved in other ways;
(g) moves by social sector tenant households to elsewhere in the United Kingdom or outside the UK.

6.18 The sum of (a) + (b) + (c) - (d) - (e) - (f) - (g) is the net change in the number of social rented sector households apart from transfers to owner-occupation through RTB. It is potentially an alternative to an estimate derived from household projections.

6.19 The word 'potentially' is used advisedly, because there is only direct information available about flows (a), (b), and (d). This comes from surveys, notably the Survey of English Housing[15]. Information about (c), inward movers from outside England can be gleaned from the 2001 census (place of previous usual residence) and the Labour Force Survey (the question about length of time since entering the UK). These sources suggest that only small numbers of households move from outside the UK directly into social rented housing. Instead they start by private renting or living as part of another household, and later move to the social rented sector. In doing so they are statistically indistinguishable from other movers from private renting to the social rented sector.

6.20 Dissolutions of households (flows (e) and (f)) are not recorded events, and their number has to be inferred from an array of data. Moves to places outside the United Kingdom are obviously beyond the reach of any British household survey. An estimate of their number can only be made, very insecurely, from information from the International Passenger Survey about emigration. This information is about individuals – not households – and does not include their housing tenure before leaving.

6.21 The quality of information about flows out of the social rented sector is too poor to allow an independent estimate of the future change in the number of households in the social rented sector. Dissolutions of households in other ways than at high ages are especially hard to estimate. There is some evidence about the effect of divorces and separations, but there are other ways in which households can dissolve. Dissolution is defined in terms of ceasing to be a household head. If, for example, a

[15] See Table 6.1, and Tables 5.10, 5.11, and 5.12 in Chapter 5.

young lone mother ceases to live independently and goes to live with her parents, a household dissolution takes place. There is no reliable way of estimating the number of such and similar instances.

6.22 The analysis therefore takes the net change in the number of social sector tenant households (excluding sales to sitting tenants) from a demographically-based estimate (from King, 2004) and puts in the components of change derived from the flows inwards and outwards. The flows included are: new households entering the social rented sector; households moving from the private rented sector and owner-occupation; moves outwards from the social rented sector to owner-occupation and the private rented sector; household dissolutions at high ages; and other dissolutions (estimated as a residual). Immigration and emigration of social sector households are not estimated but are assumed implicitly to net out.

The net increase in households in the social rented sector and components of change

6.23 Two recent estimates of the future net increase in the number of households in the social rented sector have been made: a net increase of 280,000 for England between 2001 and 2011, 28,000 a year (Holmans *et al*, 2004) and three alternative estimates for England and Wales of increases of 51,000 or 31,000 a year and a decrease of 9,000 a year to 2021 (King, 2004). The three figures assume: (a) unchanged proportions of social sector tenant households in each category defined by household type, age, and marital status; (b) as (a) up to age 50-54 but with cohort effects above that age; and (c) as (b) but with a continuing shift to private renting as ages up to 55. Of these, (a) does not allow for the cohort effect to be brought into account by rolling forward the tenure proportions as the higher ages (included in the estimate for Shelter (Holmans et al 2004)); and (c) assumes a shift to private renting that is not supported by other evidence.

6.24 King's estimate (b) is closely comparable in method to the estimate for Shelter, and gives a very similar figure, 31,000 a year in England and Wales as compared with 28,000 for England in the Shelter study. King's household projection is technically superior to that used to derive Shelter's estimate. His estimate of the number of social sector tenant households in 2021 is therefore used here to derive, by interpolation, a figure for the number of social rented sector households in 2011. The reason for going only to 2011, not 2021, is that the estimate of dissolutions of households at high ages (see Annex C) goes only to 2011.

6.25 Estimates of the annual number of moves to the social rented sector from other tenures and by new households, and moves out to other tenures, were derived from the data from the Survey of English Housing. In the estimate of inward moves to the social rented sector shown in Table 5.10, the much lower figures for 2001-02 and 2002-03 are not readily explicable. They appear low in that they exceed the movement out to other tenures by only 110,000 a year whereas the estimate of high age households dissolved is some 85 – 89,000 a year (Annex C). The difference of 20-25,000 a year is too small in relation to likely numbers of households dissolved through separation and new partnerships and in other ways. Averages of inward and outward moves in 1998-99, 1999-00 and 2000-01 are therefore taken as the starting point. Dissolutions of social sector households due to divorce, separation and forming new partnerships can be put at about 35-40,000 a year (Holmans, 2000, Table 11.7). Other dissolutions (apart from at high ages) are taken as a residual from the net increase of 30,000 a year.

6.26 Moves outward from the social rented sector to other tenures are taken from the Survey of English Housing as mentioned above. A detailed estimate of dissolutions of social rented sector households at high ages is in Annex C, where the annual average is put at 85-89,000 a year. That leaves departures through emigration and dissolutions other than at high ages. Departures through emigration can be estimated only in a very broad brush way. The number of individuals emigrating (from the International Passenger Survey) is divided by the average number of persons per household (2.4) to give a total of emigrating households. The proportion that is social sector tenants is assumed to be the same as for all households (20 per cent). This calculation gives a figure of 9,000 a year, which is very crude. Information about dissolutions of households other than at high ages is just as thin. Dissolutions of households through separation and divorce appear to be numerous. Holmans (2000) provides a figure of about 35-40,000 a year. The survey data, drawn on in that study (General Household Survey), point to higher separation rates among couple households in the social rented sector than in all tenures taken together. Such dissolutions are partly offset by formation of new households.

6.27 Table 6.1 shows the flows into and out of the social rented sector. The net increase in households estimated from identified flows is greater than the net increase in households estimated from household projections by 10-20,000 a year. That does not imply that the projection based estimate is too low. Nothing is included for dissolution of households other than at high ages and through separations and there is scope for error in other components of the calculation. The difference between two large totals is particularly vulnerable to such errors.

Table 6.1: Flows of households into and out of the social rented sector in England around 2000

(Thousands a year)	
Inward	
From owner occupation	53
From private rented sector	111
New households (including formed by separation)	109
From the rest of the UK and abroad	7
Total	**280**
Outward	
To owner occupation	49
To private rented sector	54
Emigration	9
Dissolutions of households at high age	85-89
Dissolutions due to separations	35-40
Other dissolutions	?
Total	**231-241**
Balance	**39-49**

Source: See text above

6.28 The balance between estimated inward movers and departures would appear to be sufficiently close to the projected net increase in households to construct an analysis of the components of change in social rented sector households using the age analysis of the flows of households (Table 5.14) and of households dissolved at high ages (Annex C) This is given in Table 6.2.

6.29 The underlying principle for the components of change in Table 6.2 is as follows:

social sector tenants in 2001 + inward movers from other tenures + new households
– moves to other tenures – households dissolved
= equals social sector tenants in 2011.

6.30 In an age analysis, households aged 25-29 (for example) in 2001 will be aged 35-39 in 2011. This component of change analysis is given in Table 6.2[16]. The value of the calculations in the table is in the picture it gives of the components of change, not the ages of social sector tenant households in 2011. That is best estimated from the household projections (Table 6.3). For arithmetical reasons the annual flow totals are lower than in Table 6.1.

[16] To use five year age ranges, the flows shown in Table 5.14 for 10 year age groups have to be sub-divided, which is a potential source of error. Also, household heads under age 25 in 2011 could not have been household heads in 2001 (they would have been aged 14 or younger). In table 6.2 the flows are ten year totals.

Table 6.2: Social rented sector in England and Wales: components of change 2001-2011 (thousands)

Age in 2001	Total in 2001	New households	From private renting	From owner occupation	To private renting	To owner occupation	High age dissolution	Other dissolution	Total in 2011	Age in 2001
5-9	0	40	5	0	0	0	0	0	45	15-19
10-14	0	75	25	0	0	0	0	-5	95	20-24
15-19	48	85	40	0	-20	-5	0	-15	133	25-29
20-24	180	240	100	10	-80	-15	0	-30	405	30-34
25-29	333	190	150	50	-110	-80	0	-50	483	35-39
30-34	401	180	140	60	-100	-80	0	-50	551	40-44
35-39	416	60	110	60	-80	-80	0	-20	456	45-49
40-44	350	50	110	60	-80	-70	0	-20	400	50-54
45-49	292	20	60	50	-40	-40	0	-20	322	55-59
50-54	278	10	50	40	-40	-40	0	0	298	60-64
55-59	235	0	30	20	-10	-10	0	0	265	65-69
60-64	260	0	30	20	-10	-10	-38	0	252	70-74
65-69	278	20	30	30	-10	-10	-71	0	267	75-79
70-74	323	20	20	40	0	0	-126	0	277	80-84
75-79	341	10	20	40	0	0	-228	0	183	85-89
80-84	257	0	20	0	0	0	-233	0	44	90-94
85 and over	216	0	0	0	0	0	-93	0	23	95 and over
Total	**4,208**	**1,000**	**940**	**480**	**-580**	**-440**	**-889**	**-210**	**4,509**	

Source: see text above

6.31 The change in the age composition of social rented sector households is taken directly from King (2004). His estimate of future numbers of households according to age is for 2021. This is shown in Table 6.3. Figures for 2011 are interpolated and given in brackets.

Table 6.3: Age of social rented sector household reference persons in 2001, 2011, and 2021 in England and Wales

(thousands)			
	2001	**2011**	**2021**
15-24	228	[249]	270
25-34	734	[777]	821
35-44	766	[775]	785
45-54	570	[652]	734
55-60/64*	432	[512]	597
60/65-74*	664	[741]	821
75 and over	813	[803]	794
Total	**4,208**	**[4,509]**	**4,820**

Source: King, 2004, Tables 12 and 13
* These age ranges reflect differential retirement ages for men and women.

6.32 Table 6.2 can be used to show the flows of households that could be affected by, for example, changes in house prices relative to incomes and to the perceived attractions of private renting relative to social sector renting. Throughout it must be noted that both Tables 6.2 and 6.3 attempt to show changes from sources other than the Right to Buy. Right to Buy purchases have been very variable over the years and are directly subject to policy changes in a way that inward and outward moves are not.

6.33 The circumstances of households in the separate categories of inward and outward movers are different (see Table 5.14). Almost two-thirds of households moving from the social rented sector to owner-occupation and private renting are in full-time work, as compared with only one-third of households entering the social rented sector. But because new entrants are two-and-a-half times more numerous than movers to private renting and owner-occupation, nearly 50,000 more households in full-time work entered the social rented sector than moved out of it in a single year. Changes in the composition of the social rented sector in terms of employment status or household type cannot be forecast just from the characteristics of households entering and leaving, because the circumstances of households can change while they are in the sector. Retirement from employment is one example; another is a 'couple household with children' changing into one 'lone-parent household' and one 'one-person household' as a consequence of separation.

About future changes in the social rented sector

6.34 The projected net increase in the number of households in the social rented sector (Paragraph 6.23 and Table 6.3) shows what is likely if recent past trends continue. The question is whether these trends can reasonably be expected to continue; or whether there is evidence that points to changes in the numbers or circumstances of households entering or leaving, or both. The flows of households considered here are taken from Table 6.2. The number of households dissolved at high ages will not be affected by house prices, rents, and incomes nor (probably) by separations and inward and outward migration. The focus is therefore on households who wish to enter the sector and those who wish to leave it.

6.35 There are issues on both the supply and demand sides of moves into and out of the social rented sector. Outward moves to owner-occupation and private renting may appear largely demand-determined (in the sense of effective demand at prevailing prices), but not entirely. Ability to move to private rented sector accommodation by households that depend on Housing Benefit is constrained by the amount of accommodation that is accessible to them. The number of private sector tenants receiving Housing Benefit has fallen substantially, apparently by more than can be explained arithmetically by falling unemployment and rising employment. The number of new private sector tenants coming from the social sector, at least in the South of England, is largely supply determined, and the assumption based on recent past trends means in effect that supply will continue to be enough to meet the same part of potential demand as in the recent past.

6.36 Ways in which the future of the social rented sector might differ from recent past trends include:

(a) more – or fewer – moves to owner-occupation or the private rented sector;
(b) higher – or lower – proportions of new households attempting to get into the social rented sector;
(c) changes in eligibility for social sector housing, so that any given proportion of a specific age group constitutes a larger or smaller absolute number.

A possible reason for (c) is a change in the size of the age groups from which most new entrants to the social rented sector come.

6.37 Table 6.4 shows that the projected increase in households in total[17] is concentrated at the higher ages, where new entrants to the social rented sector are comparatively few (Table 6.2). Almost 80 per cent of new entrants to the social rented sector are under age 45. In these age groups the projected net increase in households is only a little over 250,000. The reduction in the number in the 35-39 and 40-44 age groups is the consequence of only a very modest increase in the number of households entering the social rented sector and is therefore expected from overall household totals. Effects of changes in the mix of household types (eg falling proportion of couple households and an increasing number and proportion of lone-parent households) is already included in the household projection.

Table 6.4: Projection of household heads in England and Wales: age analysis

(thousands)	**2001**	**2021**	**Change**	**Per cent change**
Under 25	770	921	+151	+20
25-29	1,591	1,819	+228	+14
30-34	2,167	2,238	+71	+3
35-39	2,277	2,166	-111	-5
40-44	2,072	1,989	-83	-4
45-49	1,875	2,083	+208	+11
50-54	2,036	2,323	+287	+14
55-64	3,296	4,423	+1,127	+34
65-74	2,868	3,811	+943	+33
75 and over	2,850	3,841	+991	+35
Total	**21,801**	**25,615**	**+3,814**	**+17**

6.38 The key questions would therefore seem to be:

(i) Will more social sector tenants want to move to owner-occupation or private sector renting, and be able to do so? Or will fewer be able to/want to?

(ii) Will more or fewer owner-occupiers and private sector tenants want to enter the social rented sector?

(iii) Will a larger or smaller proportion of new households wish to enter the social rented sector because they have little realistic change of owner-occupation or because they would prefer social sector renting to private sector renting?

[17] This projection is due to be superseded by a new official 2003-based projection in early 2006

The answers to these questions could well differ between regions.

6.39 Some recent (2002-03) information form the Survey of English Housing about the attitudes of social sector and private sector tenants to house ownership is summarised in Table 6.5.

Table 6.5: Tenants' attitudes to home ownership

(Percentages)

Statement	**Attitude to statement**			
	Agree	Neither agree nor disagree	Disagree	No opinion
Over time, buying a house works out less expensive than paying rent				
Social rented sector tenants	64	17	13	8
Private rented sector tenants	77	11	8	4
Owning your own home is a good long term investment				
Social rented sector tenants	80	12	6	2
Private rented sector tenants	89	6	3	2
Owning is too much of a responsibility				
Social rented sector tenants	46	17	34	3
Private rented sector tenants	23	14	62	2
Owning a home is a risk for people without secure jobs				
Social rented sector tenants	88	5	5	1
Private rented sector tenants	87	6	6	1

Source: ODPM from the Survey of English Housing

6.40 A high proportion of social sector tenants (though less than the proportion of private sector tenants) agreed that in financial terms owner occupation was advantageous, but they were more inclined to agree than disagree that it was too much of a responsibility. Other questions in the Survey of English Housing probed into how these attitudes translated into expressed expectations of buying either the present house or a different one (ie moving away to buy). These are used to show in Table 6.6 the numbers of social sector tenants who said they thought they would buy their present dwelling or another dwelling, analysed by the joint gross income of the household head and partner.

Table 6.6 Social sector tenants' expectations of buying a home

(thousands)

Gross income (£/week)	Think will buy this dwelling	Think will buy another dwelling	Does not think will buy	Not stated	Total
Under £100	89	151	727	20	1,000
£100 but under £200	139	181	1,067	34	1,428
£200 but under £300	91	122	344	13	574
£300 but under £400	66	62	100	4	235
£400 but under £500	25	33	52	3	116
£500 or more	47	58	41	6	154
Not stated	37	36	299	110	458
Total	494	644	2,630	189	3,995

39,000 households who said that they expected to buy but did not state whether they expected to buy their present dwelling or another are not included in this table.

Source: Survey of English Housing 2002/03

6.41 Table 6.6 shows that many respondents who say that they expect to buy have incomes that are clearly too low for house purchase to be a realistic prospect in the near future. This confirms the findings of all surveys that ask similar questions to tenants about their expectations of buying a house. House prices vary, so there is no specific income which is a cut-off level for ability to afford house purchase. As an approximate guide, incomes of £300 a week or above may be taken as making RTB purchase possible, and £400 a week for purchase in the open market at prices current at the time of the data on incomes. The data in table 6.6 indicate that 34 per cent of social sector tenant households with incomes of £400 a week or more thought they would buy a different dwelling, and 28 per cent with incomes above £300 a week thought they would buy their present dwelling.

6.42 These proportions - 34 per cent and 28 per cent – may be applied to estimates of the income distribution of social sector tenant households derived from the Family Resources Survey (see Chapter 3, Table 3.14). The Family Resources Survey collects information about incomes in more detail than does the Survey of English Housing, and so is likely to give the better estimate of the number of incomes above the levels referred to in the previous paragraph. Table 6.6 was derived from the Survey of English Housing for 2002-03. For that year the estimated number of social sector tenants with weekly gross incomes of £400 a week or more is 481,000 and with £300 a week or more 846,000. Applying the proportion of 34 per cent to those earning £400 a week or more gives 160,000 in round terms (tenants able to and expecting to move away to buy a home); and 28 per cent of those with incomes of £300 a week or more gives 236,000 (tenants able to and expecting to purchase through RTB).

6.43 The estimated 160,000 tenant households expecting to move away to buy is not a fixed population. Past evidence from calculations of the number of local authority tenant households that could afford to buy – which go back to 1969 (from the 1967 Family Expenditure Survey) – shows that the pool of potential purchasers partly replenishes. Forty nine thousand moves each year into owner occupation (Table 6.1 above) would exhaust the potential purchasers of other dwellings in a little over three years. Yet meanwhile, other households may improve their income prospects, placing them in a position where they would be able to buy. Nevertheless the number of potential purchasers probably points to some reductions in moves away to buy over a ten year period from 2001, and this may be cumulative.

6.44 House prices are important here, and the calculations above could well be modified if it could be carried out on a regional basis. The distribution of tenants' incomes is however such that at the ranges of income that are relevant here, any increases or decreases in house prices relative to incomes would be unlikely to make a large difference to the estimate of the number of households that could afford to buy.

6.45 The likely future demand to move into the social rented sector also has to be considered. Respondents to the Survey of English Housing in 2002-03 were asked (see Table 2.19) whether they agreed with the statement: "I would like to live in social housing if I could get it". The responses are sufficiently relevant here to justify repeating them.

Table 6.7: Attitude to the statement: I would like to live in social housing if I could get it (percentages)

	Agree	**Neither agree nor disagree**	**Disagree**	**No opinion**
Private sector tenants	29	14	55	2
Owners	5	8	86	1

Source: Survey of English Housing, 2002-03

6.46 Almost 30 per cent of private sector tenants say that they would like to get into social housing if they can get it. This shows that the preference for public (or social) landlords over private landlords has far from disappeared, and in this respect the social rented sector is not the tenure of last resort from everybody's point of view. 29 per cent of private rented sector tenants equates to about 700,000 households, a substantial number. Because of the size of the owner-occupied sector, 5 per cent of all owner-occupier households equal about 700,000. It seems reasonable to conclude from the survey information that there is unlikely to be a larger outward flow of households from the social rented sector, and that there is still a substantial demand for tenancies.

Inter-regional differences in pressures on stock

6.47 Inward moves to the social rented sector depend not only on demand and preferences for social sector accommodation but also on the amount of social housing available, from new provision and re-letting of dwellings within the stock that fall vacant. The number of inward moves shown in Table 6.1 reflects supply as well as demand. A key question is the size of the potential demand in pressure areas that is not met because the supply is constrained, and who constitutes this demand. Since this demand does not appear in information about actual lettings, its size and how it is constituted cannot be measured directly. Comparisons of the circumstances of new tenants in the more pressured with the less pressured areas may however provide an indication. That is the primary purpose of the regional comparison of the characteristics of new tenants of registered social landlords in Chapter 3 (Tables 3.16 to 3.22). The source for these comparisons is data from the CORE system. It applies only to RSLs and not to local authorities. The Survey of English Housing suggests that at national level the characteristics of new local authority tenants are very similar to those of RSL tenants; but whether this is so at regional level is not known. The information about new RSL tenants from CORE is discussed in a way that implicitly assumes that it represents the whole social rented sector. This caveat must be borne in mind. ‘New tenants’ means tenants new to the social rented sector. Lettings to tenants from other RSLs are excluded, as are households moving from local authority accommodation. Such moves are treated as internal moves within the social rented sector.

6.48 Table 3.16 (Chapter 3) shows large inter-regional differences in the proportion of new tenants that came from temporary accommodation. These averaged 6 per cent in the three northern regions (North East, North West and Yorkshire & the Humber), between 9 and 10 per cent in the Midlands, between 14 and 15 per cent in the South excluding London (ie the East, the South East and South West), and 38 per cent in London. This is evidence that pressure on social sector housing is distinctly higher in the South excluding London than in the Midlands and North (which of course is “something that everyone knows”). London is distinctive in so many ways that a comparison between the South excluding London, termed for brevity E/SE/SW and the North and Midlands is more relevant than a comparison that includes London.

6.49 The most clearly marked difference is in the proportion of new tenants that are one person households below pension age (65 for men, 60 for women). Table 3.18 shows that in the three more northern regions they averaged 47 per cent of new tenants, 45 per cent in the Midlands, and 32 per cent in E/SE/SW. Much of the balancing difference was in households comprising two adults and one or more children: 7 per cent in the North, 9 per cent in the Midlands, but 14 per cent in E/SE/SW. The proportions of one person households above pension age were also different: 11 per cent in the North, 9 per cent in the Midlands and 15 per cent in E/SE/SW. In general, couples with children and older men and women on their own have had higher priority as applicants for social sector housing than younger men and women on their own and this appears to be particularly the case in the South excluding London.

6.50 One interpretation of the regional differences is that in the more pressured areas the long established priority application categories take on more of the lettings available. This leaves less available lettings for younger men and women on their own than in parts of the country where the pressure on the social sector is less. It is also possible that higher house prices in the South prevent couple households from buying, while their opposite numbers in the Midlands and North would be able to do so. The proportions of new tenants whose previous tenure was 'living with family or friends' (Table 3.16); and the proportion of these that were under age 30 (Table 3.21) are also relevant. The proportion of all new tenants that had come from living with family or friends was 46 per cent in the more northern regions, 49 per cent in the Midlands and 36 per cent in E/SE/SW; and the proportions of those that came from living with family or friends that were under age 30 was 59 per cent, 63 per cent and 55 per cent respectively. The proportions of all new tenants that had come from living with family or friends and were under age 30 were thus 29 per cent in the North, 31 per cent in the Midlands, but only 20 per cent in the E/SE/SW regions taken together. The proportion of new tenants in the Midlands and North that were young (under 30) and had come from living with family or friends was half as high again as in the South excluding London.

6.51 The inter-regional comparisons discussed above point to a potential demand for tenancies in the South of England by younger men and women not living as couples or with children whose opposite numbers in the Midlands and North have access to social tenancies.

The size of the social rented sector: Right to Buy as well as moves and departures

6.52 The conclusion from the review of evidence about moves and from the projection of social rented sector households derived from household projections is that in the decade 2001-2011, and possibly beyond, the social rented sector is likely to increase by about 30,000 a year if demand and need are met on the same basis as in the recent past. This figure takes no account of Right to Buy sales. Table 5.2 shows that since 1981 sales of social sector dwellings to private owners have more than offset increases in the social sector stock from new building and conversions. Without RTB sales the social rented sector would have increased by about 300,000 in 1971-81 and by about 150,000 in 1991-2001.

6.53 The number of RTB sales has varied considerably from year to year. From the high levels in the 1980s the number fell in the early and mid-1990s. The average number of RTB sales annually by local authorities was 43,000 (in round terms) in 1992-93 to 1994-95; 35,000 in 1995-96 to 1997-98; 49,000 in 1998-99 to 2000-01; and then 58,000 a year in 2001-02 and 2002-03. In the years when the number of RTB sales was lowest, it was nevertheless higher than the projected increase in social sector tenant households (excluding RTB sales) in 2001-11. Unless there are changes in the policy on the Right to Buy, it seems safe to conclude that it will run high enough to more than offset the net increase in households in the social rented sector from other sources. The reduction shown in Table 5.1 is therefore likely to continue.

Current and future demand

6.54 It seems clear that the social rented sector is a supply determined system, subject to excess demand, across much of the South of England. Social sector vacancy rates there are low and have fallen, as is shown in the table below.

Table 6.8: Vacancy rates in the social rented sector: the South (per cent)

	Local authorities		**RSLs**	
	2000	2003	2001	2003
East	1.4	1.5	1.7	1.4
London	2.1	2.0	2.9	2.3
South East	1.3	1.3	1.7	1.6
South West	1.4	1.7	2.0	1.6

Source: Housing Statistics 2003, Tables 6.3 and 6.4

6.55 Departure rates from the social rented sector (ie movements out – including dissolution of households – as a percentage of total households in the sector were estimated for local authorities form 1990-91 to 1997-98 in Holmans and Simpson (1999). This was a problematic calculation even for local authorities, which cannot be done for registered social landlords. It showed, as would be expected, higher overall departure rates in the North and Midlands than in the South. Estimates of the number of households dissolved at high ages (Annex 7) show that inter-regionally they do not differ much as proportions of all households except for London. London's population is comparatively young (Chapters 3 and 4). Differences in departure rates between regions are therefore due to moves to other tenures (or possibly other kinds of household dissolution).

6.56 It is safe to conclude that in the South there is sufficient demand for social rented housing to take up a somewhat higher rate of provision than the current level, not least because of existing un-met need. The central core of this, households in accommodation arranged by local authorities under homelessness legislation, has grown very markedly. Table 6.9 below compares the figures for mid-2000 and mid-2003.

Table 6.9: Number of households in temporary accommodation: England

	Accommodated in bed and breakfast hotels, hostels, refuges	Private sector accommodation	Other temporary accommodation	All temporary accommodation
London				
Mid-2000	10,930	18,240	9,470	38,640
Mid-2003	10,780	33,130	11,050	54,950
E/SE/SW				
Mid-2000	5,260	4,970	9,600	19,830
Mid-2003	7,710	7,570	13,150	28,440

Source: *Housing Statistics* 2003, Table 6.7

6.57 As well as reducing existing un-met need, the social rented sector might in future have to accommodate a reduction in the supply of private rented sector accommodation accessible to households that depend on Housing Benefit to pay the rent. There is evidence (Holmans *et* al, 2004) that the number of private sector tenants with Housing Benefit has fallen faster since the mid-1990s than can be explained by the economy, which is consistent with a contraction in the supply of private rented accommodation accessible to such tenants. The calculation for Shelter put in 10,000 a year for this.

6.58 A possibility is that within the overall net increase in households in the social rented sector (abstracting of course from Right to Buy sales) the increase in prospect in London and the South could be partly offset by falling numbers in much of the North and Midlands. That could occur through there being insufficient demand from new tenants to balance the higher departure rates. To test this possibility fully would require regional calculations that paralleled the national calculation in Table 6.1. There is insufficient information about the components of change of the social sector dwelling stock at regional level to see how far the recent reduction in vacancy rates in the North and Midlands has been a result of greater take-up of the available stock, as distinct from demolitions of vacant dwellings. Table 6.10 gives the proportions of local authority and RSL dwellings reported as vacant in 2001 and 2003

Table 6.10: Vacancy rates in the social rented sector: the North

Percent

	Local authority		RSL	
	2001	**2003**	**2001**	**2003**
North East	4.0	3.5	3.7	3.0
North West	4.7	3.8	4.9	4.5
Yorkshire and Humber	3.7	3.3	3.3	4.0

Source: *Housing Statistics 2003*, Tables 6.3 and 6.4

6.59 A possible explanation for the fall in vacancy rates is that rising house prices in the North of England have reduced the ability of tenants to move away to buy; but the detailed information required to test this is not available.

6.60 In short the prospect for the future of the social rented sector is considered to be a greater increase in demand and need for social sector tenancies in the South of England than has been met in recent years. In much of the North and parts of the Midlands more would-be new tenants can be accommodated through the re-letting of dwellings that have been vacated. That does not mean that there is little or no need for any new building there, but more of it would be for replacement. In contrast, there is significant need for new building in the South.

CHAPTER 7

Qualitative case studies of contrasting areas

Main findings

- The six case studies generated information on a range of wider factors which will influence the demand and popularity of social housing.
- They relate to housing management issues as much as to the supply and condition of the stock.
- While the projections in Chapter 6 implied an overall demand for social housing, the case studies confirm that there will be problems of under-supply in some areas and over-supply in others.
- The effects of anti social behaviour and fear of crime are key concerns and appear to be affecting all aspects of social housing and the communities in which social housing is located.
- The changing economic, social and ethnic composition of tenants has resource implications for local authorities and RSLs in terms of providing support services, inclusion initiatives and dealing with anti social behaviour.
- The case study work shows that many of those entering the sector have issues which are not captured by secondary data, such as vulnerable groups.
- There is evidence to suggest that BME groups are entering social housing in larger numbers and there is some movement away from traditional groups to households from other countries including Europe.
- Some stock is unpopular amongst those it is aimed at because aspirations have risen. This can cause difficulties in terms of under occupation and increased waiting list times.
- Social tenants feel that there is stigma attached to living in social housing, although it is not clear whether this is real or perceived.
- Tenants mainly aspire to owner occupation and larger properties in better areas.
- Although there are schemes that provide incentives to move, for example to reduce under-occupancy, there is little sense of how effective they really are.

Introduction and methods

7.1 To complement the quantitative findings outlined earlier, a further stage of the research was necessary to address aspects of the key research questions which could not be directly answered from existing data sources. A qualitative approach was adopted at this stage of the research as it enabled more complex issues to be explored as well as gathering the views of local authority and RSL staff and different types of residents. The results of these discussions are indicative, but are extremely useful for providing a context from which to interpret the findings from secondary data.

7.2 The qualitative findings presented below also have implications for government policy development for tenants themselves and for the working practices of social landlords. For example, issues relating to tenants' preferences and aspirations could only be addressed by direct questioning. In order to address these questions and others within the time frame of the project, primary data collection was confined to six case study areas. The areas were selected to reflect a North –South –Midland regional split and urban/rural mix. High and low demand was also covered by the regional split.

7.3 Based upon these considerations the following case study areas were chosen:

- Derby;
- Hull;
- Scarborough;
- Windsor and Maidenhead;
- Fareham; and
- Hounslow.

7.4 In each area we contacted the local authority to collect more detailed data for these areas, for example, the characteristics of households on waiting lists, how new tenants compare to existing tenants and to explore issues including perceptions of tenants' aspirations and reasons for moving. This helped us to address the question of demand and supply and explore in detail the issues faced by local authorities. We also contacted three RSLs in each case study area to ascertain their views about the issues mentioned above. This helped to build up a detailed picture of each case study area and highlighted the key concerns. In the initial stages of this research it was proposed to conduct focus groups with a range of tenants from each case study area. However, given that there were time and resource constraints on local authorities who were asked to assist in setting up the focus groups, focus groups with residents were necessarily confined to Hull.

7.5 The views of stakeholders and residents are discussed in detail below. The findings discussed below highlight a range of experiences across the six case study areas. To illuminate the findings further and provide a context for each case study area, there are more detailed summaries of the key issues experienced in each area in Annex D.

Main housing issues in each area

7.6 Local authorities and RSLs were each asked about the main housing issues in their particular area. Although the six case study areas were different in character, there were a number of similarities in terms of the key housing issues they faced. For five out of the six case study areas, (Hull being the exception, see below), the main problem cited was shortage of affordable housing for rent and purchase:

> "House prices in Fareham are considered to be very high and land for development seems to be very limited. Most housing is family sized, expensive and owner occupied. First time buyers would require a mortgage five times the average wage of around £23,000." (RSL, Fareham)

and even in less pressured areas there are still problems:

> "House prices although more reasonable than the rest of the country are out of reach of the majority of first time buyers." (RSL, Derby).

7.7 This was also a problem in Scarborough. Private rented sector rents were cited as being too high for the average person and a deposit was beyond the financial means of many people. Lack of family size accommodation, scarcity of land, and the desirability of social housing compared to the private rented sector were also cited as issues - a housing advice officer describes this problem:

> "….. the majority of private tenants would prefer to be in social rented housing. They would do anything to get into it…There is a massive demand – the majority of people we deal with want help with their housing… The private rented sector is viewed as very dodgy. A lot of people we re-house have been evicted and had a very bad experience." (Local Authority, Hounslow).

7.8 In contrast, the private rented sector in Windsor and Maidenhead was viewed in a much more positive light. The private rented sector is large in Windsor and Maidenhead and landlords do not tend to have a 'No DSS' mentality as the majority of people in the borough were in work and only likely to be on partial housing benefit, notwithstanding high rents. Housing benefit administration was also very efficient and landlords were less fearful of tenants on benefits once they had experienced this. In addition, the Borough also operates a deposit guarantee scheme for under 25s and those unemployed starting out in independent accommodation. Many people are forced into the private rented sector as an alternative to social housing as a result of high demand and long waiting list times and/or aspirations to relocate (often for job purposes) and/or have a larger property (Local authority, Windsor and Maidenhead). Windsor and Maidenhead also run a key worker list but find it difficult to let properties on intermediate rents of shared ownership because of the high cost. 30 per cent of waiting list applicants are also registered for shared ownership but the high costs of such schemes have rendered them unpopular.

7.9 In Hull there was a perception that the key concern affecting demand for social housing was competition from the private rented sector which was considered to offer better quality stock in better areas (see below). A further issue in Hull was loss of population which in part is fuelled by the mismatch in stock and heightened aspirations, as a member of the Pathfinder team suggests:

> "…one of the key issues is a loss of population out of the city…it appears as people's economic circumstances improve they want to better their housing and a lot of those people won't be able to find what they want in Hull and that's partly due to the mismatch of all housing stock and so people will move if they want new build or a 3 bed semi detached, they are more likely to find that outside the city boundary, in the suburbs, in the East Riding…There are also a lot of boarded up abandoned private houses in Hull. People don't really want terraced houses anymore, they are too small, often have tiny kitchens at the back and there is no secure parking. The nature and character of the council stock is also a major problem because people don't find it attractive." (Local Authority, Hull).

7.10 This view was echoed in the sentiments of the residents who took part in the focus groups although the problem was not necessarily perceived as a housing issue, but rather as a result of a more general decline in Hull and the perceived attractiveness of other surrounding areas:

> "People want to get out of Hull but they can't. You make a bit of money here and move out as soon as you can to the villages, the East Riding…We are stuck here, isolated location wise." (Private rented sector resident, Hull).

Main social housing issues in each area

7.11 In the context of social housing a range of salient issues were mentioned across the six areas. These included:

- anti social behaviour and fear of crime;
- a shortage of suitable stock;
- hard to let sheltered housing and similar stock;
- stigma attached to social housing;
- very long waiting lists;
- sustainability and mixed communities;
- representation of some BME groups and perceived problems of asylum seekers; and
- under-occupancy.

7.12 One of the key issues raised throughout the interviews across the case study areas was anti social behaviour and the difficulties encountered in tackling it. Anti social behaviour was widespread and was often associated with particular tenant types, most notably those who were young, vulnerable, inexperienced and who had accessed the sector through the homeless route and, without support, often had difficulty sustaining their tenancies. One RSL explains a very common experience across housing providers:

> "A small but increasing number of new tenants seem not to value the properties they are allocated and have few parenting skills. These individual tenants seem to indulge in anti social behaviour, alcohol and drugs in a sort of twilight nocturnal type of existence that often affects a whole estate or block of flats. This type of behaviour is very difficult to manage through tenancy enforcement or ASB legislation. However, public expectations for social landlords to evict problem families and individuals are high." (RSL, Fareham).

7.13 These types of difficulties are exacerbated further when the changing composition of social housing tenants is taken into consideration (see below). The incompatibility of an ageing population with increasing needs co-existing alongside younger tenants with support needs and/or behavioral difficulties is likely to worsen. The increasing number of asylum seekers in some areas was also raised as an issue which was fuelling anti social behaviour as there was evidence of prejudice and discrimination against these groups in Hull, Fareham and Derby. In Hull asylum seekers were perceived as being responsible for creating problems, although, more often than not they were located in the private rented sector and not social housing. Alongside the concern about anti social behaviour was crime and fear of crime:

> "At the moment people are very concerned about security, it's more important to them then having nice bathrooms or kitchens, the security of the dwelling is more important which comes back down to location and fear of crime. It's a big issue about sustainable communities, education, crime and employment." (Pathfinder, Hull).

7.14 Inevitably, these issues have a knock on effect and affect the experiences of residents as well as the sustainability of communities. For example, in Hull schools in catchment areas on some social housing estates were described as "Being only for prostitutes and drug pushers" and as a result truancy, as well as pupil drift, were major concerns (DTZ Pieda, 2001) It was mentioned in the Hull and Fareham interviews that there is a considerable degree of NIMBYism and stigma attached to social housing and perceptions amongst private renting tenants, some of whom had lived in social housing previously, were that the media did not help in their portrayal of social housing to the wider public. One resident describes these perceptions:

> "…those living in council housing are looked down upon. My problem is not with the area unlike other people here today…but socially if you tell someone you are in a council house they look down their noses at you. There are a lot of snobs who don't like council tenants." (Private renting tenant, Hull).

7.15 These types of attitudes are central to debates about mixed and sustainable communities. As one RSL pointed out: "developing communities is not just about bricks and mortar, new tenants move into an area and it is a matter of 'them and us'." Alongside this is the issue of nominations and sensitive lets in order to try and get a better balance (although the pressure of demand often means there is little scope for sensitive letting practices, see below) as well as encouraging representation and participation of some BME groups:

> "A big proportion of the waiting list is non-English speaking…they only communicate with us when they need repairs done and somehow then they manage but not otherwise. So we will have to find them through community organisations." (Local authority, Hounslow)

> "Different ethnic and faith groups are very limited in Fareham but we support a minority ethnic group that has recently started up with an objective that includes seeking the views of BME residents. However, it seems most BME tenants are unwilling to represent the views of other BME tenants." (RSL, Fareham).

7.16 In contrast, Windsor and Maidenhead appeared to be an exception in relation to the issues discussed above. The borough has very low homelessness rates and there is no shame attached to living in the social rented sector. Social tenants were viewed as much more mixed in socio-economic status and incomes than elsewhere and this was thought to be the source of few problems on estates and a lower incidence of anti-social behaviour in comparison to other towns (source: RSL, Windsor and Maidenhead).

7.17 The associated issues of long waiting lists, under occupancy and over crowding once tenants are housed in the social rented sector were all mentioned during the interviews. Shortages of suitable accommodation and long waiting list times have meant that in some areas those on the waiting list move into the private rented sector, as was the case in Scarborough and Windsor and Maidenhead or endure long waits in B & B or temporary housing as was the case in Fareham. For example, in Windsor and Maidenhead a transfer to a three bed property requires an average of a three to four year wait and in London waiting list times were extremely long and some initiatives had been taken to deal with this problem:

> "In parts of north London you have to wait six to nine years for permanent accommodation in the social rented sector. We have been successful in obtaining private rented sector leasing for temporary housing – we take a lease for three to five years and lots of our homeless people basically go there." (RSL, Hounslow).

7.18 However, once in social housing, problems with overcrowding were expressed in Fareham and Hounslow with tenants often forced to leave the area in search of large accommodation. In part under-occupancy was thought to contribute to this with some areas realising that under-occupancy was an issue and taking steps to assess its extent, creating initiatives to deal with it and making more units available. Associated with under occupancy was the problem of difficult to let sheltered housing which could create a bottle neck in terms of mobility which would free up suitable family units:

> "Tenants' aspirations over the years have continued to grow. Sheltered housing in the 1970s and 1980s usually comprised bedsitters. Now

> tenants won't have that, they want one bed flats and a lot of them want 2 beds so they can have relatives to stay. First floor one bed flats are hard to let, you will always let the ground floor flat but the first floor ones are difficult to let for mobility reasons." (RSL, Hull).

Composition of social housing tenants

7.19 In terms of the composition of social tenants there was qualitative evidence across all of the six case study areas that there were some important differences between those currently in the sector and those entering the sector or on waiting lists. Whilst existing tenants were more likely to be white, older and have been in situ for a long time, new entrants were more likely to be younger, single person households, vulnerable as a result of coming into the sector via the homeless route and more likely to be from a BME group, in some areas accounting for about 30-40 per cent of tenants. It was these differences between RSL and council tenants that were thought to be the most significant:

> "The differences are limited…We lack the core of elderly people who have had tenancies for years. So we don't have that stable base and our tenants tend to be younger, homeless families so often unemployed and on benefits." (RSL, Fareham).

7.20 These changes in new entrants to both the RSL and council sector reflect more general changes in society. Associated with the shift in the type of tenant entering the sector was a low income as a result of reliance on state benefits, the lack of stability brought to the community as a result of high turnover, the propensity for multiple debts and the potential for anti social behaviour. Tenants who come into the sector via the homeless route who have drug related offending histories or young single mothers with partners not on the original tenancy were most likely to be caught up in these types of problems. Most RSLs (with the exception of those specifically geared towards providing accommodation for the elderly) reported that their priority was to house homeless young families or 16-17 yr olds often from temporary accommodation. In Windsor and Maidenhead the waiting list was primarily single people and childless couples with a large number of elderly workers who were in tied accommodation and in need of accommodation as a result of retirement. It was felt, in Hull, that the new, younger entrants to social housing were using the sector as a last resort, a temporary measure, a stopgap rather than as a long term housing solution and that they would look to the private rented sector first. This contrasts with the views expressed in the other areas about preferences for social housing over the private rented sector. However, some of the tenants interviewed in the focus groups in Hull were concerned about properties in the private rented sector that were abandoned and boarded up because landlords had neglected them, contributing to the general decline of some areas.

7.21 Although some of the case study areas had been traditional white working class areas this was inevitably changing as was the move away from couples to single people. Furthermore, some of the areas where BME groups did not want to be previously housed for fear of discrimination were now accommodating these groups. However, it is unclear whether this is as a result of the areas becoming more appealing or because households have little choice and so accept accommodation there:

> "…..it is becoming more ethnically mixed…[name of area] has BNP activity and in the past BME households have not wanted to move there – but now they are." (Local Authority, Hounslow).

7.22 In addition, the nature of BME entrants to the sector was also said to have changed:

> "Over the last five years, the nature of the ethnic minorities has changed – it used to be Asian and Afro-Caribbean, then it was Somali, and now it is more Eastern European…so the communities within our stock have changed."(RSL, Hounslow)

> "Recently there has been a disproportionate influx of asylum seekers to Derby, Nottingham and Leicester and they have tended to be from Eastern Europe and not from the type of BME groups traditionally associated with these areas." (RSL, Derby).

7.23 The Right to Buy/Acquire is also contributing to the changing composition of social tenants. In terms of the RTB/Acquire all of the six case study areas had experienced a considerable loss of stock, and stock was still steadily reducing. More recently in both Fareham and Hounslow house prices had become so high that tenants could not afford to purchase and the number of applications were declining. In contrast, in Hull there had been a recent upturn in applications as council rents had increased by about £6 a week and mortgage interest rates are very low so people could buy more cheaply than renting. Those exercising the Right to Buy/Acquire in all areas were mainly working couples with and without children. Loss of stock across all areas has meant that the most affluent households are leaving and the sector is becoming residualised, as discussed above, it is housing only the most vulnerable. Furthermore, not only is stock becoming depleted, but the most desirable properties are being purchased, often family houses with gardens and more desirable flats.

7.24 Tenants leaving the sector, other than through the Right to Buy/Acquire, varied as did their motivations for leaving, where both negative 'push' factors and positive 'pull' factors were in evidence. Inevitably, RSLs who dealt mainly with the elderly and sheltered schemes experienced movement out of the sector as a result of death or movement to residential care. In terms of other tenant types reasons for leaving included, house purchase, movement to the private rented sector, (often for a bigger property or to another area), transfer, inability to sustain a tenancy, rent arrears and anti-social behaviour. However, these reasons often varied depending upon the particular case study area, different tenant type and the type of property in which tenants where accommodated. For instance, the private rented sector was not generally attracting tenants out of social renting because of the financial and other difficulties it posed:

> “I don’t think people are leaving for the private rented sector because rents are so much higher…plus a lot of tenants would not even consider the private rented sector because you need a deposit and a month’s rent in advance and they just don’t have that sort of money.” (Local Authority, Hounslow).

7.25 In contrast, in Hull and Windsor and Maidenhead, families were moving to the private rented sector because of the long wait for a transfer by the council which could be three to four years in the latter area. Some RSLs were relatively stable and had very little turnover, particularly amongst families in two and three bed houses, with the majority of their re-lets coming from the transfer list and this was also felt to be better for cohesion and the sustainability of communities:

> “Most of the tenants leave to go onto home ownership or to a larger or more appropriate accommodation. Tenants generally move within Derby rather than moving away….Other reasons for moving are to go to a better neighbourhood or leave anti social behaviour behind. They do not usually move out to the private rented sector. A lot of tenants want to stay with us so they ask for a transfer.” (RSL, Derby).

7.26 However, other RSLs had high turnover associated with particular property types and/or tenant types:

> “Stock turnover in Fareham tends to be in the one and two bedroom flats. They tend to be people who can’t cope with independent living and return to their former transient lifestyles often leaving behind rent arrears and a history of anti social behaviour. Other groups include young people with children moving to other areas to be closer to relatives, for work, to find larger housing in the private sector or to move in with a partner who already has accommodation." (RSL, Fareham).

7.27 Younger, more vulnerable households in one bedroom accommodation with support needs were often churned through the sector as they tend to experience difficulty in sustaining their tenancies for a variety of reasons, including rent arrears:

> “We are seeing an increase in those leaving due to arrears despite our efforts to assist in debt management. Families in this situation are often in multiple debt which makes it very difficult to assist.” (RSL, Scarborough).

7.28 Across five of the six case study areas (Windsor and Maidenhead being the exception) both RSLs and local authorities cited the difficulties associated with harassment and anti social behaviour, with tenants often being forced to move to leave anti social behaviour/harassment behind (see below).

7.29 As a result of the changes in the types of households entering social housing, RSLs and local authorities increasingly had to respond to a range of diverse issues. The particular issues they faced were increased support needs for young and vulnerable tenants along with the financial resources this required; an increase in anti social behaviour; lack of representation from some BME groups; and a lack of balanced communities as a result of over concentration of some groups in particular areas. RSLs reported that they were moving away from the traditional housing association client group who were not necessarily a priority and were housing more vulnerable people through local authority nominations. One local authority highlights these issues and the initiatives adopted to deal with these difficulties:

> "Increasingly our tenants come with multiple problems ranging from serious debts and a lack of money management skills, general behaviour issues, ASB histories, mental health problems, learning difficulties particularly reading and writing, physical difficulties, drugs and offending (including sex offenders) lifestyles. To deal with this we have created a specialist team of rent arrears officers to tackle non payment of rent. We have helped to set up a number of tenancy support teams to help tenants with parenting and homemaking problems through Supporting People, a small team of specialist housing welfare officers and the role of housing officer has changed to be more focused on dealing with ASB." (Local Authority, Fareham).

7.30 The resources involved in providing support services to, for example, young people, tenants with mental health problems, and providing translation services, were often limited. The change in the composition of tenants and the impact it was having on the community in terms of mix were concerns across all the case study areas, with the balance of estates often seriously affected as a result of rarely housing people in employment. Child density was also an issue which had knock-on effects in terms of local schools and the potential for anti social behaviour in the future. One RSL in Derby was aiming to tackle this issue via their allocations system by bringing child density levels down so that there were not too many children all in the same age group on each development. This initiative was triggered off in some part by new stock being developed "……in the middle of private estates as a result of S106 agreements, so you need to be sensitive to the owner occupiers nearby." A further issue cited was that some groups were under represented in terms of tenant participation. These groups tended to be from the BME community and were often too hard to reach, and it was recognised that new ways to engage and involve them were needed.

Tenants' aspirations and motivations

7.31 Eliciting views about whether tenants prefer 'bricks and mortar' or personal subsidies was an important part of the research. However, it was not necessarily perceived as an important issue amongst those interviewed. A number of responses indicated that there was a general lack of concern amongst tenants about such an issue and that there was no real choice to be exercised in the market:

> "Most people aren't bothered. I doubt whether there would be an incentive unless the personal subsidy was at the high end of the scale but that is unlikely given the government's desire to save money. Whilst the principle

> of choice is valid, nobody has explained how this choice actually works. Will it be like the false choice in education where the most able exercise it and the most vulnerable don't?" (RSL, Scarborough).

7.32 The opinions of those interviewed in RSLs, local authorities and in the focus groups with Hull residents were that other key issues needed addressing before factors such as choice between subsidies for tenants became relevant:

> "Tenants require good quality accommodation and the services and financial benefits should be provided secondary to that. If you don't provide good quality accommodation tenants won't move in, so I think it's not relevant which is provided, personal subsidies or bricks and mortar." (RSL, Hull).

7.33 In general housing benefit was viewed as the most effective way to deal with the issue of subsidy because it is more transparent:

> "We are currently reviewing our rent arrears service through the process of Best Value and all the 40 tenants we have asked would like their HB to be paid direct to [their RSL]. Our tenants are increasingly vulnerable and many don't actually work and receive full or part HB so the level of rent is not something they feel they can do much about. Tenants do move to LA stock because it is cheaper when they want to work. The nature of our tenants' work is often temporary and part time and this can produce problems with continual HB assessments and changes. I don't believe this alone would make someone want to move from an RSL to a LA." (Local Authority, Fareham).

7.34 In terms of tenants' aspirations, both general and specific aspirations were felt to have increased. These related to, for instance, the qualitative components of their accommodation, area, local amenities and tenure. Property and space standards were mentioned as key issues by RSLs and local authorities. Aspirations amongst elderly tenants, as discussed above, had changed and it was also felt that young people require more and that a decent homes standard and other similar strategies were important in social housing. This was a particular issue in Hull where low demand was prevalent and the private rented sector was felt to provide significant competition, so the appearance and standard of the property at the letting stage was important. However, the factors considered to be of overriding importance across the case study areas were safety and security as a result of fear of crime and anti social behaviour:

> "Tenants' aspirations have also grown in terms of safety and security. There are problems with anti social behaviour and kids and youths in some areas…some residents contribute £1-£2 a week for private security services who patrol the areas and who they can contact if they are worried. This gives them a greater sense of safety and security in their own homes." (RSL, Hull).

7.35 In terms of aspirations to move, those interviewed reported some differences depending upon tenants' financial circumstances:

> "There is a spilt between those wanting a bigger house and those wanting home ownership. Working households probably aspire to home ownership…the long term economically inactive do not aspire to home ownership, they want a bigger, nicer house in a better area." (RSL, Fareham).

7.36 This was common across the case study areas and in areas like Fareham, Hounslow and Windsor and Maidenhead it was recognised that home ownership, other than perhaps shared ownership, (although this may even prove difficult to achieve), was beyond the means of the majority of tenants and that larger dwellings were more important than the Right to Buy:

> "Fareham's tenants' aspirations change with time. At first they are very happy to have a secure tenancy of a house that suits their needs. In time some tenants want to move because their family size has changed and this is probably the strongest driver. Very few can afford to take up the RTB and so I don't think it is something they consider. Most tenants want to live a normal life in a home that they feel is no different to any one else and in an area that is no worse for crime or ASB than the rest of society." (Local Authority, Fareham).

7.37 Although increased family size was cited as the most significant factor motivating movement, other reasons included family issues (such as illness or to be nearer relatives), moving back home (particularly in the case of young people), jobs and to escape anti social behaviour and/or harassment. Interestingly, the majority of residents in the focus groups in Hull said that they would like to leave Hull and move to the East Riding where there were better schools and a safer environment. However, the extent to which this was a mere aspiration was interesting as when the same residents were asked about their preferences, the majority cited home ownership in Hull, with some expressing preferences for "a new apartment down by the docks" which is where the recent regeneration schemes have been concentrated.

7.38 In terms of the provision of incentives for people to move in order to deal with under occupation, a range of views were expressed. A number of RSLs in the less pressured areas, such as Derby and Hull, reported that their main objective was not to move people on but to maintain them: "….we spend time and money trying to keep them where they are." In addition, this approach was thought to assist in promoting stability and sustainability:

> "We are looking at additional services to provide what people want. We want people to stay in their properties for as long as possible and also to promote sustainable communities. We want tenants to be happy from a business point of view and to avoid voids." (RSL, Derby).

7.39 Apart from elderly tenants transferring into sheltered accommodation, tenants rarely sized down. It was felt amongst those interviewed that cash incentives were the bottom line and a motivator to stimulate movement, however, as not many schemes were in evidence, other than in Hounslow, their general effectiveness is difficult to assess. It was felt in some less pressured areas that more generous shared ownership schemes may make a difference:

> "More housing would help, ownership schemes such as Homebuy need to be more generous if they are to work in a fast rising capital market as the level of discount at present doesn't bridge the gap." (RSL, Scarborough).

7.40 Across Hounslow some incentive schemes for under occupiers were in evidence, as described:

> "We do have an incentive scheme – Trading Places – with a cash payment of up to £4,000 depending on how many bedrooms they give up. It works to an extent." (RSL, Hounslow).

7.41 However, it was indicated by one RSL that the offer they currently made of '£1,000 per bed' was 'laughable' and that perhaps more draconian measures were necessary:

> "Offer a lot of money and a viable attractive alternative or take mandatory powers. I know this sounds hard but it is getting harder out there. Why should someone occupy a four bedroom place when there are homeless families in bed and breakfast?" (RSL, Hounslow).

Conclusions

7.42 Overall this qualitative part of the research has provided some illuminating insights into the demand for social housing across the six case study areas. The findings presented here are meant to be indicative and highlight key issues affecting each area. Clearly each area has its own specific social housing issues to deal with. However, there is evidence of similar concerns across all of the areas. A salient feature of the interviews was the extent to which anti social behaviour and fear of crime pervades all aspects of social housing and evidently consumes large amounts of resources and will continue to have resource implications for the future. Furthermore, the range of services provided to support vulnerable tenants and to promote integration and inclusion amongst, for instance, BME households are likely to become overstretched as demand increases. Although there has been a change in the composition of tenants and there have been responses to develop more suitable stock to meet increased demands, there is clearly scope to use current stock more effectively. This could involve, for example, a range of initiatives to promote and evaluate the success of incentives for under occupation and addressing the issue of unpopular types of stock.

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