

Cambridge Centre
for Housing &
Planning Research

Social housing and worklessness

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Why the interest?

- Long-standing concern about high levels of worklessness in social housing (Hills, Fletcher et al, etc)
- Current political appetite:

*"For years the system for social housing has been associated with **injustice** - where rewards are reaped for those who know how to **play the system** the best. Despite this **terrible image** a lazy consensus in social housing has ensured that, for an entire generation, no one has bothered to do anything about it.....*

No longer will people who gain a council house be able to leave their aspiration and ambition at the door - instead, they will be helped to make a better life for themselves and their communities.

*"These changes will not only ensure more people benefit from the **privilege** of living in a social home, it will also restore pride to social housing, so a social tenancy is no longer seen as a **stagnant option** for life, but a **launch pad to fulfil aspirations**." (Shapps, 2012)*

Reward or right?

- Eviction of rioters
- Proposals to allow tenants to be evicted for criminal acts wherever they occur (not just in immediate neighbourhood)
- Increasing freedoms given to LAs to decide who can go on waiting list
- Some social landlords prioritising those in work or looking for work
- Enthusiasm for LCHO, etc – because the occupants are working people and therefore deserve help.
- Suggestions of prioritising “good citizens” (= in work?)
- Affordable Rent – to be targeted on those in work?

Background

- Proportion of social tenant householders in paid employment fell from 47 to 32 per cent between 1981 and 2006
- More than half of those of working age living in social housing were without paid work, twice the national rate.
 - High rate of lone parents, more of whom are younger, have young children and out of work than for lone parents not in social housing
 - High rates of illness and disability
- Low mobility - more than 80 per cent of those living in social housing today were also within the sector ten years ago

(Hills, 2007)

Background (2)

- Little evidence of “culture of worklessness”
- Social tenants have many barriers to work – childcare, caring responsibilities, low skills and earning potential, transport
- Low rents offer potential work incentive, but not fully realised - Significant potential for social landlords to support greater labour market participation among their tenants.

Questions

- Does the promise of housing help to motivate people to look for work?
- Are more sustainable communities developed by increasing the proportion of new social tenants in work?
- Would the system be “fairer” and what do we mean by that, if those in work are given the greatest priority?
- Will people get caught in a catch 22 whereby they cannot get work without a settled base, but are unable to qualify/afford housing until they have work?
- If more social tenants were to work, would this enable social housing to function as a transitional tenure as they become able to afford private housing?

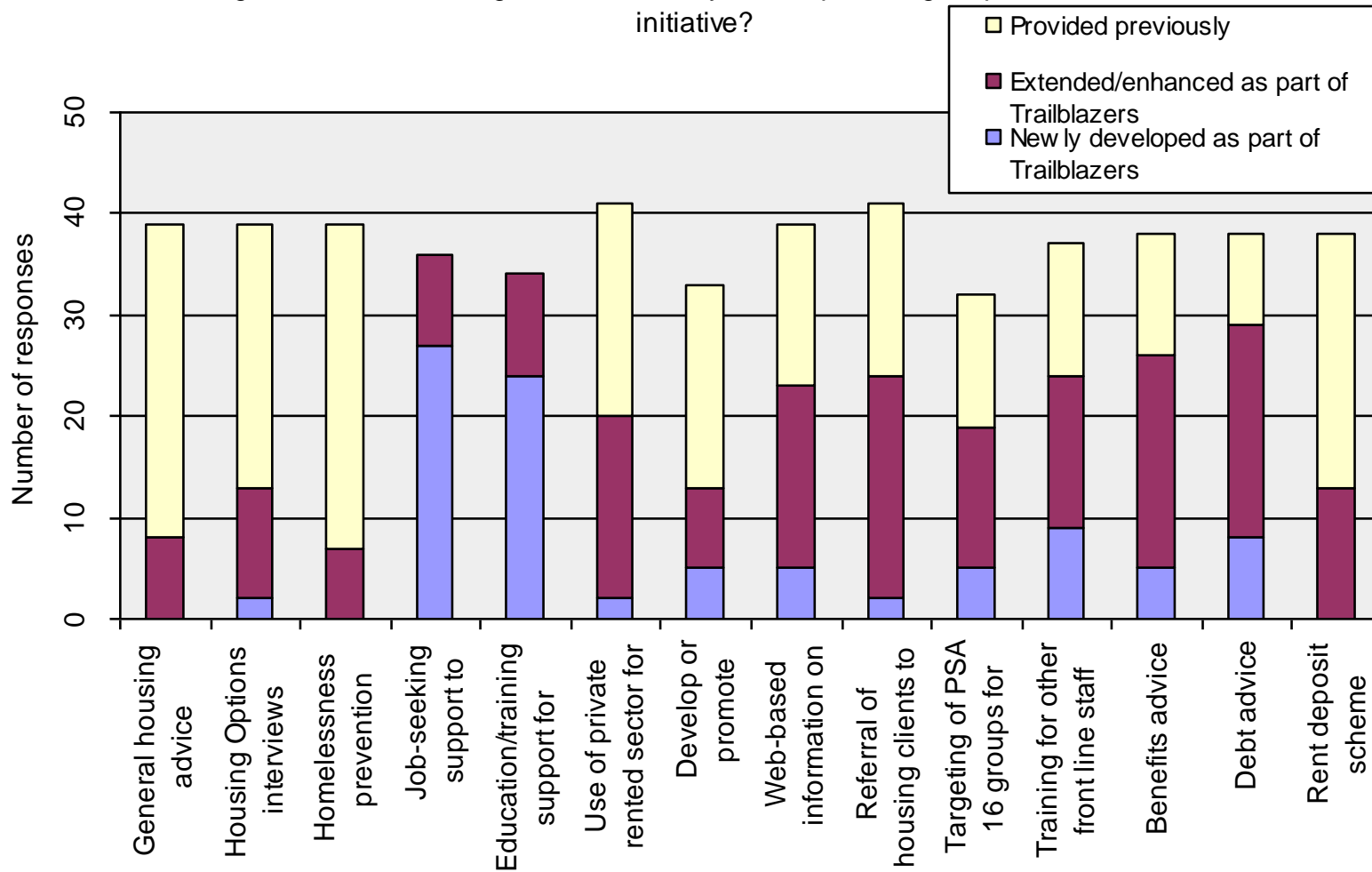
Focus of this paper

1. Examine different models of linking up work and housing
 - Evaluation of Enhanced Housing Options Trailblazers
2. Model data on new entrants to social housing to explore possible impact of giving greater priority to working households (CORE data)

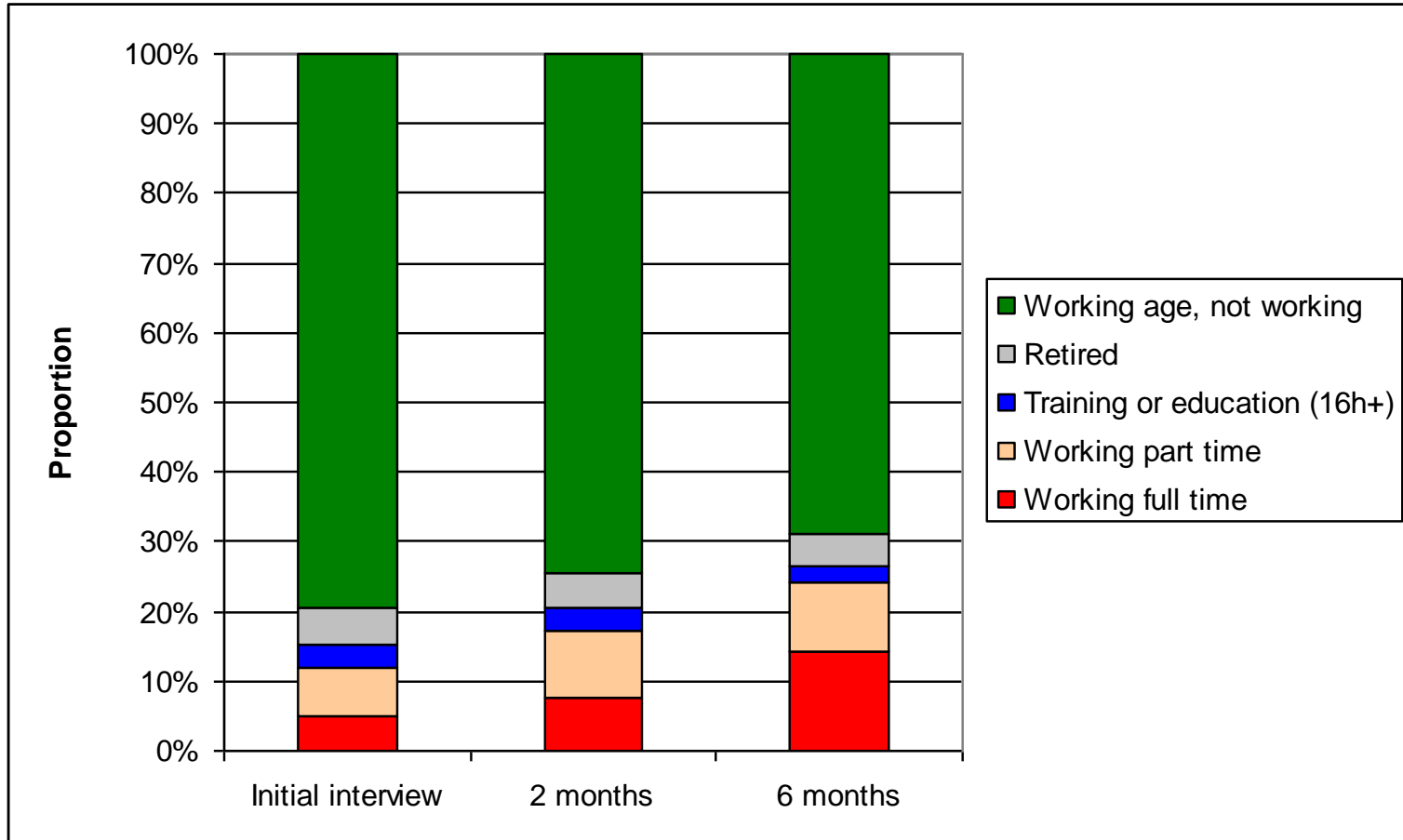
Enhanced Housing Options Trailblazers

- 42 pilot projects set up under Labour government in 2009 to develop innovative approaches to delivering Housing Options/advice services.
- Jointly funded by DCLG and DWP
- 4 key aims:
 - Meeting housing need with a wider range of solutions
 - Using stock more effectively
 - Tackling worklessness
 - Improving customer service

Which of the following were you providing within your housing options services, prior to receiving Trailblazers funding, and which are you now providing as part of the Trailblazer initiative?



Economic status of clients



Number of clients improving their economic status during the 6 months

	Bradford - Openmoves	Bradford - EET IAG	Bournemouth	Camden	Croydon	Kettering - Homemove	Kettering - Lifeplan	Newham	Norwich	Nottingham	Total
Number improving economic status	8	2	10	2	6	0	1	5	9	13	56
Proportion of working age clients	36%	25%	27%	5%	17%	0%	7%	28%	29%	28%	20 %

1) Tackling worklessness: Three different models

1. Supporting existing tenants to help them find work
2. Linking up services – so that when people come looking for housing they are directed into services to help them find work
3. Making housing conditional on seeking/finding work

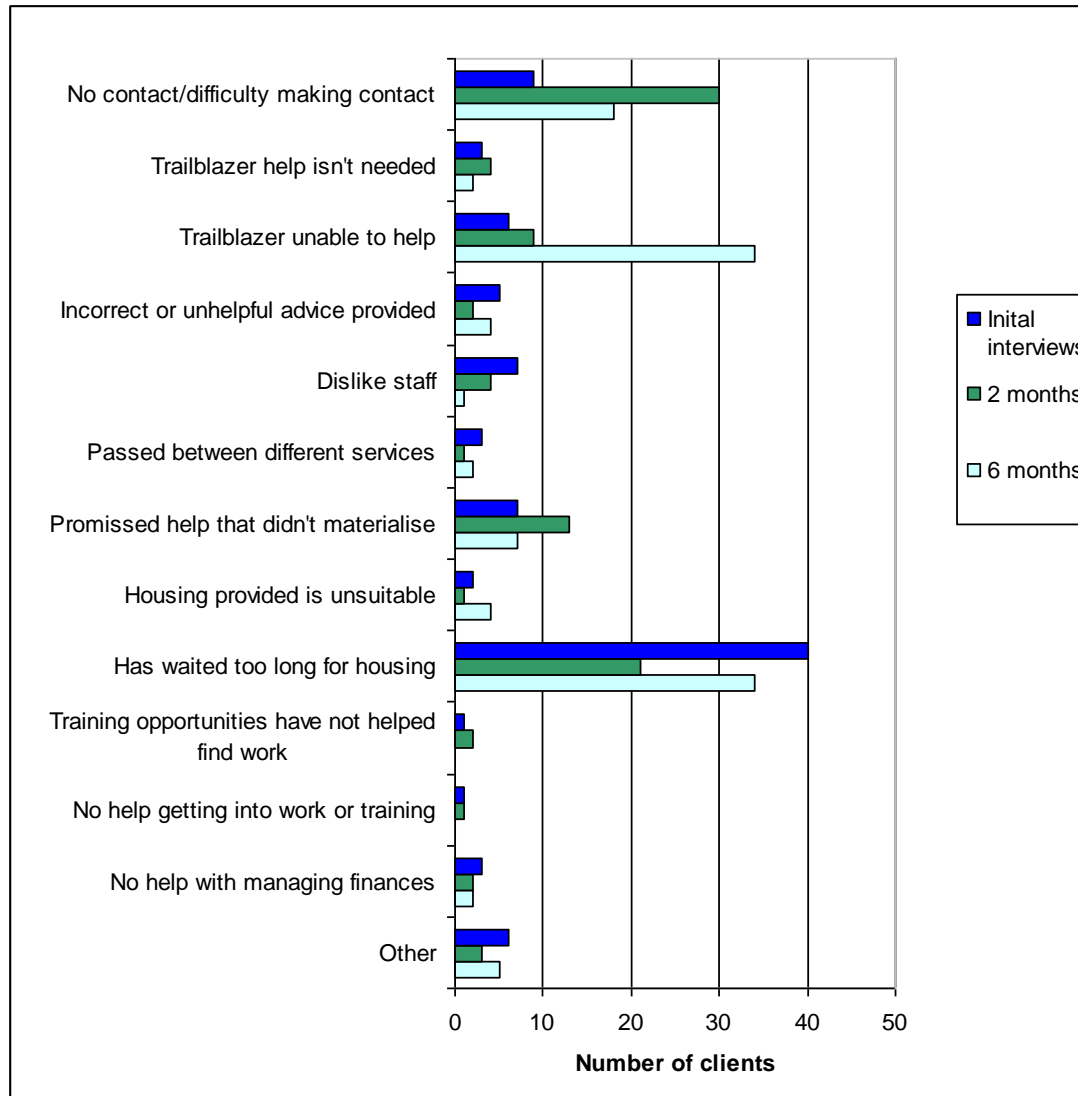
Supporting existing tenants to help them find work

- Key worker approach, working closely with hard-to engage groups
- Highly dependent on personalities of specific staff members
- Very high levels of satisfaction with the service in Kettering
 - *'She doesn't talk to me like a number but seems genuinely concerned.'* (Kettering Lifeplan Client)
 - *'They are trying to get me back into study and work and are trying very hard to find something to suit me.'* (Croydon client)
- Only very small numbers actually moved into work
 - Recession
 - Hard-to-reach groups
 - Labour-intensive approach, small number of clients per worker
 - More success at getting into courses

2. Linking up services

- When people come looking for housing they are directed into services to help them find work
- Some work via Housing Options website, but impossible to evaluate how many went on to get work as a result
- Direction to job-hunting help assists some:
 - *‘I went there wanting advice on one issue. From explaining this to [the Trailblazer representative] they were able to identify issues I had not noticed or considered about my situation. They have given me a completely different perspective.’*
(Bournemouth client)

Others frustrated by lack of housing help:



3. Making housing conditional on seeking work

- Rent deposit scheme, and support provided to target groups who engage with employment and training.
- Focussed on excluded groups – eg ex-offenders
- Housing a strong motivator to engage in training/employment
 - *‘If it wasn't for them I wouldn't have started this course and would have got kicked out [of a hostel]. This is the first time in over 16 years that I've actually finished something. This is the first time I'm not on benefits and I don't want to go back there.’ (Norwich client)*
- Housing, in turn, gives strong incentive to avoid reoffending:
 - *‘[It] gave me that extra bit and stopped me thinking about going to prison all the time. I've got something to lose now.’ (Norwich client)*
- Relatively high success rate at getting clients into work or training
- Only working with young single people at present

Comparing these 3 approaches

- **Supporting existing tenants to help them find work**
 - Some potential but numbers very small and difficult in current economic conditions.
- **Linking up services – so that when people come looking for housing they are directed into services to help them find work.**
 - Potentially reach lots of clients this way, but difficult to be sure what impact the work has. Some evidence that people prefer to sort their housing difficulties first, then look for work.
- **Making housing conditional on seeking work**
 - Some very positive results with the target group of young single adults, no major disabilities, etc. But question to be answered as to how much this model can be applied across the whole of entrants to social housing

2). Making housing conditional on seeking work – Examples of recent projects

- Westminster - Households where the main applicant has been working under a written contract for at least two years will be given priority, and people who have been seeking work for the same period of time will be eligible for extra points if they have been engaged with the council's homelessness employment learning project.
- Southend - The council plans to put aside 20 per cent of its 6,200 homes for households in employment.
- Manchester - Households on the waiting list who are working will be put in a higher priority band than they would otherwise have been.
- Wandsworth - Applicants who are unemployed, and of working age and physically capable of work, will be granted two-year tenancies on the condition that they find make every effort to find work or enroll on a training course.

2) Modelling the impact of changing lettings

What would happen if 20% of all new lettings were given only to people in work?

- We don't know because it's possible that the remaining lettings may go disproportionately to those who are not in work
- Parameters:
 - No change in overall lettings to those in work (but spatial impact, if restricted lettings on newbuild)
 - Reduction from 67% to 54% of lettings go to households out of work (67% of 80% = 54%)

What would happen if there was a the proportion of new entrants in work increased from 33% to 43%?

- Change in profile of new entrants to the sector.
- Winners and losers

Modelling the impact:

- CORE data from 2010-11 used
 - Households with anyone in either full or part-time work have been counted as in-work
- Assumptions
 - Composition of in-work groups remains the same but increases overall from 33% to 43% (ie an increase of 30.3% in the size of the group)
 - Composition of out of work groups remains the same, but is reduced in total (so that they form 57% rather than 67% of total new entrants)

Demographics

Winners

- Couples without children (10.5%)
- Couples with children (13.3%)
- Other household types (6.9%)
- Households with one or two children (4.2%)
- 25-42 year olds (3.7%)

Losers

- Single elderly people (-11.8%)
- Elderly couples (-5.3%)
- Single parents (-3%)
- 16-17 year olds (-11.8%)
- Over 65s (-12.2%)

No statistical difference

- By ethnic group

Previous tenure

Winners

- Private sector tenancy (4.9%)
- Tied housing or renting with job (10.8%)
- Living with family (3.6%)

Losers

- Supported housing (-10.1%)
- Direct access hostel (-10.5%)
- Housing for older people Residential care home (-9.7%)
- Hospital (-11.2%)
- Prison (-12.8%)
- Approved probation hostel (-9.6%)
- Children's home or foster care (-9.7%)
- Bed and breakfast (-7.9%)
- Short life housing (-6.1%)
- Rough sleeping (-5.2%)
- Women's refuge (-11.4%)
- Foyer (-7.7%)
- Home Office Asylum Support (-12.0%)

Reasons for housing

Winners

- Loss of tied accommodation (6.1%)
- End of Assured Shorthold tenancy (4.3%)
- Eviction or repossession (3.2%)
- Non-violent relationship breakdown (3.3%)
- Property unsuitable because of overcrowding (6.8%)
- Could not afford rent or mortgage (10.8%)
- To move nearer work (22.4%)

Losers

- Left home country as refugee(-7.9%)
- Discharged from prison/longstay hospital/other institution (-11.9%)
- Domestic violence(-6.9%)
- Property unsuitable because of ill health/disability (-7.2%)
- To move nearer to family, friends, school (-3.8%)
- To move to accommodation with support (-9.6%)

Conclusions

- Vulnerable groups more likely to be out of work
- Clear conflict between helping those in most need and prioritising those in work
- Negative impact on HB bill if more out-of-work households live in PRS
- Social housing can work as an incentive for those who could potentially find jobs

