Social housing in England after the Localism Act: Choice, Conditionality and Private Rented Sector


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Summary

• **Shifting Context for Social Housing Lettings**
  – From Choice to Conditionality
  – From Social to (Un) Affordable Housing
  – From social rent to private rent
  – From social housing to anti-social housing?

• **The End of Choice based lettings?**
  – North Yorkshire Home Choice research
  – Whose choice? Mobility, policy fit

• **The Future role and purpose of social housing**
  – Webb Memorial Trust programme
  – What is social housing for and who should get it?
  – 3 Possible Shifts in Policy and Culture?

• **Workshop Discussion**
From Choice to Conditionality

Key component of ‘anti-social housing’ reforms
- Housing as Desert rather than Right
- Behaviour modification
- Work readiness
- Temporary and transitory tenancies
- Rewarding locals & excluding others

But alternatives possible
- contractual, paternal or mutual (Rallings 2014)
- Support based models or tiered service entitlements
- Choice and support rather than condition and imposition
- Community Investment and Empowerment (Mullins 2011)
When is Localism not about Choice?

Part 7 Social Housing Provisions

- Centrally imposed exclusions on eligibility and reasonable preference criteria continue
- Greater flexibility for LAs to exclude access for further groups
- Discharge homeless duty through PRS
- Flexible (i.e. less secure) tenancies
- Promotion of mobility through exchanges and homeswaps
- Blurring of boundaries between social housing and PRS

Localism Principles espoused *

- Action 1: Lift the burden of bureaucracy
- Action 2: Empower communities to do things their way
- Action 3: Increase local control of public finance
- Action 4: Diversify the supply of public services
- Action 5: Open up government to public scrutiny
- Action 6: Strengthen accountability to local people

Combined Impacts of Localism Act and associated Housing Reforms?

- Greater churn in private rent and social housing
- Higher Rents and work disincentives
- Reduced Security and community capacity
- Access restrictions may conflict with reasonable preference (H&F v Jakimaviciute 2014)
- Little emphasis on local resident-led housing
- More commercial asset management to reduce grant for new homes
- Less capacity for social landlords to fund community investment?
From Social to (Un)Affordable Housing

• Blurring of Boundaries
• 80% Market Rents
• In Work preference
• Re-discovery of the middle rental market
• Taking out social housing on high cost sites

‘profound challenges face councils who want to drive harder bargains with private developers over the provision of community benefits, including low-cost homes. Political will matters, but a developer-friendly mayor such as Johnson can enable this to be bypassed or undermined’ Guardian 7/10/14.

Heygate Estate, London
1200 council homes to be replaced with 2400 but just 79 new social rented homes on the site
From Social Rent to Private Rent

- **Steering**
  - Discharge of duty
  - Housing options
  - Social lettings agencies

- **Funding**
  - Capital subsidy to personal subsidy
  - Tax relief (£5bil to BTL on mortgage interest)

- **Choice?**
  - Eroding advantages of social housing tenure v PRS
  - Poor move to lower end PRS through market & LHA caps
  - Emergence of sub-PRS - Beds in sheds – subdivision and letting – non-converted industrial buildings

Diagram: 76% privately renting vs 18% socially renting from 1918 to 2011. Source: Department for Communities and Local Government (DCLG) & Census.

Points:
1. Social renting increased following the Housing Act of 1919...
2. ...and by 1981, 31% of households were in socially rented homes...
3. ...but social renting fell following the introduction of the ‘Right to Buy’ scheme in 1980...
4. ...and by 2011 the percentage of households socially renting had fallen back to 18%
Housing Benefit market – significant & growing PRS niche

Source: Pattison and Birmingham City Council - Niche analysis of PRS Birmingham 2014 -
From Social Housing to Anti-Social Housing

- **Security**
- Fixed term tenancies

- **Affordability**
- 80% market rents
- Benefit cutbacks, bedroom tax

- **Need**
- Welfare conditionality

- **Supply.** Widening gap
- **Agency:** PRS as discharge of duty
The End of Choice Based Lettings?

- Extensive national adoption of CBL since 2000
- Final wave adopters study – North Yorkshire 2011-13
- How much choice and for whom?
- Mobility advantages of sub-regional schemes
- What was the fit with emerging policies for social housing?

“"It was more difficult to introduce change in turbulent times”"
How much choice and for whom?

• Many applicants welcome the increased 'choice' offered by the scheme, although **unsuccessful bidders are more sceptical**, and some people preferred the old system

• Bronze Band Problem
  – 62% of register/13% of lettings
  – Least satisfied
  – Most likely to see CBL as unfair
  – Only a third had ever bid
  – **Best prospects of finding a home were in PRS** but could not do this through HomeChoice

• Gold banded vulnerable groups much more positive

• “**At the aggregate level Home Choice had overcome access barriers and recognised vulnerability through banding**”

“**You could register as a teenager and die as a pensioner and still be Bronze**”
Sub-regional schemes & mobility

- Increased moves between districts up from 2-10% of lettings
- Some movement driven by strategic bidding moving from high demand areas
- 39% of applicants liked having a wider choice of area
- Enabled moves nearer family or jobs or escape local problems
- However, many applicants did not want to move or not permitted to do so by the system
- Limited area choices for homeless
Policy Fit with Emerging Agenda

- Bedroom Tax led to first amendments to Home Choice to **preclude under-occupation**
  - About a quarter of lettings July 2011 to April 2012 had given applicants one bedroom over their minimum requirement
- Mobility choices were limited for homeless
- New **conditionalities under Localism Act** did not fit with choice framework
- HomeChoice **did not link to policy shifts to PRS** for housing options & homeless

Choice seems out of line with recent agendas for social housing
The Future Role and Purpose of Social Housing

• A step on the way to homeownership, teaching “all the virtues of good citizenship”? (Margaret Thatcher)

• ‘a block on mobility and aspiration’ or ‘a springboard to help individuals to make a better life for themselves’ (CLG 2010)

• A reward for those who ‘do the right thing’ – and an incentive to do so?

• Or a ‘hybrid’ system that serves and treats different types of household, ‘independent’ and the more ‘needy, with equal respect?
Looking Back to Look Forward

Goals of Intervention

Secure, Affordable and Decent Homes

• Improve Housing Conditions
• Impact on Public Health
• Bridge gap between low and insecure incomes and affordable homes
• Provide secure base for workers and families

How do contemporary approaches match up?

Peabody Bethnal Green Estate 1910
Who is social housing for?

- A vision of the “living tapestry of a mixed community”, where “the doctor, the grocer, the butcher and the farm labourer all live in the same street” (Bevan)
- Or Dobson’s Choice: rationing scarce: supply giving to those in most need?
A return to historic purposes?

Rational Housing Allocations

It is not adequate to suggest policies relating to the allocation of council houses before determining the purpose of council housing. Throughout our enquiry we were constantly brought face to face with the question, ‘what is council housing for?’"


Social Purpose of HAs revival to overcome squalor

In 1963, Bruce Kenrick moved to Notting Hill and was shocked at the poor quality of housing that people were forced to live in. He began a fundraising drive, with the aim to raise enough money to buy one home to house several homeless families. Notting Hill Housing Trust was born, and in their first year they had bought five houses and housed 57 people. Within five years, they became a large presence in west London, housing nearly 1,000 people.

BBC – Cathy Come Home webpage
Generation Rent: Is Private Rented Sector part of the solution?

Part of PRS houses people on low incomes with little choice & low priority for social housing
- PRS high mobility tenure (38% resident under a year)
- Housing pathways often chaotic

Insecure: Tenancies usually Assured Shorthold then periodic
- Loss of AST a key reason for homelessness
- Terminations when landlord wants to sell or switch niches

Bottom 30% of LHA market
- Many landlords choose not to rent to people on HB
- Problems with housing benefit may be a trigger for eviction
- No real link conditions to payment

Pattison: Census Analysis Tenure of Under 35s 2001 and 2011
Diminished Welfare State - But strong influence on Culture of Social Housing

A diminished welfare state is not necessarily a weaker influence on social housing role and purposes deficit reduction drivers and more ideological drivers

- social protection has been diminished (security, rents)
- Become conditional and linked more intensive intervention in tenants’ lives (conditionality, workfare)

commitment to public values may be associated with an oppositional stance by social landlords

Rather than being ‘contractors of the state’ some HAs are positioning themselves as ‘protectors of public value’.

Mullins and Jones - Delphi Panel Study of 31 social landlords 2013-14
It’s hard not to conclude that the authorities have thrown in their lot with the private sector to conceal the lack of a coherent housing strategy. But relying on buy-to-let is no substitute for building more affordable homes, either by the state or the social sector. It’s bad socially and terrible economically.
They’re Shouting Out About Housing Now! – Culture Shifts

http://www.generationrent.org/campaigns

https://www.facebook.com/pages/SHOUT-The-Campaign-for-Social-Housing/584137758345466

http://www.pricedout.org.uk/

Generation Rent

Priced Out
Future Responses?
Three Possible Shifts in Policy and Culture

• Shift **Back to Bricks to** fit Fiscal drivers (£24bil HB)
• Shift **back to real choice to modernise PRS** offer and money for something for HB spend, real choices for low CBL bands – **Social Lettings Agencies**?
• **Widen role and purpose** of social housing– **realign housing with labour market/wealth changes:**
  – middle income affordability gap –**real choice based mixed income offer** not repackaging social as affordable housing
  – Low Income: Maintain traditional secure/affordable social housing offer with **community investment and empowerment** not insecurity, high rents and conditions.
Talk to Us

University of Birmingham

Future of Social Housing:
New Programme with Webb Memorial Trust
www.birmingham.ac.uk/webb-memorial-trust

JRF study of North Yorkshire Home Choice
http://www.jrf.org.uk/publications/north-yorkshire-home-choice-evaluation

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CIH Stratford - Workshop Discussion

How much Real Change to date?

• How far have we moved since Localism Act?
  – Your experience of real change in social lettings

• Do you agree with any of the descriptions in our presentation?
  – From Choice to Conditionality
  – From Social to (Un) Affordable Housing
  – From social rent to private rent
  – From social housing to anti-social housing?

• What is replacing CBL?

Changing Future Policy & Culture

• How successful are we with engaging PRS for low income households- quality, security and affordability?

• Yours Views on our three required shifts:
  – Benefits to Bricks
  – Something for Something from PRS
  – Hybrid Offer with real choices for both low income and middle income renters
What is happening to homeless people in your area?

- Extent of use of PRS to discharge duty?
- PRS for housing options
- Types and locations of stock
- Social Lettings Agency or other routes?
- Informal solutions for non-priority groups?