

The housing association that will no longer build homes for the poor

Genesis housing association blames the government in its decision to drop social housing, but funds thinktanks that influence policies which force its hand



Like all housing associations, Genesis was founded to provide cheap housing for the UK's poor - but it's now decided the poor are no longer its responsibility. Photograph: M.Sobreira/Alamy

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One of the largest housing associations in the UK last week announced it would no longer build social housing. Instead, its chief executive said, it will only build homes for sale, for rent at full market rates or for shared ownership.

Furthermore, Genesis housing association, which owns and manages about 33,000 homes around London and the south-east, will consider selling or raising the rents on its

existing social homes once they become vacant.

The organisation claims that government policies have forced its hand, particularly in light of the recent budget. This is strange when you consider that Genesis has funded much of the research that has influenced this government's housing policy. To blame the government after you have sponsored thinktanks to successfully influence it is no excuse. In reality, it is part of a deliberate, profit-driven strategy that Genesis and other large housing associations have been following for some time.

There is no doubt that housing associations are operating in a difficult environment: government funding to build social homes was cut by 60% in 2010 and the impacts of welfare reforms have heavily affected their tenants (and consequently their rental income).

For some time many housing associations have argued that they will diversify into other markets (such as building homes for sale or shared ownership) to ensure that they can still deliver their core social purpose and values. This has meant many associations have become more commercial in their approach so as to create profits to invest in low-rent homes that poor and low-income people can afford.

The danger in this approach is "mission creep". What starts off as a strategy to make money in order to fund social housing eventually becomes the main purpose of the organisation. I've referred to this before as the slow death of social housing and it is exactly what has happened at Genesis.

Genesis was established as Paddington Churches Housing Association in the 1960s. Like many others created at the same time, its mission was to provide low-rent homes for families who needed them. Many housing associations still have similar values today, which is why they have charitable status. They have argued that when making commercial decisions, these social values would save them from mission creep. They called this process "profit for a purpose" and argued that, as social businesses, they would always take this into account when making strategic decisions.

All the evidence suggests that this is no longer happening in a growing number of housing associations. The real question now is how many more will follow Genesis's example, or how many have already done so silently? There is already talk of a number of housing associations considering de-registering as a social housing provider, paying back their grants and becoming private companies.

It is sad that a sector that was created by social housing giants to challenge government policies on homelessness and poor housing conditions now seeks to mirror the current government's backward steps into a housing policy more suited to the 19th century than the 21st. The chief executive of Genesis reportedly said that housing low-income families "won't be my problem". I wonder what those who founded Genesis almost 50 years ago would say to that.

Thousands of people live in decent housing today and lead productive lives because people in the 1960s saw a country-wide crisis as their problem and did something about it. Those in need are in danger of being abandoned - not just by the government but by some housing associations who were set up to provide them with a decent home at a price that they could really afford.

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