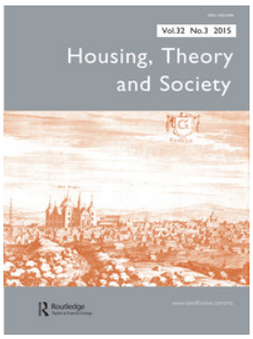

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Housing Benefit Reform and the Private Rented Sector in the UK: On the Deleterious Effects of Short-term, Ideological "Knowledge"

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ABSTRACT *This paper draws on the figurational sociology of Norbert Elias in understanding the current housing crisis in the UK: one which emphasizes the social interdependencies between individuals and groups, and the power relations that characterize them, in explaining household behaviour. It is argued that such an approach can contribute to a better understanding of housing processes and their differentiated outcomes. At the same time, this analysis exposes the myriad negative consequences that emerge from short-term housing policies based on static, over-simplified assumptions and applied to an ever-increasingly complex housing figuration, which is constantly in flux. These arguments are made with reference to empirical evidence on the impact of changes to housing benefit in the private rented sector, which shows how neoliberal housing policy contributes to long-term detrimental effects on marginalized households and groups. Through this example, it is argued that the governmental presentation of welfare reforms differs markedly from the reality of consequences on the ground and corresponds to "neoliberal state-crafting". It is suggested that any approach to understanding the complexities of the housing system must retain a focus on historical change, precedents and fluctuations in power balances to avoid the pernicious "retreat into the present" characteristic of policy.*

KEY WORDS: Housing figurations, Housing policy, Welfare reform, Neoliberal state-crafting, Social processes, Power relations, Norbert Elias

Introduction

Governmental discourses on housing policy proceed as if it existed in a kind of vacuum: policy-makers pull levers which precipitate desired changes in the behaviour of obediently responsive tenants, households and landlords. They *present* policy initiatives and their assumed outcomes in static isolation, as if wider social and historical processes were irrelevant; and as if individual actors respond directly to policy

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changes through a calculated (and invariably financial-centred) decision-making process which results in the desired outcomes. As such, housing policy consistently ignores the complex web of social interdependencies in which individuals and groups negotiating the housing system are enmeshed and which are *constantly in flux*, changing this way and that in line with fluctuations in power balances. Nowhere is this static, process-reducing, behaviourist approach more apparent than in the case of the UK coalition government's housing benefit (HB) reforms which form a central part of the unprecedented retraction of welfare support.

This paper draws on the theoretical work of Norbert Elias in taking a *figurational* perspective towards understanding and critiquing the governmental rationalities underpinning the cuts to local housing allowance (LHA), the regime for administering HB in the private rented sector (PRS) (see Beatty et al. 2012; Department for Work and Pensions [DWP] 2011). Early research that has addressed the LHA reforms has tended to replicate the government position in terms of retreating into a London-centric focus (Fenton 2011; Hamnett 2010), or has been guilty of an "over-critique" (Kilminster 2013) in its exaggeration of the impact of reforms. Both positions are inadequate: the first neglects the differentiated and far-reaching impacts outside of the capital; the second closes down debate with government simply dismissing such criticisms as "scare-mongering" (Freud 2012). This paper seeks to bring a degree of balance to the evidence base: firstly in terms of a consideration of impacts beyond (but also including) London; and secondly through a more detached, empirical perspective which draws on qualitative evidence from landlords and housing advisers dealing directly with the impact of the reforms. In doing so, it emphasizes the differing effects of social processes across time and space and their relationship to, and impact on, the social interdependencies between tenants, landlords, and local and central government. This wider context is crucial to understanding the impact of the LHA changes and the particular responses of those directly affected. Key social processes relevant to the housing figuration discussed here include: deindustrialization; globalization; privatization; deregulation; migration; gentrification; social polarization; marginalization; disidentification; (territorial) stigmatization; and neoliberalization.[1] The paper argues that the *blanket reforms to LHA are ignorant to the uneven effects of these wider social processes*, which produce different responses to the LHA measures among different groups in different localities. It argues that housing policy outcomes in the PRS are increasingly unplanned and unforeseen as a result of the complexity and lengthening of social interdependencies, which serve to constrain or enable behaviour. With sensitivity to these differing contexts it argues that LHA reform only accentuates the negative processes of marginalization and stigmatization (both social and spatial) for the *least powerful*; detrimental processes which housing policy *should* be designed to counter. In this sense, the arguments presented here also speak to recent academic debates on the central role of housing in the continuation of market-based reforms to transform the state (Jacobs and Manzi 2013a, 2013b). That is, acknowledging that changes in the policy field of housing are "part and parcel of a much wider, albeit spatially uneven, process of 'neoliberalization' across the public sector, welfare provision and labour markets" (Hodkinson, Watt, and Mooney 2012, 6). It therefore responds to Hodkinson, Watt, and Mooney's (2012) call for a *processual* approach to housing which does not isolate tenures and social groups but instead considers the relationships and interdependencies between them, as well as being sensitive to the impact

of wider social and historical processes on the housing field (Cole 2006; Jacobs and Manzi 2013a).

The extent and scale of the changes, coupled with the uncertainty and myriad unintended consequences they bring, mean that the full impact will take considerable time to filter through the system (Beatty et al. 2014).[2] The findings presented here therefore focus on the impacts and processes evident in the early stages of policy implementation and centre on two very different local authorities: Rhondda Cynon Taf (hereafter RCT) in South Wales; and Westminster in central London. The reforms to LHA and their specific impact within RCT and Westminster are used as an example of the inadequate and flawed nature of neoliberal housing policy here for three reasons. Firstly, the perceived need for state retrenchment in the form of LHA cuts is a direct product of the contraction of the social rented sector (SRS) and PRS deregulation and therefore the current predicament – the high HB bill – is itself an outcome of the failures of neoliberal housing policy (i.e. the Right to Buy and the deregulation of rents). Secondly, the example captures the inequalities across both spaces *and* sections of the population which coalesce to produce and perpetuate processes of spatial and social stigmatization and marginalization. Thirdly, though emanating from central government, the immediate fallout from the reforms impinges on tenants, landlords, local communities and local authorities and therefore provides a telling example of "neoliberal state crafting" (Wacquant 2013a). As we shall see, this entails, to paraphrase Nikolas Rose: a shift from an ethos of bureaucracy to the private business of the landlord; from planning and allocation to intensive competition between tenants with unequal power resources; and from the logic of the housing system to the logic of the housing market (Rose 1999, 150). It is further argued that, in the case of RCT, the reforms represent a form of *territorial stigmatization* (Wacquant 2007) in action: a process of marginalizing already stigmatized households and social groups contained within an "area of relegation". In this sense, what follows also responds to Wacquant's call:

> On the institutional front, the consolidation of a new regime of urban marginality begs for a focused analysis of the policy moves whereby governments purport to curb, contain, or reduce the very poverty that they have paradoxically spawned through economic deregulation, welfare retraction and revamping, and urban retrenchment. It calls in other words, for *linking changing forms of urban marginality with emerging modalities of state-crafting*. (Wacquant 2013a, 9 – emphasis in original)

The comparative approach adopted underscores the importance of the local housing market context in delineating the effects of the LHA cuts and the way in which they are contingent on wider social processes. The focus on Westminster in central London illustrates how longer term processes of globalization, in-migration and the deregulation of housing and financial markets, create the context for a distinct set of negative impacts for tenants within an area of relative affluence. While the second case study of RCT illustrates the way in which these very same processes operate differently across time and space and impinge on the ability of communities and municipal authorities to ameliorate the damaging effects of central policy (see also Cole and Furbey 1994). That is, in RCT globalization has led to the deindustrialization of the area and the selective *out*-migration of its residents resulting in long-term processes of economic decline, housing residualization, marginalization and

territorial stigmatization[3] (Wacquant 2007, 2008a; see also Hancock and Mooney 2013), which are accentuated rather than remedied by these reforms. Thus, though the geographical and social contexts of the two areas are poles apart, the consequences of LHA reform for the *least powerful* households and groups are consistently negative; yet shaped in specific ways by the context and relations in which they are embedded. *The result is a dual process of the containment of marginality in spaces of relegation and its dispersal in spaces of affluence.*

The remainder of the paper is divided into four sections. The first sets out the reforms to LHA focusing on the rationale for their implementation and the expected outcomes they are designed to achieve in terms of altering the behaviour of tenants and landlords in a particular direction. The second explores the complexities of the interdependencies which constitute the PRS through a figurational lens. The third section draws on empirical evidence from a large scale research study monitoring the impacts of the LHA reforms in order to illustrate the importance of wider social processes in determining the housing outcomes and responses of different groups. This section focuses on the two examples at either end of the spectrum of housing markets in the UK: Westminster and RCT. The fourth section discusses the findings in relation to recent debates on urban marginalization, housing marketization and neoliberalization. The paper concludes that while the reforms may produce the government's desired outcomes in *some* areas (see Beatty et al. 2014), they have also set in train long-term and negative consequences which are distributed unevenly across the UK, play out in distinctly different ways, but invariably impinge on the *least* powerful and *already* marginalized.

The LHA Cuts

Academic and media coverage of HB reform has been extensive. Most prominent within these discourses are the "bedroom tax" and the overall household benefit cap. Much less attention has been paid to the reforms to LHA. This is surprising given the recent and rapid expansion of the PRS and the fact that overall cuts to LHA amount to £1.65 billion per annum nationally; in comparison to £490 m for the bedroom tax and £270 m for the overall benefit cap (Beatty and Fothergill 2013, 10). Furthermore, the LHA reforms affect 1.35 m households, compared to 660,000 and 56,000 affected by the bedroom tax and the overall benefit cap, respectively (Beatty and Fothergill 2013, 10). The reforms to LHA, then, are a key mechanism of the government's welfare retrenchment but the *marginal* position of the PRS and its tenants appears to be mirrored, to some degree, in terms of the prominent discourses opposing welfare cuts.

The stated principles guiding LHA reform are threefold: to reduce the overall HB bill and exert downward pressure on rents; to encourage tenants into work, or to work longer hours (one third of LHA tenants are already in work [Beatty et al. 2014]); to make the HB system "fairer". These objectives are set out within the DWP's own impact assessment:

> The 2011 changes to the Local Housing Allowance arrangements will both significantly *reduce the levels of rent met by Housing Benefit in expensive areas and apply downward pressure* on expenditure more generally. Currently, people can pay high rents in some areas because of the availability of Housing Benefit. These changes will mean that people on benefit cannot choose to live

> in properties that would be out of the reach of most people in work and will *result in a fairer and more sustainable Housing Benefit scheme. They will also begin to address disincentives to work* in the current system created by high rates of benefit. The measures will achieve cash-terms benefit savings of around £1 billion by 2014/15. (DWP 2010, 1 – my emphasis)

In 2010/11 HB expenditure was £21.61 billion (or 14% of total benefits expenditure), an increase of 5% over the previous year. There are sharp regional variations however. In 2009/10, for example, London accounted for 26% of all HB expenditure in Great Britain (Hull, Cooke, and Dolphin 2011). The primary reason for such rapid expenditure growth has been the rise in caseloads during and after the recession, with an increase of almost 750,000 people claiming HB between 2007/8 and 2010/11. It is important to acknowledge, however, that the increasing HB bill is also a product of deregulation under the Housing Act of 1988, which formed a key part of the Thatcher government's *privatization* of housing provision (Crook and Kemp 2011). This marked a huge shift from the previously regulated "fair rents system" to assured tenancies at market rents (see Crook and Kemp 2011, 25–39). This, along with the other key policy in that government's marketization of housing, the Right to Buy (which enabled Council tenants to purchase their own homes below market prices and served to deplete levels of social housing provision), is central to understanding the current crisis and recent rapid tenure change described below. The LHA scheme was introduced for new claimants living in the deregulated PRS in April 2008 (for detailed information on the design and workings of the LHA system see: Crook and Kemp 2011; DWP 2011; Kemp 2007). The LHA is a flat rate allowance for different size of property in a broad rental market area.[4] Under the original LHA scheme, the LHA for different sizes of property was calculated by the Valuation Office Agency with reference to the median rent for that property type. The package of LHA reforms was announced by the Coalition government in its June 2010 budget (see Beatty et al. 2012, 2013, 2014). These are[5]:

- changing the basis for setting LHA rates from the median to the 30th percentile of local market rents (i.e. effectively lowering rates from the average market rent to the lowest 30%. In theory, this means that the new LHA rates will cover the rent of only 30% of properties, where previously this was 50%. In reality, however, the proportion of the PRS available to HB tenants is lower in both cases as many landlords express an aversion to letting to HB tenants under any circumstances [see Beatty et al. 2014]);
- capping LHA rates[6];
- uprating LHA rates by the consumer price index (rather than the higher retail price index);
- uprating non-dependent deductions[7] to reflect rent increases since 2001/2;
- raising the age at which the shared accommodation rate (formerly the single room rate) applies from 25 to 35;
- removing the £15 excess payable to tenants whose rent was below what they were receiving in HB;
- increasing the government's contribution to the discretionary housing payment budget by £10 m in 2011/12 and £40 million by 2012/13[8]; and
- amending the size criteria to provide an extra bedroom for disabled claimants who have a non-resident carer.

Leaving aside the last two mitigating policy instruments cited above, despite the three different stated aims of the reforms, the policy mechanism for bringing about the desired changes in the behaviour of tenants and landlords is exactly the same: a reduction in HB entitlements. It is assumed that such a reduction will result in four possible outcomes. Either tenants will: negotiate a lower rent with their landlords; move into employment or take on extra hours; move to an area and/or property where rents are cheaper; or find the money from elsewhere (savings, borrowing or cutting back on household spending). The policy changes were announced in 2010 and aside from a desk-based impact assessment at the national scale, conducted internally by the DWP, there was no official research into the likely effects of the reforms. Among those working with and for tenants, however, vociferous concerns were raised about the effects on those claimants who will not be able to "bridge the gap" between what they receive in HB and the rent charged (Beatty et al. 2012). The government position has remained wedded to the policy assumptions and the conclusion drawn from the impact assessment that the "benefits of the reforms justify the costs" (DWP 2010).

HB reforms cannot be seen in isolation from other welfare reforms taking place simultaneously.[9] The reforms to LHA are just one aspect of the unprecedented overhaul of the welfare system since the financial crisis of 2008 (see Beatty and Fothergill 2013). Since April 2013 this includes *capping household benefits at £500 per week* (or £350 per week for single households). This measure was introduced in autumn 2013 and has consequences for larger households and those living in areas where housing rents are particularly high, such as central London. A 10% reduction in central funding for Council Tax Benefit for working-age households in Great Britain has also been in place since April 2013.[10] Changes to disability living allowance, incapacity benefit and employment and support allowance, and the introduction of personal independence payments, were also introduced according to various timescales from April 2011 onwards.[11] In terms of the overall financial impact of welfare reform: "as a general rule, the more deprived the local authority, the greater the financial hit" (Beatty and Fothergill 2013, 3). Westminster is the exception here and is second in the list of affected local authorities in terms of the overall impact of all welfare reforms by 2014/15. Expressed as the financial loss per working age adult per annum Westminster loses £820, and is second only to Blackpool (Beatty and Fothergill 2013). This is because "the HB reforms and the household benefit cap lead to very large financial losses" but "the impact of other welfare reforms on Westminster is far more modest" (Beatty and Fothergill 2013, 14–15). RCT comes in as the 20th worst affected district in Great Britain with a loss of £670 per working age adult per year – a huge sum for an isolated, deindustrialized economy characterized by a long-term deficit in labour demand and low paid, insecure work. The complexities here are clear. For households who have been affected by one or more of these other welfare reform measures, it is naturally difficult for policy-makers to predict, or for researchers to disentangle, the exact impact of the changes to LHA. Moreover, the plethora of welfare reforms has been implemented against a backdrop of *housing flux* with the PRS growing at a rapid rate and owner-occupation and the SRS, where rents are comparatively cheaper, shrinking. National figures show that the number of households living in the PRS in England increased by 25% between 2008/9 and 2011/12 (Department for Communities and Local Government [DCLG] 2013). This growth of the PRS alongside the contraction in other tenures meant that the share of all households in England living in the PRS had risen to 17% by 2011/12. For the

first time, since the 1960s, the PRS was on a par with the SRS, which also accounted for 17% of all households – significantly below its peak of over 30% in the 1980s (BSHF 2010). This is in contrast to trends in other western countries over the last 15 years where the PRS is stable (e.g. Germany, Norway, Sweden, US) or has continued to decline (e.g. Belgium); the exception being Australia which also shows an increase (see Crook and Kemp 2014; Scanlon 2011). Table 1 illustrates how the PRS is increasingly taking the strain of the housing crisis with a 267% increase in the LHA caseload between 2008 and 2013.

This shift is central to accounts of the housing *marketization* process (Jacobs and Manzi 2013a, 2013b; Malpass and Victory 2010) driven by the *privatization* of social housing through the Right to Buy (Cole and Furbey 1994; Hodkinson, Watt, and Mooney 2012), stock transfer (Ginsburg 2005; Watt 2010), and the *deregulation* of housing finance (Kennett, Forrest, and Marsh 2013). All of which have contributed to inevitable and significant HB growth within the PRS, which was acknowledged by the Minister for Welfare Reform, Freud, in a 2012 speech to the National Landlords Association:

> Firstly I want to congratulate private sector landlords for the important role they have played in the economy as a whole. You have been of huge value during these recent turbulent times. Taking over 590,000 extra tenants on Housing Benefit, an increase of over 50% – for which we are extremely grateful. (Freud 2012)

In recent years, the PRS can be characterized as an unregulated sector undergoing rapid transformation and in a state of flux,[12] all of which hampers our limited understanding and makes predicting behaviour based on static conceptions a nigh on impossible task.

One Size Fits All: the LHA Cuts and the Local Context

It is instructive to consider what these blanket LHA changes mean in the context of the two different localities. Table 2 illustrates the diversity of the PRS context across the case study areas.

Table 1. Trends in HB caseload by tenure November 2008–November 2013

	November-08	November-13	% Change
Total HB claims	4,171,900	4,985,500	20
SRS HB claims	3,109,400	3,337,700	7
PRS HB claims	1,054,800	1,645,500	56
LHA claims	380,200	1,394,400	267
PRS claims as % of total HB	25	33	
SRS claims as % of total HB	75	67	
LHA claims as % of total HB	9	28	
LHA claims as % of PRS HB	36	85	
PRS claims as % of all PRS households in 2011	25	39	

Source: DWP Stat-Xplore, 2011 census of population.

The more enlightening columns for our concerns here are the last three to the right. Taking each in turn, firstly, the percentage of HB claimants as a proportion of all PRS households is a crucial context in understanding the responses of landlords and hints at the alternative options, or not, available to them. For instance, in Westminster HB tenants in the PRS account for just 16% of the total suggesting a relatively differentiated PRS (this is discussed in more detail below). In contrast, in RCT the PRS is dominated by tenants in receipt of HB, who account for a massive 60% of all PRS households, and points to a more homogeneous social composition of the sector and a relative lack of alternative tenants (and alternative uses of their properties) for landlords. Secondly, house prices are an important consideration for landlord and tenant behaviour. The explosion in the buy-to-let market means that many landlords must command a certain rent in order to cover mortgage payments and accrue a profit. Furthermore, where prices are rising and where landlords are not in negative equity they are more likely to consider selling properties as a response to the reduced income from the LHA cuts: a more feasible option in a buoyant housing market such as Westminster. In areas where house prices are high relative to wages LHA tenants are also more likely to face intense *competition* from suppressed homebuyers diverted to the PRS. Finally, the proportion of residents in the area on out-of-work benefits serves as a proxy for the relative health of the labour market and economic activity. Each of these differences, among many others, has a bearing on local rent levels.

Table 3 shows the weekly LHA rates in RCT and Westminster. The March 2011 LHA rates were the last month when rents were based on the *median* rents in the respective Broad Rental Market Area and thus present the pre-reform picture. The April 2011 rates were based on the new rules of the *30th percentile* of market rents in the area and the maximum caps by bedroom size. The rates at December 2012 show what happened to rents in the immediate period after the LHA reforms were implemented. The final column gives the difference between the pre-reform LHA rate and the current one. Comparing pre-reform LHA rates it is clear to see why much of the academic and media attention has focused on central London where market rents are so much higher; and how London could account for over a quarter of the HB bill yet only around 16% of claims (Hamnett 2010). The average rent for a two-bed property in Westminster was a massive £550 a week for instance, leaving LHA tenants with a shortfall of £260 per week post-implementation. In contrast, rents in RCT were already very low prior to the LHA reforms with little room for manoeuvre in terms of rent deflation, a desired policy goal of the reforms. Nevertheless, a reduction in LHA of £10 a week, or around £40 per month, for a one bedroom property in the Merthyr Cynon Broad Rental Market Area is a sizeable

Table 2. Case study areas

Region	Local authority district	PRS HB claimants December 2012	PRS HB claimants as % of all PRS HHs	Average house price (£)	Out-of-work benefit rate (%)
London	Westminster	6710	16	1,171,900	10.9
Wales	RCT	8220	60	107,247	18.9

Sources: Single Housing Benefit Extract, 2011 census of population, land registry, Nomis.

Table 3. LHA weekly rates for a selection of case study areas and bedroom sizes

Case study area	BRMA	March 2011	April 2011	December 2012	March 2011–December 2012
Shared accommodation					
Westminster	Central London	140.94	137.50	123.50	−17.44
RCT	Merthyr Cynon	46.15	43.31	45.00	−1.15
One bedroom					
Westminster	Central London	375.00	*250.00*	*250.00*	−125.00
Westminster	Inner North London	275.00	245.00	250.00	−25.00
RCT	Taf Rhondda	80.77	69.23	67.50	−13.27
RCT	Merthyr Cynon	75.00	69.23	65.00	−10.00
Two bedroom					
Westminster	Central London	550.00	*290.00*	*290.00*	−260.00
Westminster	Inner North London	350.00	290.00	290.00	−60.00
RCT	Taf Rhondda	98.08	87.69	86.54	−8.08
RCT	Merthyr Cynon	85.00	80.00	80.00	−5.00
Three bedroom					
Westminster	Central London	795.00	*340.00*	*340.00*	−455.00
Westminster	Inner North London	485.00	340.00	340.00	−145.00
RCT	Taf Rhondda	103.85	92.31	90.00	−11.54
RCT	Merthyr Cynon	92.31	90.00	85.00	−7.31
Four bedroom					
Westminster	Central London	1,250.00	*400.00*	*400.00*	−850.00
Westminster	Inner North London	610.00	400.00	400.00	−210.00
RCT	Taf Rhondda	150.00	126.92	138.46	−11.54
RCT	Merthyr Cynon	144.23	132.69	126.92	−17.31

Note: LHA rates in italics are set at the maximum cap by bedroom size.

Source: VOA, The Scottish Government, Welsh Government.

gap between the LHA rate and the contractual rent for anyone getting by on a low income. As noted, LHA reforms basically amount to reducing HB entitlements and therefore increasing the gap between average market rents and LHA entitlements to induce desired behaviours. This gap is far greater in Inner London than in other parts of the UK and the caps per bedroom size only come into play there at present (as shown in Table 3). That is, the 30th percentile in some broad rental market areas in Inner London is *higher* than the caps per bedroom size; for everywhere else in the country the reverse is true.

It is worth reiterating that the policies are anticipated to have the same impact across the country: a reduction in the HB Bill and downward pressure on rents; introducing "fairness" into the welfare system; and encouraging people into work. However, given the very different pre-reform contexts of RCT and Westminster it appears safe to assert that, at least to *some* extent, the reforms to LHA were devised by policy-makers with the increasingly *globalized* and *gentrified* London housing market in mind, with little consideration of the rental market in "low demand" areas like RCT. This is consistent with the stated policy goals of course: the overriding objective is to reduce the overall HB bill and in 2011 26% of that bill was accounted for by London. The movement of LHA tenants from central London was therefore an explicit policy goal expressed in terms of "fairness": "These changes will mean that people on benefit cannot choose to live in properties that would be out of the reach of most people in work" (DWP 2010). Indeed, extreme examples of relatively large households in receipt of LHA in central London were consistently used by government as a means of mobilizing the disidentifications of "hard working families" (read middle-class voters) and garnering support for the reforms (see Slater 2014). The fact that a third of LHA claimants are already in work, rising to 40% in London (Beatty et al. 2014), is notable by its absence from that discourse. The potential impacts in low-rent, peripheral, deindustrialized spaces like RCT received little attention. A comparative analysis of Westminster and RCT is therefore particularly suited to understanding the consequences at opposite ends of the spectrum of UK housing markets. Given the dominance of London-centric discourses, such an analysis also highlights the neglected and significant consequences of the reforms for areas of "dereliction wherein the precarized and stigmatized fractions of the postindustrial working class concentrate" (Wacquant 2013a, 9). The case of RCT also questions the dominance of the urban in studying the processes associated with neoliberal state-crafting.

The PRS Housing Figuration

Norbert Elias's figurational sociology provides a particularly useful framework for exposing the inadequacies of the static and reductionist behavioural assumptions on which the LHA reforms are based. Figuration is the term used by Elias to refer to "the modes of living together of humans" (Elias in Kilminster 2014, 6). It is a direct response to the intellectual aberration of the *homo clausus* – the closed subject prevalent within philosophical thinking which separates the individual from society. For Elias dominant conceptions of the relationship between the individual and society are naively egocentric, seeing either:

(1) society as a mass of individuals; their properties and development are the outcome of individual actions; or
(2) societies as existing outside the individuals and figurations who form them (Mennell and Goudsblom 1998, 240)

These conceptualizations lead to the reification and dehumanization of social structures: society cannot be separated from the individual, or from human figurations, as "social forces are in fact forces exerted by people over one another and over themselves" (Elias 1978, 17). A figurational approach therefore emphasizes the *interdependence* of human beings whose lives are significantly shaped by the

figurations that they form with others; these figurations are constantly changing in many ways – some fast, some slower and longer lasting; the long-term processual (or developmental) nature of figurations is unplanned and unforeseen; and the development of knowledge takes place within these figurations (Goudsblom 1977). Over the long-term[13] the increasing differentiation and specialization of social functions, under pressures of competition, results in an ever increasing number of interdependencies for the individual and groups as the webs of interdependence across societies grow. No-one controls the overall direction, rather social development is the outcome of figurational dynamics which are *constantly in a state of flux* as the power balances within them change alongside wider social transformations. The concept of figuration therefore "directs attention towards shifting patterns, regularities, directions of change, tendencies and counter-tendencies, in webs of human relationships that are always changing over time" (Dunning and Hughes 2013, 52).

When we approach the PRS in this way it is not difficult to see that the state is but one social force acting upon the behaviour of tenants and landlords, who themselves are locked into a relationship of interdependence with each other, characterized by different power imbalances. Even if we over-simplify the PRS figuration for our purposes here this fact becomes apparent. For example, a tenant in receipt of LHA is locked into an interdependent relationship with: the wider household she forms part of; the state in the form of the LHA rules and level of payment; the local authority which administers LHA and interprets those rules; the landlord who, in theory, can decide to let to who she wants at what level rent she wants; and with other PRS tenants in direct competition for properties. This latter point is further accentuated by the expansion of Higher Education and increased international *migration* which have increased *competition* from students and migrant workers, respectively. The deregulation, expansion and differentiation of the PRS have also increased the *diversity of landlords* operating within it. Landlords are an extremely diverse bunch from "accidental landlords" (with one or two inherited properties) to letting agents to large-scale managing agents and overseas investors with sizeable property portfolios. Their responses to the LHA cuts are therefore shaped by their relative positions within the PRS figuration, with those responses in turn impacting on their tenants. Furthermore, the PRS figuration is shaped by its interdependence with other housing sectors. For example, the housing market crash in 2008 led to a huge increase in PRS demand from suppressed homebuyers unable to access mortgage finance, which served to intensify the competition for PRS properties for LHA tenants and conferred a relative shift in power to landlords in some areas of high demand. Similarly, the contraction of the SRS has placed greater pressures on the PRS as it is increasingly expected to absorb excess demand for social housing. These are just a few of the more obvious social interdependencies which impinge upon the ability of tenants and landlords to negotiate their way through an ever more complex, expansive and differentiated PRS figuration. The chains of interdependence go on and on (see Elias 1978). Seen in this perspective the simplicity of the stated aims of the LHA reforms appear absurd. It is therefore imperative that housing and urban scholars "make reference to historical processes to uncover ideological assumptions behind policies that are presented as simple or 'common-sense' solutions" (Jacobs and Manzi 2013b, 41). Or, in Elias's terms, an appreciation of long-term social processes and their development enables a shift to a more empirically driven and reality-congruent fund of knowledge, as opposed to one that is ideologically driven and statically orientated. A figurational approach also

demands a focus on *power relations* and how these are shaped by longer term, wider social processes; an approach that goes far beyond an acknowledgement that "context matters" by drawing attention to differential impacts across space, time *and* groups. It is relatively common for housing and urban scholars to fall into the same trap as the housing policies which they research and "retreat into the present", neglecting the processual and developmental nature of society[14] (see Cole 2006; Elias 1987b; Flint and Powell 2012; Rae 2011). "Thinking in essentially static terms, we are compelled to seek to identify the 'active' or 'prime mover', as well as the 'moved', 'acted upon' or passive 'recipient' of 'change' … questions which are themselves flawed in certain respects" (Dunning and Hughes 2013, 115). Elias's rejection of static concepts and insistence on the perpetual dynamism of human interdependencies acts as a particularly helpful theoretical tool in aiding an understanding of housing in flux.

It is not difficult to see that the static assumptions underpinning LHA reform, and their presentation as common-sense, are far from adequate. The LHA measures and their impact serve as a particularly illustrative example of neoliberal state-crafting due to the way in which central government is able to transfer the associated risks to tenants, landlords and local authorities (see also Blandy and Hunter 2012). Just as "the genius of the Right to Buy was that … tenants themselves became the main agents of privatization" (Hodkinson, Watt, and Mooney 2012, 7), the perceived efficiency of the LHA reforms rests on the fact that, at least in the short-term, the state simply retreats while others respond; *hopefully* in the way that the government anticipates. However, these policies of state retrenchment and the transfer of risk carry with them the potential for major housing and urban problems in the future as individual and household behaviours, enmeshed in complex figurations, inevitably produce undesirable consequences (Dunning and Hughes 2013). In this context welfare cuts to HB in the PRS can be seen to form part of the "spread and normalization of social insecurity at the bottom of the class ladder" (Wacquant 2013a, 6). It is to these consequences and their uneven geographical and social impact that we now turn.

LHA "Reform" and its Discontents

This section draws on evidence from qualitative interviews with landlords[15] and frontline housing advisers,[16] as well as four focus groups with the latter, in illustrating the complexities of landlord and tenant responses to the LHA reforms.[17] The research programme ran from April 2011 until May 2014 and involved different strands, but this section draws solely on the qualitative insights from those dealing with the fallout of the reforms (see Beatty et al. 2012, 2013, 2014 for a full account of the different research elements and the methods employed). Five in-depth interviews were conducted with landlords in each of the nineteen case study areas between January and April 2013 – a total of 95 interviews. Similarly, 95 qualitative, in-depth interviews were conducted with housing advisers and officers from both the public and voluntary and community sectors across the 19 areas (five per area), with these taking place in the summer of 2012.

The empirical material presented focuses on RCT and Westminster, though evidence from respondents in other areas is also drawn upon where relevant. The analysis captures two distinct narratives pertaining to the least powerful households shaped by the specific context of power relations which characterize the PRS housing figuration within the two districts: a narrative of *displacement and dispersal*

in the globalized spaces of central London; and one of *containment, abandonment and dereliction in the deindustrialized spaces of RCT*.

Marginalization in London

The PRS in the UK is incredibly diverse, notoriously unregulated and increasingly the only option for vulnerable and low income households who would have previously been housed in the SRS. Rapid PRS change presents problems for local authority housing departments, themselves undergoing severe cuts to staff and services, tasked with "regulating" the PRS but with less and less resources with which to do so:

> The community legal centre is overwhelmed with queries and problems from private rented tenants with everything from arrears, disrepairs to evictions and harassment from landlords … That's coupled with the fact that the private rented sector in Barking and Dagenham has increased from about 9% about six years ago to 17% now. We've got something like 12,000 private rented sector properties of which we're lucky if we know where 4000 of them are … invisible HMOs[18] are growing in this borough. (Barking and Dagenham adviser focus group)

> It's so widely known the sector is completely unregulated and you can get away with anything. And the demand is so great and people will put up with almost anything. (Housing adviser, Brent)

The private sector is increasingly the destination for HB tenants due to processes of *privatization* and *deregulation*: through the shift from the regulation and bureaucratic management of social housing allocations, to the free market and open competition of the PRS. Local housing market and migration processes are therefore fundamental in determining the relative position and power of LHA tenants and landlords within the PRS figuration. In Westminster, the balance of power is firmly in the hands of the landlord in terms of the response to the LHA reforms:

> Central London, this location is not reliant on only [Housing Benefit] tenants. There's all walks of life from all over the world coming to live here, to work here, study here … The attraction with the LHA tenant was a long term tenancy and they were paying slightly higher but then you were taking a lot of risks, responsibilities. (Westminster landlord)

> It's very healthy, there's no shortage of tenants … privately or on housing benefit, but the housing benefit tenants tend to lose out. (Westminster landlord)

The level of demand for rental property in the centre of a global city like London gives landlords the upper hand in terms of their relationship with existing LHA tenants: they are on the favourable side of *an asymmetric power balance accentuated by the cuts*. Tenants experiencing a significant shortfall between their contractual rent and their reduced LHA entitlement must find the income from other sources, reduce spending, move somewhere cheaper, or face eviction.

> What you've got now, no private landlord will rent to the DSS,[19] it's not economical. (Westminster landlord)

> Our outlook to housing benefit applicants has changed considerably … because they've been priced out of the market by the private tenants, the LHA is far less than what the property will achieve on the open market. (Barking and Dagenham landlord)

> Yeah we've got rid of, we've basically changed our demographic, we've only got a handful of families left, it's been a massive change, and no under 35s, maybe one or two. (Westminster landlord and letting agent)

Landlords have no need to "take a risk" on LHA tenants, safe in the knowledge that demand from non-LHA tenants is so healthy. Continued financial *deregulation*, since the 1980s, means that housing markets "are now deeply embedded within the international institutional architecture and financial flows" (Kennett, Forrest, and Marsh 2013, 11). The growth of the buy-to-let market in the UK bears testament to these processes, with new lending cases rising from 44,000 in 1999 to 346,000 in 2007 (Kennett, Forrest, and Marsh 2013); trends mirrored in other countries exhibiting a growth in small-scale buy-to-let landlords such as France and Spain (see Crook and Kemp 2014; Scanlon 2011). These *globalization* processes ensure that global cities like London (and indeed Paris and Madrid) are seen as a "safe bet" for international investors looking to invest in property given the economic buoyancy of the city, high rates of economic activity, strong PRS demand among wealthy residents, and continued house price inflation.[20] A recent Report on overseas investment in London concluded: "London property is now seen for many in terms of its investment potential, as a safe haven for cash in an unstable global climate, rather than something that should be meeting a basic social need for the capital's residents" (Green and Bentley 2013, 2).

This is certainly borne out by the process of *marginalization* experienced by many LHA tenants in central London. Given the huge shortfalls between LHA entitlements and rents, the impacts fall unevenly on: the tenant, who invariably has to find cheaper accommodation elsewhere and probably some distance from their current address, social networks, workplace etc.; and the local authority, which has to source ever more scarce (if not non-existent) suitable accommodation for an increasing number of evicted and often vulnerable tenants presenting as homeless.

> Our [homelessness] acceptances went up after LHA came in 86%. In 2009 nine per cent of the households we accepted were from private sector and that went up to 64% of our acceptances in 2012/13. That's a massive hike which was a direct reflection of people being served notice or us deciding that their accommodation was unaffordable because of the LHA cap. (Westminster Adviser Focus Group)

> We're looking at Birmingham as a cheap option, I should say the West Midlands, Coventry, if we can get people to Milton Keynes and Luton, it depends what the customer wants in some respects. (Brent Housing Adviser)

This accommodation is likely to be some distance from central London, and increasingly outside London altogether as outer London Boroughs feel the impact of displacement (i.e. less property available and higher rents), and inner boroughs are forced to discharge their housing duty.[21]

> I think in reality what's more likely to happen is that people … may end up making homeless applications or whatever, they'll be made an offer of private sector or temporary accommodation somewhere they don't want to go and they'll turn it down and we'll end up ceasing our duty to them for that reason. (Westminster Adviser Focus Group)

In general terms, then, the Westminster landlord is faced with the inconvenience of replacing her LHA tenants with non-LHA tenants while displaced households and the local authorities deal with the consequences. In some cases this is at great cost in the form of temporary and emergency accommodation, with families in bed and breakfast accommodation at a ten year high (Spurr 2014).

Across London, advisers spoke of the emergence and/or accentuation of processes of *housing segmentation* within London neighbourhoods. LHA claimants in central London are increasingly being channelled to specific areas of lower quality, cheaper PRS accommodation as much of the capital becomes unaffordable.

> It tends to be owners of tatty old property. They can't get decent tenants for what they have to offer so once again that sections the area, the cheaper area the landlords will [let to Housing benefit tenants], the better areas they just will not. (Barking and Dagenham letting agent)

> What we're starting to see in Brent though is some areas becoming almost no go for housing benefit tenants … So the borough's getting a bit split now into areas where landlords are willing to drop their rents down to the LHA level, accepting that they're generally going to have housing benefit tenants, and areas where landlords are pulling out of the market and just renting to people who are working. (Brent Housing Adviser)

In many cases, given the strong attachments to place within London and the positive function of particular ethnic enclaves (e.g. the Somali community in Brent), many households were "choosing" to overcrowd, thereby enabling them to remain within their current area.

> If you speak to housing officers, they're concerned about overcrowding, sub-standard accommodation … people are choosing to stay in the borough, moving to smaller properties and choosing to overcrowd rather than move out of Brent, especially in certain communities where they've got a network of support in this borough and real reasons to stay. (Brent Housing Adviser)

Advisers and landlords invariably referred to the areas tenants were channelled to as the "bottom end" of the PRS, with many expressing concerns over "bad landlordism" and tenant exploitation. Given the webs of interdependence that characterize the PRS figuration these impacts go and on through the figurational chain. Although the channelling and marginalization of LHA tenants is more marked and

discernible in central London, these impacts are felt much further afield as displacement processes filter down through the housing system. The landlord below discusses the case of Jaywick in Tendring, Essex, a classic candidate for the processes associated with territorial stigmatization (Wacquant 2007, 2008a).[22] These displacement and marginalization processes were evident in Jaywick before the reforms but are accentuated further by them:

> I think Clacton changed, we'd gone away from being a nice seaside town, people still like to retire here but we've also had this deluge from some of the London boroughs where people have been placed down here in rented accommodation … more benefit claimants have moved down to the area and they have a policy now of moving these prisoners and their families into homes in Jaywick, it's a shanty town, wooden buildings. (Tendring landlord)

Many advisers spoke of this as the *beginning of a longer term process* as the impact of the reforms works its way through the chains of interdependent power relations within the PRS figuration:

> I think the way it'll continue, if you put the city of London at the centre, everything will just, it just ripples on, so you move to there, a year later you'll move on, a year later move on. (Barking and Dagenham Adviser Focus Group)

Ultimately this contributes to the *gentrification* of an over-heated London housing market (see Lees, Slater, and Wyly 2010; Watt 2010), driven by an economy dramatically out of kilter with the rest of the UK (Harvey 2013), as LHA tenants are replaced by wealthier households, not just in central London but further out:

> Hackney advertises itself as this trendy fashion hub and a media centre and it's attracting lots of young professionals who can't buy or don't want to buy cos it's a stepping stone to somewhere else, so you've got the conflict of the local population and Hackney bringing in lots of money, they can pay council tax but they take up the accommodation that the sons and daughters of the indigenous population can't compete with. (Hackney Adviser Focus Group)

A telling reminder of the neoliberal roots of these processes can be found in the fact that, ironically, LHA tenants are often channelled to ex-Council properties. These have ended up in the hands of landlords as a result of the Right to Buy policy who, in turn, benefit financially from the current lack of social housing.

> I think where our properties are I've got a certain kind of clientele, they're all ex-council properties, Oxgangs, Fir Hill. (Edinburgh landlord)

As well as advisers many London landlords were also acutely aware of the ongoing and negative processes of gentrification and marginalization, neatly captured by the interviewee below.

> Capping [is the biggest impact], you don't want ghettos. You want people to live in the community where all walks of life would be living, otherwise we

> have something like what some parts of France has where it's all snooty nosed people there … there'll be quite a divide. (Westminster landlord)

Advanced Marginality in RCT

The nature of the PRS figuration in RCT differs markedly. Average house prices in the district are just £107,000 (around a 10th of that in Westminster) and are significantly lower than the equivalent figure in other areas where LHA tenants predominate. *Globalization* there has led to *deindustrialization,* selective *out-migration,* housing *residualization,* economic and social *de-differentiation* and *marginalization*. These processes contribute in turn to *territorial stigmatization*, which carries with it psychological consequences as "the spatial denigration of neighbourhoods of relegation affects the subjectivity and the social ties of their residents as well as the state policies that mould them" (Wacquant 2013b, 12). Landlords within the area, many of whom are heavily dependent on LHA claimants for their lets, cannot help but be influenced by this powerful stigmatizing force, which informs their interpretation of the LHA reforms, their attitudes to tenants, and the perceived consequences for their rental properties:

> I think a lot of landlords are afraid to rent out at the moment, worried about conditions on properties, the upkeep, the expense to them and I think they're also afraid they could get stung. (RCT letting agent)

> I've turned away every LHA claimant that's come knocking, so for the last three months we've been marketing it, haven't let anyone in there who's not fit. (RCT landlord)

Thus, territorial stigmatization has implications for landlord behaviour as well as that of policy elites detailed by others (see Slater and Anderson 2012; Wacquant 2007). In much of RCT the housing stock is a legacy of the coalmining industry which once dominated the landscape (a further example of the neglect of historical social processes in the "design" of the reforms). The impact of the shared accommodation rate changes have resulted in an explosion in demand for rooms within shared properties. Territorial stigmatization counters against the assumed "market adjustment", of landlords converting properties to shared accommodation, as landlords expressed an aversion to HMO. A stigmatized housing form within a stigmatized area:

> As you know in the Rhondda [the stock is] very small two and three bed accommodation … But HMOs, it would be a brave man to put them on the Rhondda anyway. (RCT landlord)

HMO aside, although the stigmatization of LHA tenants is fairly consistent across the UK, the landlord aversion to them in places such as RCT does not necessarily mean they will not let to them. In many cases they have little choice. Unlike Westminster, the figurational dynamics of tenant-landlord interdependence in RCT are more equal with landlords there in a much less powerful position than their central London counterparts. The relative lack of social differentiation and the absence of

alternative PRS sub-markets (e.g. large numbers of students or migrant workers) and property uses within parts of RCT mean *landlords are more dependent on LHA tenants, and by extension the state, for their rental income* (Crisp 2013). The housing market is also markedly different, but just as Westminster landlords claim that the LHA market is economically unviable, so too do RCT landlords. The difference being that the impact must be absorbed by RCT landlords in the absence of alternative tenants.

> You can't sell stuff up there, it's not a seller's market, 100 [of the portfolio] are ours and the rest are other people's, we're all in the same boat, people aren't buying up there … what we've found with the housing benefit rates now, they're dropping so rapidly it's become uneconomic really. (RCT landlord)

Landlords in RCT, unable to alter their letting strategies, must adjust in other ways. They bemoaned the "unfairness" of a policy they saw as London focussed and London made. They cited the marginal differential in running costs between RCT and other parts of the UK, yet the impact of the shift to the 30th percentile was applied to all areas regardless of pre-reform rent levels (see Table 3). Landlords were left with no choice but to cut back on maintenance and repairs as they struggled to make ends meet:

> If I don't make any money there's no money for maintenance and you're just papering over cracks. (RCT landlord)

> The other problem is properties fall into disrepair … and that becomes a really difficult problem for landlords, bad landlords: not a problem. (RCT landlord)

The inevitable outcome was a gradual deterioration in the quality of housing and the living conditions of tenants. In some cases, very low LHA rates coupled with negative experiences of arrears, property damage and absconding tenants meant that landlords were more inclined to leave properties empty. Figures for 2012/13 show that RCT contained 2480 empty homes, a massive 12% of the total for the whole of Wales.[23] RCT was not immune to the globalization of housing investment, but outcomes for investors here were far removed from those in Westminster:

> … it's very difficult when the rent levels are going down … you're getting more and more vacant property … I think a lot of people bought from outside the area at auction, they can't really manage it being so far away, thought it was a great deal, now the market's dropped off they can't really sell them or don't want to sell them. (RCT landlord)

Leaving properties empty was also an emerging tactic in other "areas of relegation" where LHA tenants predominate, such as the coastal district of Thanet in Kent:

> All of us have got properties that have been empty for months … about 85% of the market in Thanet (are LHA claimants), particularly in Cliftonville, is housing benefit. And the current housing benefit is nowhere near what the rented properties are; the difference is too big for the tenants to be able to afford the top up. (Letting agent, Thanet)[24]

One common process in both RCT and Westminster is that of the *spatial marginalization* of LHA tenants as they are channelled to specific areas. The context, however, is markedly different. Within RCT there are two different broad rental market areas (see Table 3): the cheaper PRS accommodation is further up the Valleys away from the employment opportunities afforded by the city of Cardiff. The further north you go the greater the concentration of LHA claimants and the greater the "taint of place".

> It's generally not acceptable for people to go from the south to the north … usually people who live in the Valleys want to stay there cos of support networks or employment or whatever, but you rarely see people from the south wanting to go up into the Valley areas. (RCT Housing adviser)

The LHA cuts had contributed to this process by concentrating greater numbers of HB tenants in those areas of territorial stigmatization. Though unconsidered and unforeseen by central government policy-makers, the local knowledge of the adviser meant that they were seen as inevitable from her point of view:

> It's shifting the people that could potentially, who were able to claim prior, further up the Valleys to cheaper areas … as soon as it was announced we knew that was what was going to happen. (RCT Housing adviser)

As the adviser below notes, these consequences of the ill-thought-through LHA cuts were acting against decades of regeneration efforts (RCT was previously designated an European Union Objective One area) in dealing with the fallout of deindustrialization, economic decline and marginalization.

> The European Union are trying to put all this funding in to promote and bring higher standards into certain areas, into deprived areas, and we're just pushing the people on the lowest income back into those areas because that's the only places they can afford. (RCT Housing Adviser)

Perhaps counter-intuitively then, over the long term, LHA reform has a more detrimental impact on landlords in RCT than it does in Westminster. Similarly, the impact on the area of RCT – already marginalized and stigmatized – is far more severe than that in Westminster, in terms of housing quality and conditions and its contribution to the process of marginalization and territorial stigmatization. Ultimately, over the long-term, the prospects for RCT look decidedly bleaker than that of Westminster. The impacts in Westminster will be felt by displaced tenants in the immediacy, but the fallout is essentially diverted elsewhere (e.g. Barking and Dagenham, Thanet, Jaywick, etc.) as a product of the particular PRS housing figuration which confers significant power to the landlord.

Neoliberal Housing Policy and its Deleterious Consequences

The immediate fallout of the LHA reforms in Westminster impinges on claimants. LHA cuts could not have come at a worse time for these tenants. Massive foreign investment in the London PRS driving up rents, coupled with intensive competition from suppressed homebuyers unable to access mortgage finance, means that LHA

tenants are pushed further to the back of the housing queue and *displaced to marginal locations* within London and beyond. This displacement, and by extension gentrification, process is an explicit goal of the reforms (as detailed above) and therefore adds to existing evidence on "state-sponsored gentrification" (Allen 2008; Uitermark 2014; Watt 2010). The reduction in HB entitlements also contributes to the poverty of tenants as an intended outcome assumed to encourage unemployed tenants into work (Kemp et al. 2014). In this sense, these outcomes would seem to support the notion that "in contemporary Britain it makes sense to speak of a *broken state* not simply as a hyperbolic counterpoint to the 'broken society', but because the state is making a steady switch from a remedial to a *generative* force in respect of marginality, inequality and precarity" (Slater 2014, 12 – emphasis in original).

In both Westminster and RCT, however, the different knock-on effects discussed above also manifest in a deepening of marginalization. They testify to the inadequacy of the simplistic, static, ideology-driven policy assumptions characteristic of neoliberal governance, which appear absurd given the complexity and diversity of PRS figurations across space, which are in a constant state of flux. They are triggered by state policy but they are outcomes of social interdependencies and unequal power relations which characterize the PRS in particular localities. For example, in Westminster they impact on tenants to a much greater degree; whereas in RCT they impact significantly on landlords *and* tenants. At the same time, in some areas where the PRS figuration and housing context is more suited to the reforms, the policy appears to have been relatively "successful" (see Beatty et al. 2014). The range of consequences discussed here can be seen as a result of short-term and reactive policy design informed by social misdiagnosis and driven by ideological (involved) thinking which partakes in a "wilful institutional ignorance" (Slater 2014) – *the government's presentation of the assumed responses of tenants and landlords have been shown to be inherently flawed due to the neglect of the social processes and interdependencies* in which they are embedded.

LHA reform provides a telling example of Wacquant's neoliberal state-crafting: the state retreats and cedes "control" to the (PRS) market which results in deleterious effects; with the governmental presentation of welfare reform, of its aims and impacts differing markedly from experiences on the ground. Lack of regulation of the PRS alongside rapid tenure shifts means an increasingly crucial, and growing, portion of the housing sector is effectively unmanaged. The deteriorating "bottom end" of the PRS, marginalized and increasingly concentrated in areas of relegation, is the destination for growing numbers of vulnerable households, who are more often than not the *least powerful* groups within the PRS housing figuration, and society more generally. Placing social processes at the centre of our understanding enables a clearer view of these marginalized neighbourhoods as "time-stamped configurations whose conditions of genesis, development, and eventual decay are sustained and undermined by distinct configurations of state and citizenship" (Wacquant 2013a, 8). In this sense, evidence presented here supports the notion that western European states have retreated to a position of management rather than remedy, which has emerged as a key rationality of neoliberal governance (Rodger 2012; Slater 2014; Uitermark 2014). One in which "the organization of urban space plays a pivotal role … as the stigmatized poor are removed from zones of affluence and forced into areas of relegation" (Uitermark 2014, 1419).

In the case of London, it *could* be argued that these neighbourhoods could be classified as emerging "anti-ghettos" (Wacquant 2008b): porous and ethnically

diverse neighbourhoods, characterized by internal division and undergoing a process of relegation as a result of state policy (Wacquant 2008a, 2008b). As Slater and Anderson (2012) note with reference to St Paul's in Bristol, the taint of stigma actually informs policy: "the reputational ghetto in fact constitutes the *undercurrent* of local urban policy" (Slater and Anderson 2012; 541). In contrast to places like St Paul's and Hackney, however, which can be seen from above as suitable for gentrification (Slater and Anderson 2012), other already "relegated" areas – on the periphery, isolated from the centres of economic activity and "unattractive" to private investment, such as RCT – can be viewed as spaces of advanced marginality (Wacquant 2007, 2008a). Spaces merely for *containing* HB tenants and low income households; isolated and excluded from labour market opportunities since the onset of deindustrialization. Indeed, the relative ethnic homogeneity of RCT, its lack of internal division and its non-urban context suggest it does not fit the conceptualization of the "anti-ghetto" in Wacquant's schema (2004a, 2008a, 2008b). RCT, and other deindustrialized areas in Europe like it, would appear to be outliers worthy of further scholarly attention in contributing to and refining Wacquant's comparative and relational framework.

Conclusion

This paper has shown that LHA reform is indeed a generative force of marginality, inequality and precarity (Slater 2014) for individuals and groups at the bottom of the class structure. Many of the negative consequences of the LHA reforms can be seen as the product of short-term policies driven by ideological knowledge of a utopian bent that envisages market-based "solutions" based on flawed (static) assumptions (see Chang 2010). The gulf between the simplistic governmental presentation of, and rationale for, the LHA cuts – deficit reduction, fairness and work incentives – and the complexity and reality of consequences on the ground is striking. As Elias noted, economists and politicians "act as if they know the answers on the basis of ideals" (Elias 1994, 48 – emphasis added). Yet, reforming the PRS is clearly fraught with difficulty. Its diversity, dynamism, complexity and unregulated nature make it difficult to grasp and understand; and impossibly so when approached via an ahistorical, static orientation. Indeed, its marginal position in the housing system means that we are so far from a sufficient understanding of how the PRS "works" that anticipating how policy decisions will impact further down the chain of social interdependencies of a sector constantly in flux is a fruitless endeavour. The PRS figuration would seem to support the notion that:

> At this early stage current levels of knowledge are perhaps only sufficient for sociologists to draw upon in calling into question, for example, fundamental assumptions made within policy discourse. (Dunning and Hughes 2013, 48)

This paper has attempted to do just that and has shown that the policy assumptions underpinning LHA reform are inherently flawed and contradictory. Of course, the history of social aid to remediate poverty is replete with undesirable consequences for the lower strata of society it is supposed to assist. Geremek's (1994) detailed account of attempts at alleviating poverty in the middle ages testifies to the ubiquity of undesired outcomes associated with European social policy from its earliest incarnation. This history also informs of similarities in the shape of: the *ambivalent*

position of the poor in the eyes of society; the ubiquitous *uncertainty* and *precarity* that characterizes life for those on the margins; and the *ineffectiveness* of ideology-driven knowledge and policy, albeit that emanating from the Church in that period. But similarities in terms of the impact on the urban form are perhaps most resonant for our concerns here:

> Most striking, however, was the social division of the city's topography into rich and poor. It was concentric: the closer a family lived to the religious and economic centre of the city, the higher its position. The price of land was dictated by this arrangement, by which means, of course, the system was protected and maintained. (Geremek 1994, 69)

Five-hundred years on these spatial and social processes continue within central London. Though the policies of the neoliberal period are not as *overtly* hostile and repressive as previous eras in their spatial containment of those at the bottom of the class structure the outcomes are remarkably similar (Geremek 1994; Wacquant 2004a; van Wel 1992). The poor are marginalized by policies that purport to help and are stigmatized for their marginal position in a self-perpetuating circularity that informs policy (Slater and Anderson 2011; Tyler 2013; Wacquant 2007). Elias's historically informed work can contribute here through providing the theoretical tools with which to challenge and expose the "present-centred" myths which inform urban and housing policy. And the testing of Elias's theories, hitherto neglected by urban and housing scholars, could likewise contribute to their development, extension, synthesis and refinement.

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Notes

1. Space constraints do not permit a detailed account of these complex, interdependent processes. Suffice to say here that there is a wealth of evidence that corroborates these processes, observable over the longer term, which is often at once empirical and theoretical. This literature is far too vast to cite here.
2. DWP research monitoring the reforms cites a number of lagged effects in tenant and landlord responses related to: a lack of knowledge about the reforms on the part of both landlords and tenants; a nine-month period of transitional protection in the implementation process for existing

tenants; the use of temporary discretionary housing payments (more often than not viewed by landlords and housing advisers as "delaying the inevitable"); and affected households clinging on to tenancies in a desperate bid to stay in their current property and area, which often results in increasing arrears (Beatty et al. 2012, 2013, 2014).

3. See the Special Issue of *Environment and Planning A*, 2014, volume 46.
4. A broad rental market area is defined as two or more distinct areas of residential accommodation that may constitute part of a local authority area, or cut across two, three or four local authority areas (see Beatty et al. 2014).
5. See Beatty et al. (2012, 2014) and DWP (2010) for a full account of the changes. All these changes (apart from the withdrawal of the £15 excess) applied to new claimants from April 2011. Existing claimants were brought under these measures (depending on the date of the annual review of their LHA claim) in the period from January 2012 to December 2012.
6. The caps were set at £250 per week for a 1 bed property: £290 per week for a 2 bed; £340 for a 3 bed; and £400 for a 4 bed or more (thereby scrapping the 5 bed rate).
7. Non-dependent deductions represent reductions in the amount of HB paid to claimants where there are other non-dependent adults living in the same property (e.g. offspring aged 18 or over), Tellingly, the definition of young adults, who should be living in the parental home rather than claiming HB, is extended to those aged 34 in relation to changes to the shared accommodation rate.
8. Discretionary housing payments are intended to mitigate the impact on tenants and can be paid to claimants where there is a shortfall between the benefit paid and the contractual rent. Councils are expected to take into account any special circumstances facing the tenants.
9. While areas of housing policy are devolved to the Welsh Government and therefore subject to different institutional arrangements to that in England, the Welfare Reform Act applies to both nations.
10. The implementation of the new Council Tax Reduction scheme was devolved to local areas and the Scottish and Welsh Governments along with 57 English districts, including Westminster, decided not to pass the reduction onto claimants.
11. Universal Credit, the government's flagship welfare reform, is not discussed here due to uncertainty and vagueness surrounding its implementation. However, the myriad problems associated with the reform testify to the disjuncture between the complex reality of housing and welfare reform and the ideological knowledge driving it.
12. Turnover in the PRS is also relatively high with 34% of households moving within the last year. This compares to 10% in the SRS and just 4% in owner-occupation (DCLG 2014).
13. Long-term in the Eliasian sense is the very long-term in the conventional sociological sense. For example, Elias consistently returns to much earlier societies in garnering insights on social processes, in the same vein as Marx and Weber (see Elias 1987a, 1987b).
14. I would suggest that the extensive empirical and theoretical work of Wacquant, and those influenced by him, represents a significant breakthrough for urban and housing studies in this regard. Though owing much of its development to the work of Wacquant's mentor and collaborator, Bourdieu, it shares a number of similarities with the "research-theorising" characteristic of Elias's figurational sociology (see Dunning and Hughes 2013, 188–200; Rodger 2012). That is, Wacquant's work on the development of the urban form learns from the past, and is invariably empirical, theoretical, relational, historical and sensitive to the sociology of knowledge (see Bourdieu and Wacquant 1992; see also Wacquant 2004b for an engagement with Elias on the "dark ghetto").
15. The landlord sample included landlords, letting agents and managing agents and these groups are not mutually exclusive. Where referring to the collective sample the term "landlords" is used. Where respondents are quoted their position of "landlord", or "letting agent", or "landlord and letting agent", is indicated.
16. The housing adviser sample contained a mix of representatives from the 19 local authority case studies in the research as well as those from the voluntary and community sector operating in those areas, such as the Citizens Advice Bureau, Crisis, Porchlight, Shelter, etc. (see Beatty et al. 2013). Where referring to the collective, the generic term "advisers" is used.
17. For a detailed account of the research methods see Beatty et al. (2012, 2013, 2014).
18. HMO refers to housing of multiple occupation where certain common areas of the property are shared by more than one household such as the entrance, the kitchen and the bathroom.

19. "DSS" refers to the former UK government Department of Social Security which was replaced by the Department for Work and Pensions in 2001. Curiously, "DSS" is still the preferred term of many landlords when referring to HB tenants and advertisements for PRS properties often include the statement "No DSS" reflecting an aversion to HB tenants among landlords.
20. As a recent Deutsche Bank Report notes: "London housing may be expensive relative to the UK, but it's a bargain for some foreigners. Given the international nature of its real estate market, London house prices are perhaps better measured in dollars than sterling. The 30% fall in GBP/USD following the financial crisis therefore provided foreign investors with a considerable boost in purchasing power. Measured against other major global cities, for example, London prices look relatively cheap compared to Hong Kong" (Harvey 2013, 12).
21. For example, where tenants are evicted and present to the local authority as homeless, then the authority has a duty to find them "suitable" accommodation. Should, for instance, Brent Council be unable to find affordable accommodation within the Borough then they must look further afield. Increasingly, given the impact of LHA caps *and* the overall benefit cap, this accommodation is outside the Borough and sometimes London altogether (e.g. Luton, the Midlands, the North). If the tenant then refuses that accommodation, the Council can discharge its housing duty and no longer has any obligations to house that tenant.
22. According to the Indices of Multiple Deprivation – a Government measure drawing on indicators for income, employment, health, crime and living standards – Jaywick is the poorest place in England but many residents are resistant to the taint of place imposed from above (Usborne 2012).
23. Source: National Strategic Indicators data collection form, Welsh Government. Available online: https://statswales.wales.gov.uk
24. HB claimants as a proportion of the PRS actually account for 66% (see Beatty et al. 2014) but the PRS in Thanet is still dominated by HB tenants, as the respondent rightly asserts.

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