HOME IMPROVEMENTS

A Social Justice Approach to Housing Policy

February 2016

THE CENTRE FOR

SOCIAL
JUSTICE

Contents

About the Centre for Social Justice

Established in 2004, the Centre for Social Justice is an independent think-tank that studies the root causes of Britain's social problems and addresses them through recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst multiple disadvantage and injustice, every possible opportunity to reach their full potential.

Since its inception, the CSJ has changed the landscape of our political discourse by putting social justice at the heart of British politics. This has led to a transformation in government thinking and policy. The majority of the CSJ's work is organised around five 'pathways to poverty', first identified in our groundbreaking 2007 report, Breakthrough Britain. These are: family breakdown; educational failure; economic dependency and worklessness; addiction to drugs and alcohol; and severe personal debt.

In March 2013, the CSJ report It Happens Here, shone a light on the horrific reality of human trafficking and modern slavery in the UK. As a direct result of this report, the government passed the Modern Slavery Act 2015, one of the first pieces of legislation in the world to address slavery and trafficking in the 21st century.

The CSJ delivers empirical, practical, fully-funded policy solutions to address the scale of the social justice problems facing the UK. Our research is informed by expert working groups comprising prominent academics, practitioners, and policy-makers. Further, the CSJ Alliance is a unique group of charities, social enterprises, and other grass-roots organisations that have a proven track-record of reversing social breakdown across the UK.

The 11 years since the CSJ was founded has brought with it much success. But the social justice challenges facing Britain remain serious. Our response, therefore, must be equally serious. In 2016 and beyond, we will continue to advance the cause of social justice in this nation.

Baroness Stroud of Fulham
CEO

Director's preface

For the past decade, the Centre for Social Justice has shown that employment, educational achievement, stable families, and freedom from debt and addiction are the remedies to poverty in the UK. But life chances are also shaped by one of the most fundamental needs of all: a secure, suitable home.

The Government clearly appreciates the importance of housing in people's lives. It is seeking to address the undersupply of housing in the UK with a plan to build one million new homes by 2020. Through the Right to Buy in Housing Associations, and a £6.5 billion investment in schemes like Starter Homes, it is enabling more people to attain the goal of home ownership.

The Government is also rediscovering the importance of building functional neighbourhoods. In January of this year, the Prime Minister announced his intention to regenerate 100 of the worst estates in the country. We welcome this move, and suggest in this report some ways the scheme could actually work for the poorest.

However, this programme does not address the new challenges low-income families face. Home ownership is now well out of reach of the poor and will remain so for the foreseeable future. More and more families are finding that they have nowhere to go but the private rented sector.

In fact, over the last decade the number of low-income households renting privately has doubled, from one to two million. This presents major new difficulties, notably the lack of stability which the tenure brings; and the barriers to entry, which can mean that the very poorest are excluded from a secure housing situation altogether.

But the debate has not moved on. The Left continues to look for a level of state-led social house building which is not practical; while the Right has very little to say for those for whom home ownership is out of reach. In this report we offer a different approach: a pragmatic plan of action that could dramatically improve the life chances for the poorest.

First and foremost, we are seeking to end the blight of insecurity in the lives of families, which undermines child development, schooling, and the ability of adults to work their way out of poverty. We are calling for a capital fund of at least £40 million, and creative use of new funding that has become available to the Department for Communities, to greatly expand the roll of social lettings agencies across this country. These provide the incentive needed for more landlords to rent long-term to Housing Benefit claimants, and provide support for vulnerable

tenants to sustain their tenancies. We also propose a series of reforms to the framework in which the private rented sector operates, so that families can have security beyond six or 12 months in their tenancy.

Even a stable home, of course, may be fundamentally unsuitable, and a suitable home now may not be so in the future. So we also have a plan to raise the standard of landlords in this country, both in the social rented and private rented sectors, and remove the barriers to moving. Notably, by tackling the high costs of moving into a privately rented property – deposits, rent in advance, and lettings agency fees – we can ensure that people are not trapped where they currently live, and are able to move to better their life chances.

Since work is the best route out of poverty, we also examine how housing support can better help people to enter employment and increase hours. This includes eliminating the extraordinary work disincentives that exist in hostels and supported housing.

Together with a properly implemented estate regeneration scheme, these measures would comprise a concrete programme of reform, so far fewer people find themselves trapped in poverty by their housing circumstances. We urge the Government to seize this opportunity.

In publishing this report, I would like to thank Councillor John Moss and the wider working group for their time, expertise and dedication. I would also like to thank the lead researcher Mark Winterburn for authoring this report, and Alex Burghart, Director of Policy, who supported him superbly in this task.

Baroness Stroud of Fulham
CEO

Members of the CSJ Working Group

Cllr John Moss (Chairman)
Councillor for Waltham Forest

John Moss is a Chartered Surveyor who has worked on a number of major regeneration projects in both the public and private sectors over the past 30 years. His professional career includes six years at the London Docklands Development Corporation (LDDC) where he worked on projects including the rescue of Canary Wharf from bankruptcy, the Jubilee Line Extension and the sale of a number of sites for commercial and residential development. After leaving the LDDC, with colleagues, John formed Complex Development Projects (CDP) where he was a Director for 10 years. CDP developed a number of mixed residential and commercial schemes including working with Coventry City Council on the Phoenix Initiative which was short-listed for the 2004 Stirling Prize. He is also a member of Create Streets and a Councillor in the London Borough of Waltham Forest and has written extensively about affordable housing, housing design and planning, including the 2009 Localis pamphlet, *Principles for Social Housing Reform*, co-authored with Stephen Greenhalgh, then Leader of Hammersmith and Fulham Council.

Mark Winterburn
Author and Researcher

Mark leads the Centre for Social Justice's work on housing. He previously contributed to research on social integration and family policy at the CSJ, and is the author of *Finding their Feet: Equipping Care Leavers to Reach their Potential*. He graduated with a First Class degree in History from the University of Cambridge.

Christine Whitehead
Emeritus Professor in Housing Economics, London School of Economics

Christine Whitehead is Emeritus Professor in Housing Economics at the London School of Economics. She is an internationally respected applied economist whose research is well-known in both academic and policy circles. Major themes in her recent research have included analysis of the relationship between planning and housing; the role of private renting in England and in European housing systems; financing social housing in the UK and Europe; demographics and the demand for housing; and the evaluation of government policies on home ownership and housing supply. Her latest books both published by Wiley Blackwell at the end of 2015 are on *Milestones in Housing Finance in Europe* (with Jens Lunde) and *Planning Gain* (with Tony Crook and John Henneberry). She is currently advising the Communities and Local Government committee on the Voluntary Right to Buy and other issues and the House of Lords Economic Affairs Committee on their current housing inquiry.

Gary Orr
CEO, Yarlington Housing Group

Gary is Group Chief Executive at Yarlington Housing Association. His career began as a graduate trainee in Northern Ireland with Clanmil HA, where he is now a non-executive board member. He is an elected member of the National Housing Federation's South West Regional Committee.

In 2014 Yarlington featured in the Sunday Times 100 Best Companies list. The organisation has developed a reputation for effective performance management and progressive policy development. It now owns and manages over 10,000 affordable homes across Somerset, Devon and Dorset.

The Yarlington Group now includes the subsidiary company Insipred2Achive, a dedicated organisation supporting people into employment, training and educational services. Gary holds a BSc (Hons) in Housing Policy, Management and Development, a Masters Degree in Business Administration and is a member of the Chartered Institute of Housing.

Nancy Doyle
Chief Executive, Oasis Aquila Housing

In 2010 Nancy became Chief Executive of Oasis Aquila Housing (formerly Aquila Way) having previously led two young peoples' supported housing services in London. Since Nancy's appointment, Oasis Aquila Housing's turnover has more than doubled and now provides housing and support to homeless, vulnerable and disadvantaged people in both Gateshead and London. Nancy is an experienced strategic leader and a confident public speaker on issues relating to homelessness and vulnerable and disadvantaged young people and has facilitated Leadership Training Programmes. She was also part of the working group for the CSJ publication Breakthrough Britain 2015.

Nancy is a Visiting Fellow at St John's College, Durham and a Royal Society of Arts Fellow as well as Vice Chair of VONNE (Voluntary Organisations Network North East) and Director of VONNE Ltd.

Robert Morritt
Head of Public Affairs, Home Group

Robert joined Home Group in August 2010 becoming the group's first Head of Public Affairs. Prior to joining Home Robert has worked in a number of communications roles most notably working as a Conservative campaign director during the 2010 general election.

Robert advises Home Group's senior leadership team on their strategic positioning and government communications. He is passionate about ensuring that housing and regeneration messages continue to maintain their current profile as a key driver of economic growth.

It should be noted that the views expressed in the report are not necessarily the views of each member of the Working Group.

Special thanks

home group

Chairman's foreword

Some people never get ill, some don't have children, but everybody needs a home. That is why housing policy is important to everybody.

Whilst much of the current focus in the area of housing policy is, rightly, on how to increase the supply of homes to meet a growing need, this report tries to dig a little deeper into the role of a *stable* home in providing the platform for people to secure a job, or a better job and build a future for themselves and their families. We also look at the role of those who provide housing for the least well off and how they can help their residents to make the best of their lives and to feel they are part of their communities.

The difficulties people face when they do not have that stability can often lead to the sort of outcomes which blight not just their lives, but also the communities they live in; family breakdown, crime, poor health and education outcomes, dependency on drugs and alcohol. Whilst it is difficult to establish direct causal links between unstable housing and such outcomes, it is hard to argue against the idea that life is very much harder *without* a stable home from which to grow. So this report also looks at how mistakes of the past have contributed to this and how such mistakes can be avoided in future.

Our recommendations seek to build on great work that is already being done by many organisations across the country. We were struck by how many Housing Associations do more than they are strictly required to and the energy of charities in tackling problems which begin with homelessness. It was also evident that many groups are working almost in isolation, unaware of others doing similar work and the sharing of information across a wider spread of organisations in both the voluntary and government sectors can only help matters in this area. We hope this paper can contribute to that.

I would like to thank Home Group for their sponsorship, and the members of the Working Group which oversaw the production of the report. Finally, thanks go to all the staff at the CSJ for their efforts in researching and organising the evidence used in preparing the report, with particular thanks to Mark Winterburn for pulling all the strands together into a coherent whole.

Cllr John J C Moss
Chairman

Executive summary

Introduction

A secure, suitable home is fundamental to the life chances of the poorest.[1] Without a stable base adults struggle to maintain employment. In damp, dangerous conditions parents cannot provide the right environment for their children to thrive and develop. Those who lack any home can find it impossible to get back on their feet.

For any Government serious about tackling poverty in our country, a credible housing strategy must therefore incorporate a social justice strategy. And while we welcome the Prime Minister's recent commitment to regenerate 100 of the most dysfunctional housing estates in the UK, we argue in this report that the Government's current response needs to go further in light of the severe difficulties facing low-income families.

Most significantly, renting privately is rapidly becoming a new norm for low-income families. Over the last decade, the number of low-income households in the private rented sector (PRS) has doubled from one million to two million.[2] This brings certain challenges:

- The PRS is less likely than social housing to provide the suitable, secure base that families need to thrive. 93 per cent of initial tenancy agreements are for 12 months or less.[3] Vulnerable people with support needs struggle to sustain private tenancies for even this length of time;
- Unlike social landlords, private landlords can choose whether they rent out to tenants on Housing Benefit, even if their properties would be affordable to them. Half of private landlords chose not to;[4]

1 While this report analyses problems that often exist across the UK, and many of the recommendations are relevant to the devolved administrations, it primarily deals with England. Unless stated otherwise statistics, and legislative and administrative contexts, relate to England.

2 Department for Work and Pensions, *Households below average income: 1994/1995 to 2013/14*, London: Department for Work and Pensions, 2015, Table 3.6db [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/437253/hbai-2013-2014-supporting-excel-files.zip (10/12/15)]; Department for Work and Pensions, *Households below average income: 1994/1995–2003/03*, London: Department for Work and Pensions, 2005, Table 7.5 (BHC) [accessed via: webarchive.nationalarchives.gov.uk/20130513214236/http://statistics.dwp.gov.uk/asd/hbai/hbai2004/excel_files/appendices/appendix_7_hbai05_excel.xls (22/01/16)]

3 House of Commons Communities and Local Government Committee, *The Private Rented Sector: Volume II, Oral and written evidence*, London: The Stationery Office Limited, 2013, p231 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50ii.pdf (11/12/15)]

4 Department for Communities and Local Government, *Private Landlords Survey 2010*, London: Department for Communities and Local Government, 2011, p46 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/7249/2010380.pdf (09/12/15)]

- Along with other barriers, such as rent deposits and reference checks, this can exclude low-income people from acquiring a tenancy. This prevents people from moving to suitable properties. Worse, it can mean that households become, or remain, homeless.

The Government has no existing plans for a programme of social home-building to house these individuals and families. Nor does its £6.5 billion plan for 400,000 'affordable' homes for ownership provide the solution: both 'Starter Homes' and shared ownership products would be affordable to no more than three per cent of new social tenants.[5, 6]

We therefore call upon the Government to tackle the causes of poor life chances across the social *and private* rented sectors. We have identified five key objectives which would demonstrably improve life chances:

- Tackling instability, so that households are able to build lives around a secure housing situation, and so that they do not have to make frequent, involuntary moves;
- Improving the suitability of the housing stock to provide the housing conditions that families need to thrive;
- Enabling flexibility, so that people are able to move when their life circumstances change;
- Supporting work and progression where housing impinges upon the welfare system;
- Eliminating architectural design which contributes to social breakdown, and building neighbourhoods that work for the poor.

Stability

A stable home provides a period of predictability and security so that households have a reliable base around which to organise working and family life.

- Children thrive in a stable and loving environment where they have routine and know what to expect in their lives. One study found that, controlling for other factors, two or more moves in the first two years of life could be linked definitively with behavioural problems at the age of nine;[7]
- For older children, home moves can mean school moves. Only 27 per cent of pupils who move schools three times or more during their secondary school career achieve five A* to C grade GCSEs, compared to the national average of 60 per cent;[8]

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5   HM Treasury, *Spending Review and Autumn Statement 2015*, London: HM Treasury, 2015, pp3, 40–41 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf (25/01/16)]; Deloitte, *The Joint Spending Review and Autumn Statement 2015 – how will it impact Planning?*, London: Deloitte, 2015 [accessed via: blogs.deloitte.co.uk/realestate/2015/11/autumn-statement-2015.html (25/01/16)]

6   Joseph Rowntree Foundation, *Understanding the likely poverty impacts of the extension of Right to Buy to housing association tenants*, London: Joseph Rowntree Foundation, 2015, p31 [accessed via: www.jrf.org.uk/file/48597/download?token=yRLrKgRZ&filetype=full-report (11/12/15)]

7   Rumbold A et al, 'The effects of house moves during early childhood on child mental health at age 9 years', *BMC Public Health*, 12(583), 2012, pp1, 4 [accessed via: www.biomedcentral.com/1471–2458/12/583 (19/10/15)]

8   The Royal Society of Arts, *Between the cracks: Exploring in-year admissions in schools in England*, London: The Royal Society of Arts, 2013, p5 [accessed via: www.thersa.org/discover/publications-and-articles/reports/between-the-cracks/ (19/10/15)]

- Involuntary moves disrupt work and training. A recent analysis for the Australian Government found found that income support recipients who moved three times or more in a year were more than a third less likely to be in employment than non-movers.[9]

Some of those worst affected by instability are the 68,560 homeless households housed by their Local Authority in Temporary Accommodation – up from 48,010 at the end of 2010.[10] Families in this situation live in a state of impermanence and struggle to get their lives back together. Our Freedom of Information requests found that 54 per cent of households in Temporary Accommodation have at least two different placements (in addition to the initial disruption of losing their home) and 17 per cent have at least three.[11] A quarter of households are also placed outside their local authority area, disrupting access to services.[12]

One option is to house homeless households *permanently* in the PRS. However as fewer and fewer landlords are able or willing to let to benefit claimants, the options for low-income people are narrowing. Indeed, the ending of a tenancy is increasingly a *cause* of homelessness, as people find they have nowhere to go: the number of families in this situation rose from 4,580 in 2009 to 15,420 in 2014.[13]

Moreover, as we have already noted, the PRS itself often fails to provide stability for the two million low-income families who currently live within it, or the support for those who are unable to sustain a tenancy. About half of households have no assurance that they can stay in their property for more than six months.[14]

Social Lettings Agencies

Social Lettings Agencies provide a solution to these problems. They manage properties on behalf of private landlords and provide sustainable tenancies for those on a low income.

- Their support workers help vulnerable tenants sustain their tenancies (which can be undermined through arrears, damage to the property, and anti-social behaviour);
- They reduce the risk for landlords to enable them to let to LHA claimants;
- They often provide tenants with five-year tenancies.

9   Australian Government Productivity Commission, *Housing Assistance and Employment in Australia*, Australia: Australian Government Productivity Commission, 2015, p42 [accessed via: www.pc.gov.au/research/completed/housing-employment/housing-employment-volume1.pdf (02/11/15)]

10   Department for Communities and Local Government, *Live tables on homelessness*, London: Department for Communities and Local Government, 2015, Table 782 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/463064/Statutory_Homelessness_Live_Tables_201506.xlsx (07/12/15)]

11   Freedom of Information Requests by Centre for Social Justice [sent 29/10/15]. 67 Local Authorities responded with usable information

12   Department for Communities and Local Government, *Statutory Homelessness: July to September Quarter 2015 England*, London: Department for Communities and Local Government, 2015, p10 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/486671/2015_Q3_Statutory_Homelessness.pdf (25/01/16)]

13   Department for Communities and Local Government, *Statutory homelessness live tables: July to September 2015*, London: Department for Communities and Local Government, 2015, Table 774_England [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/463064/Statutory_Homelessness_Live_Tables_201506.xlsx (11/12/15)]

14   House of Commons Communities and Local Government Committee, *The Private Rented Sector: Volume II, Oral and written evidence*, London: The Stationery Office Limited, 2013, p231 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50ii.pdf (11/12/15)]

Currently the spread of Social Lettings Agencies is sporadic throughout the country. They are usually small and heavily reliant on grant funding. But there are financially self-sufficient models, which require the agency to reach a certain scale and cross-subsidise high-risk with low-risk activities.

The Government recently announced that the Department for Work and Pension (DWP) will no longer fund Temporary Accommodation. Instead, £1,005 million will be allocated to the Department for Communities and Local Government (DCLG) by the end of the Parliament. This figure represents £40 million more than what would be spent on Temporary Accommodation. The money is to be used to enable local authorities to meet their duties towards homeless families.

We recommend DCLG use the additional £40 million to set up a Capital Fund to aid the expansion of Social Lettings Agencies with credible business plans, and to help new organisations enter the sector. We believe that this would greatly improve the options for low-income people in need of a secure, suitable tenancy.

We recommend the rest of the £1,005 million funding be passed to Local Authorities. They could use the funding to house homeless families in Temporary Accommodation. However, once a mature Social Lettings Agency is operating in a Local Authority area it would be a valuable, alternative resource for local authorities. **Local Authorities should therefore use their new flexibilities to financially back mature Social Lettings Agencies, and enter into arrangements to house homeless families *permanently* in the PRS.**

Longer tenancies in the Private Rented Sector

We also propose a series of reforms to encourage longer-term tenancies throughout the PRS. They include:

- **Incorporating into the code of conduct for letting agents a requirement to make tenants aware of the full range of options available for tenancy length.** This should include the option of using the Government's model contract to negotiate longer tenancy agreements;
- **Making the 'at-fault' (section 8) eviction process more fair and efficient so that landlords are willing to offer long-term tenancies;**
- **Legislating so that 'no fault' (section 21) eviction orders are not legally enforceable until 12 months after the start of tenancy.** This will effectively make the minimum tenancy length 12 months rather than six.

Suitability

Poor housing conditions can have a terrible impact on the health of both adults and children. Low temperatures, damp and mould cause illnesses such as respiratory disease, eczema, asthma, and rhinitis.[15]

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15   Marsh A et al, 'Housing Deprivation and Health: A Longitudinal Analysis', *Housing Studies*, 15(3) 2000, p413

It is not hard to see how these health problems impact on life chances. For instance, asthmatic children take twice as many days off school for illness as non-asthmatic children, and, controlling for relevant factors, adults are more likely to be workless after an asthma diagnosis.[16, 17]

Improving the condition of the housing stock

There have been great improvements in the condition of England's housing stock in the last decade. Nevertheless:

- 30 per cent of private rented homes (1.3 million homes) and 15 per cent of socially rented homes (585,000 homes) still fail to meet the decent homes standard – that is they are hazardous, in disrepair, un-modernised, or lack thermal comfort;[18]
- Nine per cent of private rented homes (377,000 homes) and five per cent of socially rented homes (202,000 homes) suffer from damp.[19]

The Government is introducing a series of measures to tackle rogue landlords in the PRS. However, a much more prevalent problem is that many landlords are simply unaware of their duties. One survey found that 63 per cent of private landlords had no relevant experience or qualifications, and only six per cent belonged to a relevant professional body or organisation.[20] **We therefore recommend that the Government makes membership of a Landlords' Association a condition for those taking out a buy-to-let mortgage.**

While conditions are generally better in the social rented sector, it is concerning that the number of complaints and enquiries received by the Housing Ombudsman against social landlords has recently increased by 64 per cent, and there are now over 16,200 a year.[21] **We recommend that the Housing Ombudsman publish data on the number of complaints against each social landlord and the nature of the judgment. If this were to reveal that there are certain landlords persistently failing to carry out repairs and urgent improvements, the Government should consider granting the Ombudsman additional powers.**

Flexibility

People need different homes at different stages of their lives. A home which is currently suitable may become unsuitable as a result of life events. Households grow and shrink as relationships change, or parents have children. Due to age or disability, people may find they need a home better adapted to their needs.

16   Halterman J, 'School readiness among urban children with asthma', *Ambulatory Paediatrics*, 2001, p201
17   Blanc P et al, 'The work impact of asthma and rhinitis: Findings from a population-based survey', *Journal of Clinical Epidemiology*, 2001, 54, p610
18   Department for Communities and Local Government, *England Housing Survey: Headline Report 2013–14*, London: Department for Communities and Local Government, 2014, pp8, 53 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/406740/English_Housing_Survey_Headline_Report_2013-14.pdf (08/12/15)
19   Department for Communities and Local Government, *English Housing Survey 2013: profile of English Housing Report*, London: Department for Communities and Local Government, 2015, Annex Table 3.7 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/445378/Chapter_3_Tables_Figures_and_Annex_Tables.xlsx (22/01/16)]
20   Department for Communities and Local Government, *Private Landlords Survey 2010*, London: Department for Communities and Local Government, 2010, p13 [accessed via www.gov.uk/government/uploads/system/uploads/attachment_data/file/7249/2010380.pdf (10/12/15)]
21   'Dispute Resolution Manager, Housing Ombudsman email to the CSJ', 9 December 2015

Individuals and households may also need to move to relocate to another area. They will sometimes want to move to access job opportunities, or to care for family members. Sometimes they will want to move to another area to start again, to escape negative social influences when recovering from an addiction or escaping from gang involvement, for example.

Affordability

The affordability of properties is increasingly restricting the ability of people to move to where they need to live and work. Rent for the lower quartile of two-bedroom properties in London is now £1,200 per month.[22] In June 2011 it was £950.[23] According to one survey, the high cost of housing has affected the ability of about one in five 18–35 year olds to move for employment.[24]

We do not expect the Government to embark on a new programme of social house building. **However, we do urge the Government to continue to use the Affordable Homes Programme to build homes for affordable rent, particularly in areas like London where job opportunities coincide with high rents in the PRS.**

We also urge the Government to ensure that there is no net loss of homes which are truly affordable to those on a low income as a result of the new Right to Buy in Housing Associations. Currently there is the possibility that Council homes sold to fund the scheme will be replaced by products like Starter Homes, which are inaccessible to the poorest.

Availability of homes for the disabled

There are not enough appropriate homes for people to move to if they acquire a physical disability or mobility problem. As a result, one in six disabled adults and 34 per cent of all disabled children live in housing that is not suitable for their needs.[25] Moreover, much of the accessible stock we do have is concentrated in isolated, rural areas, undermining opportunities for the disabled.

We therefore recommend that Section 106 agreements should be used by Local Authorities to encourage developers to incorporate bungalows into their developments. These need not be homes for affordable or social rent, but could be private rented homes, which is more likely to make such developments financially viable.

22   Valuation Office Agency, *Private Rental Market Statistics – May 2015*, London: Valuation Office Agency, Table 1.4 [accessed via: www.gov.uk/government/statistics/private-rental-market-statistics-may-2015 (10/12/15)]

23   Valuation Office Agency, *Private Rental Market Statistics – October 2011*, London: Valuation Office Agency, Table 1.4 [accessed via: webarchive.nationalarchives.gov.uk/20140712003745/http://www.voa.gov.uk/corporate/statisticalReleases/110929_PrivateResidentialRentalMarketStatistics.html (10/12/15)]

24   Shelter, *The Human Cost: How the lack of affordable housing impacts on all aspects of life*, London: Shelter, 2010, p19 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0003/268752/The_Human_Cost.pdf (08/12/15)]

25   In this instance, disability is used for 'serious physical disabilities', 'mobility disabled people', and 'physical and sensory mobility disability'. Ecorys, *Disabled People's Housing Needs Study: Housing needs of people with physical disabilities*, Rotterdam: Ecorys, 2012, p2

The cost of moving

Together, lettings agency fees, a deposit, and a month's rent in advance add up to over £2,000 for a typical family looking to move to a private sector property.[26] Eight million households in the UK have no savings at all, including about 50 per cent of households with a weekly income of less than £300.[27] For such households, these costs represent significant difficulties, deterring some people from moving, and causing others to get into debt.

We outline a plan of action to tackle these costs for tenants, including:

- **That DWP explore the development of a scheme to enable tenants in receipt of Universal Credit to borrow against future Universal Credit payments to secure a deposit or pay rent in advance;**
- **Regulation be changed to enable a transfer of deposit from one property to another without delay;**
- **Tackling lettings agency fees.** In the first instance, lettings agencies should be required to present a Government document explaining the nature of lettings agency fees, along with a document setting out their fees and charges, to prospective tenants. If efforts to drive greater transparency in the system are not successful in eliminating bad practice, the Government should consider making all tenant charges charged by lettings agencies, other than rent and a refundable deposit, illegal.

Improving information for low-income tenants

At the moment a tenant looking for a suitable property is confronted with a wide array of platforms and application processes. This might include the different choice-based or points-based lettings systems of different Local Authorities; the mutual exchange scheme they are signed up to, such as HomeSwap Direct; and any number of ways to look for a suitable private sector property, including online platforms such as RightMove or Zoopla.

We recommend that Local Authorities set up online platforms to simplify the process for low-income tenants looking for a new property and that they cooperate to set up regional platforms. The Government should also explore the possibility of setting up a national platform.

Work and progression

Moving towards full-time work on a reasonable wage is the best route out of poverty. It is therefore crucial that welfare system should not only prevent hardship but, where appropriate, enable people to progress towards this goal.

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26 Department for Communities and Local Government, *English Housing Survey: Annual report on England's households, 2013–14*, London: Department for Communities and Local Government, 2015, p14 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461439/EHS_Households_2013-14.pdf (25/01/16)]; Citizens Advice Bureau, *Still Let Down: How letting agents are still exploiting private renters – and what this tells us about consumer protection*, London: Citizens Advice Bureau, 2015, pp16, 18 [accessed via: www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/still-let-down-final.pdf (08/12/15)]

27 Department for Work and Pensions, *Family Resource Survey 2013/2014*, London: Department for Work and Pensions, 2015, Table SI.12 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/437496/frs-savings-tables-2013-14.xls (21/01/16)]

Hostels and supported housing

Hostel and supported housing house some of the most vulnerable in our society – those who would otherwise be without any other shelter, or whose needs are sufficiently high that they are unable to live fully independently.

At present there is a major work disincentive in the benefits system for those living in this accommodation. This is because once someone in supported housing moves into work and increase their hours they start to lose Housing Benefit and become liable to pay some or all of their own rent and service charges in that accommodation. Rents and service charges can add up to more than £200 a week for a resident because they are used to cover some of the extra service costs associated this kind of accommodation (such as on-site support staff). As a result residents can be worse off in work than out of work.

The transition to Universal Credit represents an ideal opportunity to reform this system. **We recommend that the Government cap the amount of rent that can be claimed under Universal Credit in supported housing at Local Housing Allowance rates (the maximum amount that can be claimed in the PRS), and provide a new separate form of funding for hostels and supported housing to meet service costs.** This new funding must have a substantial, ring-fenced budget so there is no net loss to providers.

Work and progression in social housing

Social landlords have a unique opportunity to build services around people, to tackle some of the root causes of poverty, and to enable tenants to achieve their ambitions. This includes helping people into work.

Currently, 39 per cent of Housing Associations offer employment and skills support, with a further 28 per cent planning to do so in the future.[28] It is unfortunate, however, that these programmes are almost always run in parallel to the Work Programme. Rather than adding value, they sometimes duplicate services.

The Work Programme comes to an end in 2017 and will be replaced by the Work and Health Programme, which will provide specialist support for the long-term unemployed and claimants with health conditions and disabilities. **We recommend that the Government consider whether Housing Associations should be enabled to opt to deliver this new programme to only their own tenants.** This would address one of the main objections that Housing Associations had to delivering the Work Programme.

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28   National Housing Federation, *A Job, A Home, A Future*, London: National Housing Federation, 2014, p3 [accessed via: s3-eu-west-1. amazonaws.com/pub.housing.org.uk/A-Home-A-Job-A-Future.pdf (08/12/15)]

Neighbourhoods

Built design and neighbourhood mix can have a significant impact on communities, binding people together and strengthening positive social relationships; or contributing to social breakdown, undermining family life, and perpetuating cycles of poverty. In particular, we can say that:

■ Architectural design (such as the prevalence of anonymous, semi-public spaces) can allow crime to flourish. A Home Office study of 50 new estates found that there were 26 per cent fewer crime events per dwelling in the 25 that followed police-recommended security principles;[29]
■ Most studies have found clear correlations between high-rise living and childhood behavioural problems when socio-economic status is taken into account;[30]
■ The concentration of the most deprived in social housing estates appears to have only worsened their prospects of finding employment.

Making estate regeneration work for the poorest

The Government recognises this problem, and plans to regenerate 100 estates in the UK, with a £140 million fund to help developments get off the ground. This fund will only cover costs associated with the planning process, temporary rehousing and early construction. It is therefore expected that the majority of the redevelopment will come from private investors.

This is not unreasonable. Regeneration in recent years has often been financed by cross-subsiding homes for social and affordable rent with the profit from selling homes for the market. However, this is only viable when land values are high in areas like London. To ensure that the Government's programme targets the most dysfunctional estates in the country, not just those that are most profitable to regenerate, we suggest:

■ **The Government endeavour to attract capital from social investors as well as those investing purely for financial gain.** The crime reduction that results from sound estate design should be a sufficient basis to do this;
■ **Developers might only be awarded the permission to a redevelopment in London on the basis that they also redevelop an estate in a less profitable area.**

Despite their enormous potential for social good, for decades, regeneration schemes have often ignored residents' wants, needs and concerns. The Government's new wave of regeneration must not repeat this mistake.

We therefore recommend that all estate redevelopment should be proceeded by an intensive period of co-design involving residents, architects, developers and other stakeholders. This should result in a framework with real legal status so that developers and planners can be held to account if they renege on their promises to residents.

29   Home Office, *An Evaluation of Secured by Design Housing within West Yorkshire*, London: Home Office, 2000, p2 [accessed via: www.popcenter.org/library/scp/pdf/04-Armitage.pdf (18/01/16)]
30   Gifford R, 'The Consequences of Living in High-Rise Buildings', *Architectural Science Review*, 50(1), 2007, pp10–12 [accessed via: web.uvic.ca/~esplab/sites/default/files/ASR%20High%20Rises%20proof.pdf (09/12/15)]

Spreading neighbourhood planning to disadvantaged neighbourhoods

New developments, and other regeneration shemes, must also reflect the actual needs of low-income people.

This is not happening at the moment. Local plans, and the London Plan, micromanage what can be built in the region while often failing to promote those design elements that people want. Developers often push to maximise profit regardless of social impact, and Local Authority planning departments sometimes appear unable or unwilling to provide an effective challenge to them.

In 2011 the Government introduced a new system called neighbourhood planning, which enables local communities to take control over planning the development of their locality. However, this makes considerable demands upon communities, including financial resources which can run into tens of thousands of pounds, and relies upon informal professional support drawn from the community to navigate the complexities and technicalities of the process.

We therefore recommend that greater funds be released from local authority planning budgets to support neighbourhood forums in disadvantaged areas so that neighbourhood forums are empowered to hire in relevant professional support as and when necessary.

Introduction

Over the past 12 years, the work of the Centre for Social Justice (CSJ) has exposed the root causes of poverty in England – how worklessness, family breakdown, educational failure, addiction and serious personal debt can hold back individuals, families and communities.[31] This report looks at another issue which is integral to the stability of people's lives.

The home is the secure base for the whole of life. It is the site and centre of family life, in which children are raised and nurtured. It is somewhere to come back to at the end of the working day, enabling adults to rest, recuperate and sustain work. It grants dignity and a stake in society, a base from which one can participate in the community.

The lack of a good home can entrench people in poverty. Unstable, unsuitable, inflexible housing can fundamentally undermine life chances. For too many low-income families this is a reality:

- There are currently 68,560 households in Temporary Accommodation.[32] Without a secure base, adults may be unable to hold down a job, children may end up missing school, and relationships within the family may come under strain;
- A million households live in homes suffering from damp, 618,000 of which are affected by mould.[33] There is a proven link between such conditions and health problems, which impact on child development and cause adults to miss work;
- There are estates in which more than 70 per cent of the working age population are claiming out of work benefits.[34] Poorly designed, they do not work for those who live in them and are repositories of social breakdown.

This report looks at how more low-income households can find homes which fit their needs.

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31 While this report analyses problems that often exist across the UK, and many of the recommendations are relevant to the devolved administrations, it primarily deals with England. Unless stated otherwise statistics, and legislative and administrative contexts, relate to England.

32 Department for Communities and Local Government, *Live tables on homelessness*, London: Department for Communities and Local Government, 2015, Table 782 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/463064/Statutory_ Homelessness_Live_Tables_201509.xlsx (11/12/15)]

33 Department for Communities and Local Government, *English Housing Survey 2013 to 2014: headline report*, London: Department for Communities and Local Government, 2015, Table 2.4 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/ file/469215/2013-14_Section_2_Housing_Stock_tables_and_figures_FINAL.xlsx (11/12/15)]

34 Department for Communities and Local Government, *Tracking economic and child income deprivation at neighbourhood level in England: 1999 to 2009, Economic deprivation index: employment deprivation domain score*, London: Department for Communities and Local Government, 2012 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/36509/EDI_Employment_Deprivation_ Domain_score.xls (12/11/15)]

Unless specified otherwise, in this report **low-income households** are those households which are reliant upon some form of housing assistance, such as social housing or Housing Benefit, or earn less than the Living Wage.

We are also concerned with **vulnerable people** – those with additional and often complex needs, such as addictions and mental ill-health.

Huge changes are currently underway in the housing sector in the UK. It is widely acknowledged that there is a crisis in supply. Too few houses have been built for too long, affecting choice and cost. Whilst the paper does not, for the most part, deal directly with how the needed increases in supply can be met, the CSJ strongly supports efforts to build more houses that meet the needs of the public.

A housing policy for low-income families

The current Government has made a number of other important pledges in housing policy, which will offer more families the chance to own or part-own their homes. However, they will not serve many low-income families.

- The Government has pledged to build 200,000 'Starter Homes', newly-built houses sold to first-time buyers at a 20 per cent discount compared to market value.[35] A £2.3 billion fund will deliver up to 60,000 of these.[36] It has been estimated that by 2020 a household would need, on average, an income of £50,000 and a deposit of £40,000 to be able to afford a Starter Home; in London, a household would need an income of £77,000 and a deposit of £98,000;[37]

- The Government has also pledged to build 135,000 Shared Ownership homes, which allow households to buy a share of their home (25 per cent to 75 per cent of the home's value) and pay rent on the remaining share.[38] The household can buy more shares in their home any time after they become the part-owner.[39] This is a more affordable product, but does not help the poorest: it has been estimated that shared ownership would have been accessible to three per cent of new social tenants;[40]

- The Right to Buy in Housing Associations will provide home ownership opportunities for a wider range of incomes. Even so, only about 10 per cent of those who will be eligible for the new Right to Buy will be able to afford it.[41]

35 HM Treasury, *Spending Review and Autumn Statement 2015*, London: HM Treasury, 2015, p40 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf (11/12/15)]

36 Ibid

37 Shelter, *Who can afford a Starter Home?*, London: Shelter, 2015 [accessed via: blog.shelter.org.uk/2015/10/can-you-afford-a-starter-home/ (20/01/16)]. The methodology used to reach these figures is explained in Shelter, *Starter Homes: Will they be affordable?*, London: Shelter, 2015, pp6–9 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0011/1183790/Starter_Homes_FINAL_w_Appendix_v2.pdf (20/01/15)]

38 HM Treasury, *Spending Review and Autumn Statement 2015*, London: HM Treasury, 2015, p41 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf (11/12/15)]; HM Government, *Affordable Home Ownership Schemes* [accessed via: www.gov.uk/affordable-home-ownership-schemes/shared-ownership-schemes (11/12/15)]

39 HM Government, *Affordable Home Ownership Schemes* [accessed via: www.gov.uk/affordable-home-ownership-schemes/shared-ownership-schemes (11/12/15)]

40 Joseph Rowntree Foundation, *Understanding the likely poverty impacts of the extension of Right to Buy to Housing Association tenants*, London: Joseph Rowntree Foundation, 2015, p31 [accessed via: www.jrf.org.uk/report/understanding-likely-poverty-impacts-extension-right-buy-housing-association-tenants (11/12/15)]

41 Ibid, p13

As things stand, there is a danger that this agenda will replace help for the poorest. For example, £700m of government grants originally earmarked to build social homes, is being redirected to fund mainly Shared Ownership.[42] It is expected that Starter Homes will substantially replace social homes as the 'affordable' product that developers are obliged to build or fund as part of new developments – which is currently how more than a third of affordable homes get built.[43, 44] Homes sold through the Right to Buy scheme can be replaced with home ownership products like Starter Homes.[45]

In addition to these home ownership schemes, the Government recently announced its intention improve the housing situation of some of the poorest by regenerating 100 of the UK's housing estates.[46] We warmly welcome this plan, and consider some ways to make sure this scheme actually delivers for the disadvantaged within this report.

However, we do not believe that this represents a substantive housing policy offer for low-income families. To understand why, it is important to appreciate just how far the housing challenges facing low-income people have changed in recent years.

The changing context

Over the last decade the number of households in England has grown by nearly two million, at the same time as owner-occupation has fallen and the social housing stock has remained more or less constant.[47] This represents a lot of new households who have nowhere to go but the private rented sector (PRS).

For some, this means that aspirations to home ownership are stifled. It also means that more and more low-income families, whose circumstances would previously have meant they might be expected to have been housed in the social rented sector, are now renting privately.

The Government also has no intention of delivering a programme to build more social housing. What is more, it has announced plans to phase out lifetime tenancies in Council housing.[48] So social housing is increasingly being viewed as a stepping stone towards another form of tenure, rather a home for life.

42   Inside Housing, *£700m grant to be shifted to ownership*, 2 December 2015 [accessed via: www.insidehousing.co.uk/business/development/government-schemes/700m-grant-to-be-shifted-to-ownership/7013005.article (11/12/15)]

43   Conservative Party, *Prime Minister: Conference speech 2015*, London: Conservative Party, 2015 [accessed via: press.conservatives.com/post/130746609060/prime-minister-conference-speech-2015 (14/01/15)]; Department for Communities and Local Government, *Consultation on proposed changes to national planning policy*, London: Department for Communities and Local Government, 2015, pp7–8 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/488276/151207_Consultation_document.pdf (14/01/15)]; Inside Housing, *Starter Homes' impact revealed*, 8 December 2015 [accessed via: www.insidehousing.co.uk/starter-homes-impact-revealed/7013097.article (14/01/16)]

44   Joseph Rowntree Foundation, *Rethinking planning obligations: Balancing housing numbers and affordability*, London: Joseph Rowntree Foundation, 2015, p5 [accessed via: www.jrf.org.uk/file/47276/download?token=FbmVijlp&filetype=full-report (08/01/16)]

45   National Housing Federation, *An offer to extend RTB discounts to Housing Association tenants*, London: National Housing Federation, 2015 [accessed via: www.wragge-law.com/Wragge/media/pdf/151103_rtb_offer.pdf (11/12/15)]

46   HM Government, Press Release, *Prime Minister pledges to transform sink estates*, 10 January 2016 [accessed via: www.gov.uk/government/news/prime-minister-pledges-to-transform-sink-estates (12/01/16)]

47   English Housing Survey, *English Housing Survey Headline Report 2013 to 2014: Section 1 Household Tables*, London: English Housing Survey, 2015, Annex Table 1.1 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/469214/2013-14_Section_1_Households_tables_and_figures_FINAL.xlsx (21/01/16)]

48   Parliament UK, *Housing and Planning Bill: Notices of Amendments: 8 December 2015* [accessed via: www.publications.parliament.uk/pa/bills/cbill/2015-2016/0075/amend/housing_rm_pbc_1208.8-14.html (11/12/15)]

Figure 1: Tenure of low-income people in the UK (60 per cent average income before housing costs)[49]
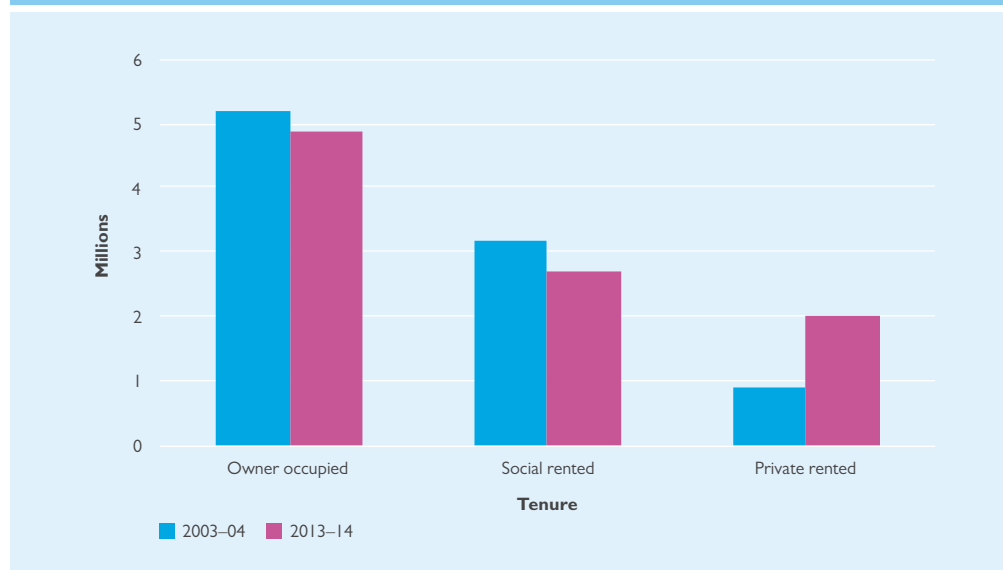
We should therefore expect many more low-income people to rent privately for at least part of their lives. The PRS does have the potential to provide families with the flexibility and stability they will need. However, at present, this is simply not being realised, and there are substantial disadvantages in comparison to the social rented sector:

- Private renters pay more than social tenants, and are more vulnerable to rises in rent;
- Private renters lack stability, with the majority on assured shorthold tenancies (ASTs) which give no security of tenure beyond six or 12 months.[50] What is more, vulnerable households with support needs may struggle to make private tenancies sustainable;[51]
- Homes in the PRS are more likely to be dangerous or unhealthy to live in – for instance, 596,000 homes in the PRS lack the sufficient insulation to give 'adequate thermal comfort', in comparison to 136,000 in the social rented sector.[52] Renters, unlike owner-occupiers, often have neither the power nor incentive to make physical improvements to their homes;
- Unlike social landlords, private landlords can chose whether they rent out to tenants on Housing Benefit, even if their properties would be affordable to them. Half of private landlords choose not to;[53]

49 Department for Work and Pensions, *Households below average income: 1994/1995 to 2013/14,* London: Department for Work and Pensions, 2015, Table 3.6db [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/437253/hbai-2013-2014-supporting-excel-files.zip (22/01/16)]; Department for Work and Pensions, *Households below average income: 1994/1995–2003/03,* London: Department for Work and Pensions, 2005, Table 7.5 (BHC) [accessed via: webarchive.nationalarchives.gov.uk/20130513214236/http://statistics.dwp.gov.uk/asd/hbai/hbai2004/excel_files/appendices/appendix_7_hbai05_excel.xls (22/01/16)]

50 House of Commons Communities and Local Government Committee, *The Private Rented Sector,* London: The Stationery Office Limited, 2013, p231 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50ii.pdf (11/12/15)]

51 See Section 1.1.5.2

52 Department for Communities and Local Government, *English housing survey 2013: profile of English housing report,* London: Department for Communities and Local Government, 2015, Annex Table 3.15 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/445378/Chapter_3_Tables_Figures_and_Annex_Tables.xlsx (11/12/15)]

53 Department for Communities and Local Government, *Private Landlords Survey 2010,* London: Department for Communities and Local Government, 2011, p46 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/7249/2010380.pdf (09/12/15)]

- Along with other barriers, such as rent deposits and reference checks, this can exclude low-income tenants from acquiring a tenancy.[54] They may therefore become, or remain, homeless.

Consequently a major theme of this report is be made to work better for low-income families.

Social justice and housing policy

Any credible social justice strategy must therefore address the new reality, and make the PRS work for low-income people. It must also ensure that housing policy, like all social policy, looks to support families and help remove the barriers for adults to find and progress in work, and for children to thrive and reach their potential.

For this reason we look at how, across tenures, the Government can help people acquire four key objectives: stable and sustainable tenancies; suitable homes; the flexibility for households to move as their circumstances change; functioning neighbourhoods. We also ask how the providers of social housing and supported accommodation can do more to help tenants move towards and prepare for other tenures, where appropriate; and how government can continue to remove work disincentives for those who are furthest from this goal.

The recommendations set out in this report offer a chance to make housing work better for those on low incomes, to use it as a means of helping them acquire a more stable base for their lives and to make it a better launch pad for their futures.

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54   See Section 4.3

chapter one
State of the nation: social justice and the home in England today

For the past decade, the CSJ has sought to tackle the root causes of poverty in England: worklessness, educational failure, family breakdown, addiction, and severe personal debt. We have seen the way in which these factors interact to entrench disadvantage. Disruption in the family may lead to problems at school; problems at school may impact on the chances of getting a secure job in later life; without a secure job, a household may fall into debt; debt can strain family relationships and lead to family breakdown.[55]

Often, housing plays a similar role. Without enough steady pay, renters will be reliant of some form of housing assistance, such as social housing or Housing Benefit, and have their options severely limited in the housing market. But their ability to improve their situation, move into work, and increase their income, may be undermined by their housing circumstances.

In this chapter we focus on four themes, namely:

- **Instability:** where households lack security due to short-term or unstable tenancies, have to make frequent involuntary moves, or lack any permanent place to stay at all;
- **Unsuitability:** where poor housing conditions or overcrowding undermine the ability of families to thrive;
- **Inflexibility:** where people are unable to move when their life circumstances change, such as when they need to move for work;
- **Dysfunctional neighbourhoods:** where poor neighbourhood design contributes to social breakdown and cycles of poverty.

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55 See Centre for Social Justice, *Breakthrough Britain 2015*, London: Centre for Social Justice, 2014 [accessed via: www.centreforsocialjustice. org.uk/UserStorage/pdf/Pdf%20reports/CSJJ2470_BB_2015_WEB.pdf (08/12/15)]; and our accompanying 12 policy reports in the Breakthrough Britain 2015 cycle.

Doing so allows us to understand how bad housing can prevent people from shaping their own circumstances – to lift themselves and their families out of poverty.

1.1 Instability

Moving home regularly can disrupt stable schooling, secure employment and, for the vulnerable, access to support services. All of these are fundamental to life chances.

The significance of stability goes beyond avoiding the disruption of actual moves, however. It is also about the security and certainty that, for a reasonable period of time, a household will not have to uproot and start again.

Those who lack such stability may struggle to build a better future for themselves and their families. One study of households moving from temporary to permanent accommodation – the largest of its kind – found that stability was 'intrinsic to how [people] thought about their wellbeing'.[56] Indeed, one of the characteristics of 'home' is that it has a semblance of permanence.

For housing to be stable in any meaningful sense it must provide a period of predictability and security so that households have a reliable base to organise the rest of life around, including working and family life.

1.1.1 Instability and children

Children thrive and develop in a stable and loving environment where they have routine and know what to expect in their lives.[57] Some change is normal, but sudden or dramatic disruptions can be damaging.[58]

Moving home frequently can be one such change. This is especially likely to be the case when the move is not voluntary for the family, as children can pick up their parents' distress, which may weaken their sense of security, and raise their stress levels.[59] The lasting impact on child development is demonstrable. One study found that, controlling for other factors, two or more moves in the first five years of life could be linked definitively with behavioural problems at the age of nine.[60]

Where residential moves are accompanied by school moves for older children, the impact can be severe.[61] School moves disrupt learning and are strongly associated with a weaker

56 Smith M, Albanese F and Truder J, *A Roof Over My Head: The final report of the Sustain project*, London: Crisis and Shelter, 2014, p17 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0005/760514/6424_Sustain_Final_Report_for_web.pdf (20/01/16)]

57 Sandstrom H and Huerta S, *The Negative Effects of Instability on Child Development: A Research Synthesis*, Washington, DC: Urban Institute, 2013, p4 [accessed via: www.urban.org/sites/default/files/alfresco/publication-pdfs/412899-The-Negative-Effects-of-Instability-on-Child-Development-A-Research-Synthesis.PDF (19/10/15)]

58 Ibid, p5

59 Ibid, pp28–32

60 Rumbold A et al, 'The effects of house moves during early childhood on child mental health at age 9 years', *BMC Public Health*, 12(583), 2012, pp1, 4 [accessed via: www.biomedcentral.com/1471-2458/12/583 (19/10/15)]

61 Shelter, *Growing up renting: A childhood spent in private rented homes*, London: Shelter, 2013, p2 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0005/656708/Growing_up_renting.pdf (19/10/15)]

educational performance within secondary school, particularly for children from more disadvantaged backgrounds.[62] 73 per cent of pupils who move schools at least three times during their secondary school education fail to achieve five A* to C grade GCSEs, compared to the national average of 40 per cent.[63]

School-Home Support, a charity that tackles educational disadvantage by supporting vulnerable families at home, and who which also delivers the Troubled Families Programme, told the CSJ that unstable housing is one the biggest problems their service users face.

'Sadly School-Home Support regularly sees the adverse effects of unstable housing situations on children's development and their ability to learn. If, added to the instability at home, they have to change school too, there is a huge detrimental impact on children, setting them back academically and emotionally, with the loss of much needed support systems and friendship groups.'

School-Home Support, in evidence to the CSJ

1.1.2 Instability and employment

Relocating for work can improve life chances. On the other hand, involuntary instability can disrupt the ability to access employment and training opportunities. Where someone is regularly having to worry about where they will be next, whether that be a sofa for the night or another short-term private tenancy, it is hard to focus on work-related activity.

Stable housing and employment: evidence from Australia

In 2015 the Australian Government Productivity Commission carried out a major review of the relationship between housing and employment.[64] It considered stability along with a number of other factors, including the effect of rent setting models, mobility constraints, location effects, and welfare traps.

Instability had the clearest detrimental impact on employment. Income support recipients who moved three times or more were more than a third less likely to be in employment than non-movers.[65]

'Housing stability is important to employment for all ISP [income support payment] recipients. Address changes are negatively associated with employment. The more times a person has moved over a 12-month period, the less likely it is they will be working at the end of that year.'[66]

This finding led the Commission to recommend the stabilisation of tenancies in the PRS as a way to increase employment participation in Australia.

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62   Stand S and Demie F, 'Pupil mobility, attainment and progress in secondary school', *Educational Studies*, 33(3), 2007, pp19–20 [accessed via: www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUKEwjA3PK6z9PJAhWBXRQKHdKKC2o QFgguMAE&url=http%3A%2F%2Fora.ox.ac.uk%2Fobjects%2Fuuid%3A45b9ca57-7e68-415d-8508-918b9b1b26d9%2Fdatastreams%2FA TTACHMENT01&usg=AFQjCNFsgeMOmebHQ47JkufeSKRM69YeEA&bvm=bv.109395566,d.ZWU (11/12/15)]

63   The Royal Society of Arts, *Between the cracks: Exploring in-year admissions in schools in England*, London: The Royal Society of Arts, 2013, p23 [accessed via: www.thersa.org/discover/publications-and-articles/reports/between-the-cracks/ (19/10/15)]

64   Australian Government Productivity Commission, *Housing Assistance and Employment in Australia*, Australia: Australian Government Productivity Commission, 2015 [accessed via: www.pc.gov.au/research/completed/housing-employment/housing-employment-volume1.pdf (02/11/15)]

65   Ibid, p42

66   Ibid, p51

This is something that many of the charities in the CSJ's poverty-fighting Alliance have recognised in their work with people struggling with housing and employment:

'In our work, helping young people into employment in the Midlands, we find that stable housing is the first base. Without it nothing else falls into place. Even if young people get into work they are often unable to sustain that employment without it as they are unable to focus. In fact, it's so important we now make sure young people have stable housing before we put them up for apprenticeships and work placements.'

TwentyTwenty, in evidence to the CSJ

'Action West London (AWL) is a charity and social enterprise with 17 years' experience of helping those people with the most barriers to employment into work – long term unemployed, young offenders, adult offenders, NEET young people, people from black and ethnic minority communities, refugees, lone parents, older people and people with mental health difficulties. In recent years we have been delivering the Work Programme. Our extensive experience confirms that for many of the disadvantaged people we work with a stable place to live is essential if we are to tackle the other multi complex needs they face in order to help them get jobs and sustained employment.

'For instance, many of the young offenders leaving custody we work with on our Youth Transition Network (YTN) project do not have stable accommodation to move to on leaving prison. Whilst the key objective of our YTN project is to help offenders into Employment, Education or Enterprise we find that this is extremely difficult to do unless they have adequate housing. So our staff spend a lot of time helping young offenders deal with housing matters, visiting housing departments, housing charities and private landlords. Even when a young offender is placed in employment they may not be able to sustain this if they do not have a stable place to live.'

Dr John Blackmore, Chief Executive, Action West London, in evidence to the CSJ

1.1.3 Homelessness

A group who are particularly affected by instability are those who have nowhere permanent to live at all. On any one night, the Government estimates that there are about 2,744 rough sleepers in England.[67] At the same time there will be others residing in hostel accommodation: there are 36,540 spaces in hostels for single homeless people in England, which are usually in high demand.[68]

Without a secure housing situation, homelessness can make it very difficult to address vulnerabilities. A survey of 3,355 single homeless people found that 78 per cent of respondents reported a physical health problem, 86 per cent reported a mental health problem (and 44 per

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67 Homeless Link, *Rough Sleeping in England, An analysis of 2014 rough sleeping counts and estimates data*, London: Homeless Link, 2014, p1 [accessed via: www.homeless.org.uk/sites/default/files/site-attachments/Homeless%20Link%20-%20analysis%20of%202014%20rough%20 sleeping%20statistics%20for%20England.pdf (21/01/16)]

68 Homeless Link, *Support for Single Homeless People in England: Annual Review 2015*, London: Homeless Link, 2015, p21 [accessed via: www.homeless.org.uk/sites/default/files/site-attachments/Full%20report%20-%20Single%20homelessness%20support%20in%20 England%202015.pdf (17/10/15)]

one

cent were diagnosed with one), and 41 per cent reported either taking drugs or recovering from a drugs problem.[69] Without a stable housing situation those problems may worsen due to the distress of homelessness, and because conditions may go untreated as homeless people lose contact with services. They may also fall out of what employment they had.

Ryan's story: dropping out of employment[70]

Ryan's mum lost her battle with cancer, leaving him in the care of his older sister. In order to contribute to the household, he took on a part-time job in a restaurant where he worked in the evenings and the weekend, in addition to his training course with TwentyTwenty. He was thriving at work and learning quickly.

But over time Ryan's relationship with his sister deteriorated until he had to move out. For weeks Ryan sofa surfed, trying anything to get a warm place at night; calling on old friends, making new and often unhealthy relationships in hopes that it would lead to a warm house at night.

During this time Ryan became increasing unreliable at work and when he did turn up he often looked like he had not slept and smelt like he had not washed. His manager was patient and forgiving but could not allow Ryan to be so dishevelled in front of customers, and often had to turn Ryan away from work.

As the weeks passed, Ryan's money ran out and the favours he could call on from friends to stay were drying up. He started sleeping rough a couple of nights a week. Becoming even less reliable and even more unkempt, Ryan was let go from his job. His manager felt he could not perform his duties and could not see a time in the foreseeable future when Ryan could return to work due to his lack of secure and safe accommodation.

The toll of being homeless had a nasty effect on Ryan, who became hardened by life on the streets. It led to a drastic decline in progress that had made with TwentyTwenty.

Hostel accommodation can provide a base from which homeless people can enter into or sustain employment, which the street does not. But as we explore in Chapter Five, there can be serious work disincentives for those living in hostels and other forms of supported housing, which can mean that anyone taking work will find that they are only very marginally better off or even worse off.[71] Consequently, while 80 per cent of single homeless people view getting into work as a current goal, only six per cent are actually in employment.[72, 73]

As the Department for Work and Pensions (DWP) recognises, ongoing welfare reform represents an excellent opportunity to tackle this problem, which is ripe for reform. IPSOS Mori are currently carrying out a review of the system for the department.[74]

69 Homeless Link, *Health Needs Audit – Explore the data* [accessed via: www.homeless.org.uk/facts/homelessness-in-numbers/health-needs-audit-explore-data (21/01/16)]
70 Case study provided by TwentyTwenty in evidence to the CSJ
71 See Section 5.1
72 St Mungo's, *Work Matters*, London: St Mungo's, 2010, p8 [accessed via: www.mungosbroadway.org.uk/documents/1559/1559.pdf (08/12/15)]
73 Homeless Link, *Health Needs Audit – Explore the data* [accessed via: www.homeless.org.uk/facts/homelessness-in-numbers/health-needs-audit-explore-data (21/01/16)]
74 HM Government, *Supported Accommodation Review* [accessed via: www.contractsfinder.service.gov.uk/Notice/2734132f-f190-4dc3-ae5b-ebb00392f643 (20/01/15)]

Home Improvements | State of the nation: social justice and the home in England today 29

1.1.4 Temporary Accommodation

Since the 1977 Housing (Homelessness Persons) Act, families with children have been able to access Local Authority support when their housing situation becomes untenable.[75] If they are homeless or likely to become homeless within the next 28 days and considered to be in 'priority need', the household will be assessed as 'statutory homeless'.[76] As a result, the Local Authority has a duty to house them.[77]

While some such households will make a seamless transition from their current property to suitable and stable housing, 63 per cent first spend some time in Temporary Accommodation.[78] There are currently 68,560 households in Temporary Accommodation, of which 53,480 have children.[79]

Temporary Accommodation

If a household is accepted by a Local Authority as unintentionally homeless in priority need, the Local Authority are obliged to re-house them until a more permanent solution is found. Temporary Accommodation is an interim solution while investigations take place, a decision is made on a homeless application, and settled accommodation is arranged.[80]

Councils are expected to consider location, size of household, condition of accommodation, health needs and social factors (such as schools and support services), when deciding on the most appropriate type of accommodation.[81]

There are several different types of housing used to accommodate homeless households on a temporary basis. Although it is arranged by Local Authorities, Temporary Accommodation can be run by Housing Associations, private landlords, and voluntary organisations.[82] This takes the form of a bedsit, flat, house, a room in a hostel, or a room in a bed and breakfast.

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75   Housing (Homeless Persons) Act 1977 [accessed via www.legislation.gov.uk/ukpga/1977/48/section/2/enacted (08/12/15)]; Department for Communities and Local Government, *Evaluating Homelessness Prevention*, London: Department for Communities and Local Government, 2007, p3 [accessed via: webarchive.nationalarchives.gov.uk/20120919132719/www.communities.gov.uk/documents/housing/pdf/573347.pdf (08/12/15)]

76   Housing (Homeless Persons) Act 1977 [accessed via www.legislation.gov.uk/ukpga/1977/48/section/2/enacted (08/12/15)]; Department for Communities and Local Government, *Evaluating Homelessness Prevention*, London: Department for Communities and Local Government, 2007, p3 [accessed via: webarchive.nationalarchives.gov.uk/20120919132719/www.communities.gov.uk/documents/housing/pdf/573347.pdf, (08/12/15)]; St Mungo's, *Keeping Work*, London: St Mungo's, 2013, p7 [accessed via: www.mungosbroadway.org.uk/documents/4889/4889.pdf (11/12/15)]

77   Housing (Homeless Persons) Act 1977 [accessed via www.legislation.gov.uk/ukpga/1977/48/section/4/enacted (08/12/15)]; Homeless Link, *Support for for single homeless people in England: Annual Review 2015*, London: Homeless Link, 2015, p4 [accessed via: webarchive.nationalarchives.gov.uk/20120919132719/www.communities.gov.uk/documents/housing/pdf/573347.pdf (08/12/15)]

78   Department for Communities and Local Government, *Live tables on homelessness*, London: Department for Communities and Local Government, 2015, Table 777 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/463064/Statutory_Homelessness_Live_Tables_201506.xlsx (07/12/15)]

79   Department for Communities and Local Government, *Live tables on homelessness*, London: Department for Communities and Local Government, 2015, Table 782 and Table 775_England [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/463064/Statutory_Homelessness_Live_Tables_201509.xlsx (07/12/15)]

80   Institute for Public Policy Research, *Not Home: The Lives of Hidden Homeless Households in Unsupported Temporary Accommodation in England*, Manchester: Institute for Public Policy Research, 2014, p3 [accessed via: www.ippr.org/files/publications/pdf/not-home_Dec2014.pdf?noredirect=1 (21/01/16)]

81   Shelter, *Temporary housing when accepted as homeless*, 8 October 2014 [accessed via: england.shelter.org.uk/get_advice/homelessness/temporary_and_long-term_housing_offers_from_the_council/temporary_housing_after_the_council_has_made_a_decision (21/01/16)]

82   Ibid

> Of the 68,560 households currently in Temporary Accommodation, 66 per cent of accommodation is leased privately, 18 per cent by Local Authorities or Housing Associations, and the rest in bed and breakfast hotels (nine per cent) or hostels (eight per cent).[83, 84]

A move to Temporary Accommodation undermines stability in a number of ways. There is the inevitable initial disruption of losing a home. This can be further accentuated by being placed out of the local authority area as 26 per cent of those in Temporary Accommodation are.[85] What is more, the CSJ has learned that there can often be moves *within* Temporary Accommodation. Our Freedom of Information (FOI) requests found that 54 per cent of households in Temporary Accommodation have at least two different placements, and 17 per cent have at least three.[86]

The CSJ heard that services – such as a key social worker or schooling – are lost in the transition, those in work may have to give up their jobs, and support networks disrupted. One of the most striking testimonies we heard was from Real Action, a charity which provides literacy programmes that transform the educational attainment of some of the London's most deprived inner-city children:

> *'We work with a lot of disadvantaged families, and we have noticed that many live in Temporary Accommodation. Typically, families having to move around in Temporary Accommodation will suddenly disappear off our radar and fail to turn up to their weekly lesson. They will often reappear again a few months down the line, and it becomes clear that they had been forced to suddenly move house into a different area. This level of disruption and upheaval affects the child's ability to learn and improve.*
>
> *'We have found that the children who come and go effectively slip behind in their educational attainment and reading level. Their advance in reading age tends to stall, or regress, during their absence. They return to our classes with the same, or diminished, reading levels despite their advance in calendar age. They have fallen behind.'*
>
> **Real Action, in evidence to the CSJ**

Because Temporary Accommodation is, by its nature, impermanent, it creates an atmosphere of uncertainty which makes it difficult for people to focus on rebuilding their lives.

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83 Department for Communities and Local Government, *Statutory Homelessness Live Tables: July to September 2015*, London: Department for Communities and Local Government, 2015, Table 775_England [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/486268/Statutory_Homelessness_Live_Tables_201509.xlsx (21/01/16)]

84 Ibid

85 Department for Communities and Local Government, *Statutory Homelessness: April to June Quarter 2015 England*, London: Department for Communities and Local Government, 2015, p11 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/463017/201506_Statutory_Homelessness.pdf (05/12/15)]

86 Freedom of Information Requests by Centre for Social Justice [sent 29/10/15]. 67 responded with usable information

Aisha's story: living in limbo

When she became homeless, Aisha and her daughter were placed by their London Local Authority in Birmingham. Despite the disruption, Aisha managed to find a new job, and get her daughter into a local school. After a year in Temporary Accommodation, Aisha was instructed by her London Local Authority to be ready to move any day. She therefore handed in her notice and packed her bags, but was in this position for six months.

Aisha's experience is not uncommon: we estimate that 21,939 households have been in Temporary Accommodation (but not necessarily the same property) for more than six months, and 2,742 for five years or more.[87]

The disruption of living in Temporary Accommodation: Martha, Fiona and Tina's story[88]

Martha has two daughters, Fiona, aged 11, and Tina, aged 14. When Martha left her partner she moved out of the family home with her children. She and her children got by through staying with various friends. However, the situation was difficult as Tina has a learning disability and would display inappropriate behaviour, so they soon found themselves outstaying their welcome. When they had nowhere else to go, they presented to the Council as homeless.

After a stay in bed and breakfast accommodation the family were placed in Temporary Accommodation in Gravesend in Kent. As a vulnerable family, Martha and her children were being supported by various Local Authority agencies and charities in Bexley, but there was no hand over of services to those in the Gravesend Borough.

Martha had worked on a part-time basis as a hair and beauty consultant in the Bexley area and claimed working tax credit. Due to the move to Gravesend she could not afford to travel to work and had to give up her job.

With no friends or family in the Gravesend area, the family became very isolated. Martha's mental health deteriorated. She has ended up with clinical depression.

While Tina's school did say they would keep a place open for her as they felt she was vulnerable due to her health and special educational needs, the travel was too difficult for Tina to undertake, took too long and was also too expensive as her mother would need to accompany her. Nor was Martha able to find a suitable place for Tina in a school in Gravesend. The Council said the only available option was for Tina to go to a mainstream school, for her to be assessed for a new Education, Health and Care plan, and then they could identify where she would best be suited. This delay resulted in Tina being out of school for a number of months, during which time her behaviour deteriorated and she became withdrawn. Eventually she was allocated a home tutor.

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87   Department for Communities and Local Government, *Statutory Homelessness, January-March 2015, England*, London: Department for Communities and Local Government, 2015, Table 779 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/463064/Statutory_Homelessness_Live_Tables_201506.xlsx (07/12/15)]

88   Case study provided by School-Home Support in evidence to the CSJ

In 2012 the Government responded to the recent rise in the number of families in Temporary Accommodation by allowing Local Authorities to house statutory homeless families *permanently* in the PRS.[89] As of last year, 13 of the 32 London boroughs were discharging their duty to statutory homeless households into the PRS.[90] Five of these expected it to become the main way they met their obligation in the next two years.[91]

While there are merits to this approach, in its current form the PRS can also fail to provide adequate stability for vulnerable families.

1.1.5 Instability and the Private Rented Sector

Indeed, it can be extremely challenging for low-income households to access stable, sustainable tenancies in the PRS.

There are three factors which affect the stability of tenancies in the PRS:

- Short-term tenancies;
- The sustainability of tenancies;
- Access to affordable tenancies.

For reasons that will become clear, sustainability and affordability are inextricably linked, and will therefore be dealt with together.

1.1.5.1 Tenancy length

The flexibility of the private rental market has, historically, been its great strength. Students and young professionals appreciate the lack of long-term obligations that private tenancies provide. However, the private rental market is now accommodating a much wider range of households. Today, 36 per cent of households in the PRS are families with dependent children.[92]

While the demands upon the PRS have changed, the actual institutional framework has not. The vast majority of families are currently on Assured Shorthold Tenancies (ASTs), which means they may have to leave at the end of a fixed tenancy even if they are not at fault.[93] According to one survey, 45 per cent of these tenancies are for six months, and 50 per cent are for 12 months.[94] Four fifths of households have lived in their properties for less than four years – the same proportion as a decade ago.[95]

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89 The Homeless (Suitability of Accommodation) (England) Order 2012 [accessed via: www.legislation.gov.uk/uksi/2012/2601/pdfs/uksi_20122601_en.pdf (08/12/15)]

90 Crisis, *The homelessness monitor: England 2015,* London: Crisis, 2015, pp16–17 [accessed via: www.crisis.org.uk/data/files/publications/Homelessness_Monitor_England_2015_final_web.pdf (11/12/15)]

91 Ibid

92 Department for Communities and Local Government, *English Housing Survey Households Report 2013–14*, London: Department for Communities and Local Government, 2015, Annex Table 4.1 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461448/Chapter_4_Private_renters_Tables_Figures_and_Annex_Tables.xlsx (07/12/14)]

93 House of Commons Communities and Local Government Committee, *The Private Rented Sector*, London: The Stationery Office Limited, 2013, p36 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf (11/12/15)]

94 House of Commons Communities and Local Government Committee, *The Private Rented Sector,* London: The Stationery Office Limited, 2013, p231 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50ii.pdf (11/12/15)]

95 Department for Communities and Local Government, *English housing survey 2013 to 2014: household report*, London: Department for Communities and Local Government, 2015, Annex Table 4.1 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461448/Chapter_4_Private_renters_Tables_Figures_and_Annex_Tables.xlsx (07/12/15)]

Figure 2: Household types in the private rented sector, 2008–2013[96]
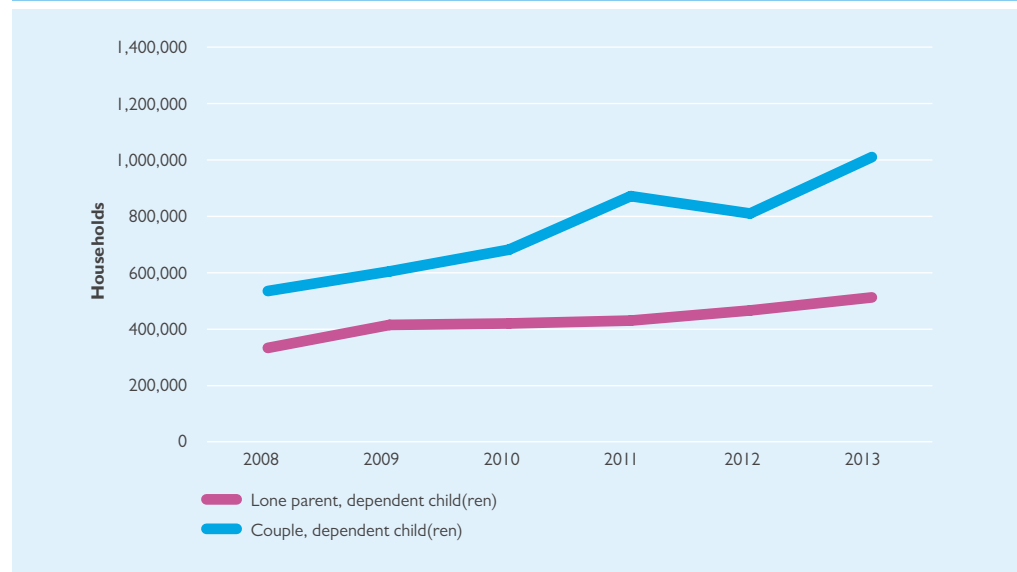
The CSJ heard about the unsettling impact of short-term tenancies in the PRS on children, young people and adults.

'One of the biggest problems for families on short term tenancies is the constant fear of being moved. Parents simply do not know where they will be living from month to month, so they have no means of putting their roots down anywhere, getting to know their neighbours, and ensuring that their children are settled in. With no place to call "home", it is impossible to provide their children with the stability they need.'

FACES Bedford, in evidence to the CSJ

'Some of our students' ability to perform at college has been severely limited by shorter term tenancies. Those who have had to re-settle every six months or every 12 months are faced with constant upheaval, moving around a variety of different living arrangements during their time at Kingston College. It almost goes without saying that this has a negative impact on their ability to perform well academically.'

Peter Mayhew-Smith, Principal of Kingston College, in evidence to the CSJ

'People find it really hard when they are on six month tenancies, not knowing whether they will be where they are in a few months time, whether they will be able to pay the rent or if the landlord will want them out. It's difficult to focus on the future.'

Jobcentre Plus (JCP) Adviser, in evidence to the CSJ

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96   Department for Communities and Local Government, *English housing survey 2013 to 2014: household report*, London: Department for Communities and Local Government, 2015, Annex Table 4.1 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461448/Chapter_4_Private_renters_Tables_Figures_and_Annex_Tables.xlsx (07/12/15)]

1.1.5.2 Sustainability and the availability of affordable tenancies

Even more significantly, the stability of tenancies can also be undermined by a lack of *sustainability* – a lack of willingness or ability of tenants and landlords to meet their ends of the contract.[97]

Sometimes tenancies are unsustainable due to tenants' support needs which affect their ability to meet tenancy conditions.[98] Support needs include addiction, poor mental health, or a history of institutional care.[99] This may lead to:

- Tenants getting into rent arrears;[100]
- Tenants not meeting other tenancy conditions, for example damaging the property or committing antisocial behaviour.[101]

There are other reasons why tenancies are unsustainable, which include:

- Tenants being unable to pay their rent and/or getting into rent arrears because the costs of renting the property are inadequately covered by their income;[102]
- Landlords failing to keep a property in reasonable conditions, such that the tenant may feel they have little option but to move out;[103]
- Bullying or exploitative behaviour on the part of the landlord;[104]
- Tensions within shared accommodation, such as: the breakdown of relationships between tenants sharing accommodation, inherent difficulties caused through vulnerable people (such as addicts) sharing accommodation, or where there is criminal activity (such as theft) between different members of the share.[105]

If low-income people are to be able to find stable, sustainable tenancies for the long-term they need an adequate number of options available so that they can find appropriate tenancies.

However, such options are restricted because many landlords are reluctant to let to benefit claimants even if their properties would be affordable to them. One survey of landlords with properties affordable to those on a low income found that 25 per cent were not willing to rent to Housing Benefit tenants in employment, and 43 per cent were not willing to take workless Housing Benefit claimants.[106] Of those in the study who were not willing to rent to tenants on Housing Benefit, 55 per cent cited the higher risk of getting a difficult tenant, and 54 per cent cited the higher risk of tenants not paying their rent.[107]

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97   See Rugg J and Rhodes D, *The Private Rented Sector: Its contribution and potential*, York: Centre for Housing Policy, 2008, xix [accessed via: www.york.ac.uk/media/chp/documents/2008/prsreviewweb.pdf (14/01/16)]

98   Ibid, p91

99   Ibid

100   Shelter, *A route to homelessness?*, London: Shelter, 2008, p25 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0004/68872/Route_to_Homelessness_PRS.pdf (08/12/15)]

101   Ibid, pp15, 31

102   Ibid, p25

103   Ibid, pp14–15, 21–22

104   Ibid, pp14–15

105   Crisis, *Unfair Shares: A report on the impact of extending the Shared Accommodation Rate of Housing Benefit*, London: Crisis, 2011, vi, x, Chapter 4 [accessed via: www.crisis.org.uk/data/files/publications/SharedAccommodationRate.pdf (19/01/16)]

106   Joseph Rowntree Foundation, *How do landlords address poverty?*, York: Joseph Rowntree Foundation, 2015, p46 [accessed via: www.jrf.org.uk/file/47488/download?token=f3f4JNRe&filetype=full-report (12/02/16)]

107   Ibid, p47

These concerns are not unfounded. 77 per cent of landlords who let to LHA claimants have had tenants in arrears in the last 12 months.[108] This compares with 40 per cent of landlords with students, for instance – a group who may be competing with benefit claimants for the same properties.[109] A significant proportion of landlords are private individuals who have only one or two properties, and need to make their mortgage payments.[110] They really cannot afford to take on much risk.

This is not a new problem. However, the CSJ heard from our frontline Alliance charities that recent changes to Local Housing Allowance (LHA) have added a new importance to the need to tackle the issue.

Local Housing Allowance (LHA)

Since 2008, the maximum amount of Housing Benefit which can be claimed by privately renting tenants is limited by LHA.

Initially, LHA rates were set to cover the cost of rent for the cheapest 50 per cent of properties in the PRS in a certain region. However, this level was reduced under the Coalition Government in 2011, to cover the bottom 30 per cent. Since then further reductions have taken place and freezes will be continued for the next four years.[111]

Additional limits exist for young people. Before 2012, most single, privately-renting tenants aged under 25 were only entitled to LHA at a reduced Shared Accommodation Rate (SAR), which typically covers the rate of renting a room in a shared house. This restriction has since been extended to single people aged under 35 renting in the PRS.[112, 113]

It is important that we do not over-emphasise the impact of these changes. When the LHA cap was initially lowered, some commentators predicted that a large number of families would have to move out of their homes.[114] Yet, an independent study for DWP found that, one year after the changes to LHA, less than one per cent of households had had to move as a result, and only 10 per cent of landlords had stopped letting to benefit claimants.[115, 116]

108 Evidence submitted to the CSJ by the National Landlords Association. Data based on interviews with over 2,000 representative landlords from across the UK each quarter. Surveys carried out by BDRC Continental.

109 Ibid

110 Ibid

111 HM Treasury, *Summer Budget 2015*, London: HM Treasury, 2015, p3 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/443232/50325_Summer_Budget_15_Web_Accessible.pdf (10/12/15)]

112 Crisis, *Shared Accommodation Rate*, London: Crisis, 2012 [accessed via: www.crisis.org.uk/data/files/publications/Crisis%20and%20Holmeless%20Link%20joint%20SAR%20Q&A%20update.pdf (10/12/15)]

113 Shelter, *What is Local Housing Allowance?* [accessed via: england.shelter.org.uk/get_advice/housing_benefit_and_local_housing_allowance/what_is_housing_benefit/local_housing_allowance (10/12/15)]

114 Works and Pensions Committee, Written Evidence Given by the Mayor of London, *Changes to Housing Benefit announced in the June 2014 Budget*, 2014 [accessed via: www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/469/469vw40.htm (10/12/15)]

115 Department for Work and Pensions, *The impact of changes to Local Housing Allowance in the private rented sector: the response of tenants*, London: Department for Work and Pensions, 2014, pp13–14 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/380461/rr872-nov-14.pdf (10/12/15)]

116 Department for Work and Pensions, *Monitoring the impact of recent measures affecting Housing Benefit and Local Housing Allowances in the private rented sector The response of landlords*, London: Department for Work and Pensions, 2014, Table 6.3 [accessed via: www.gov. uk/government/uploads/system/uploads/attachment_data/file/329901/rr870-lha-impact-of-measures-affecting-private-rented-sector-response-of-landlords.pdf (10/12/15)]

Indeed, according to the data available to us, it does appear that there are more than enough properties across the country that should be affordable to a tenant reliant on LHA. There are 668,000 workless households in the PRS, the majority of whom will be fully dependent on Housing Benefit to meet their housing costs in the PRS.[117] This represents 16 per cent of privately renting households.[118] Notionally, 30 per cent of properties are covered by LHA.

The problem is that, in this context, roughly half of landlords who rent out affordable properties are not willing to rent to tenants reliant on Housing Benefit who are out of work. So, the proportion of properties available to LHA claimants out of work is more like 15 than 30 per cent of the total. If 16 per cent of households are fully reliant on Housing Benefit, this clearly makes the housing market at the bottom end very tight.

In this season of transition with ongoing changes to LHA, it is therefore even more important than it was in the past to ensure landlords are willing to rent to benefit claimants. If this can be achieved then this will increase flexibility for low-income families.

We have also seen an increase in the number of households who are housed in Temporary Accommodation due to the ending of an AST. This is where one private tenancy ends and the household cannot immediately find anywhere at all to move to.

Figure 3: Households statutory homeless, as result of termination of an assured shorthold tenancy, by quarter[119]

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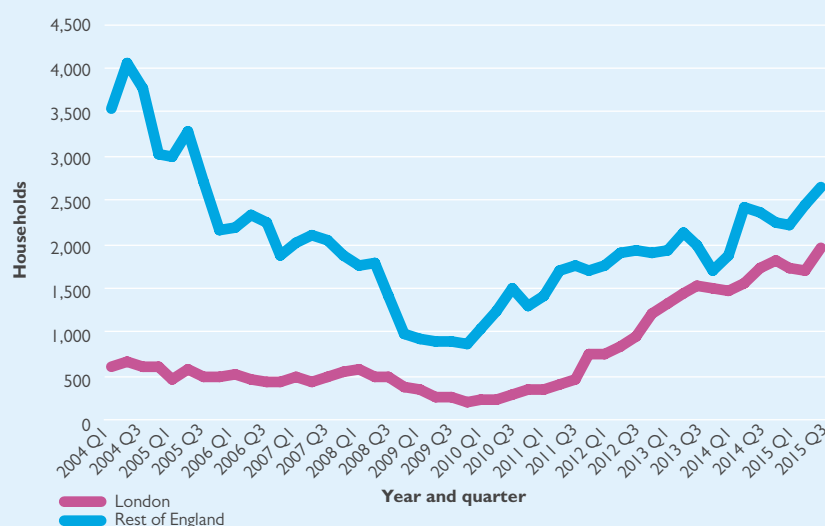
117 Department for Communities and Local Government, *English housing survey 2013 to 2014: household report*, London: Department for Communities and Local Government, 2015, Annex Table 4.3 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461448/Chapter_4_Private_renters_Tables_Figures_and_Annex_Tables.xlsx (07/12/15)]

118 Ibid

119 Department for Communities and Local Government, *Statutory homelessness live tables: July to September 2015*, London: Department for Communities and Local Government, 2015, Table 774_London, Table 774_Rest_of_England [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/463064/Statutory_Homelessness_Live_Tables_201506.xlsx (11/12/15)]

The level of statutory homelessness has fallen across the board from its peak in 2004. This was the result of initiatives introduced by the Government of the day, which brought in a duty upon local authorities to prevent homelessness through measures such as 'housing options' interviews, mediation with landlords, and bond schemes.[120] These are still in place and are being actively supported by the current Government. As a result, we have seen the level of statutory homelessness for all other reasons except the ending of an AST remain remarkably low, despite the economic difficulties the country faced after 2008.

Figure 4: Households statutory homeless, as result of reasons other than the termination of an assured shorthold tenancy, by quarter[121]
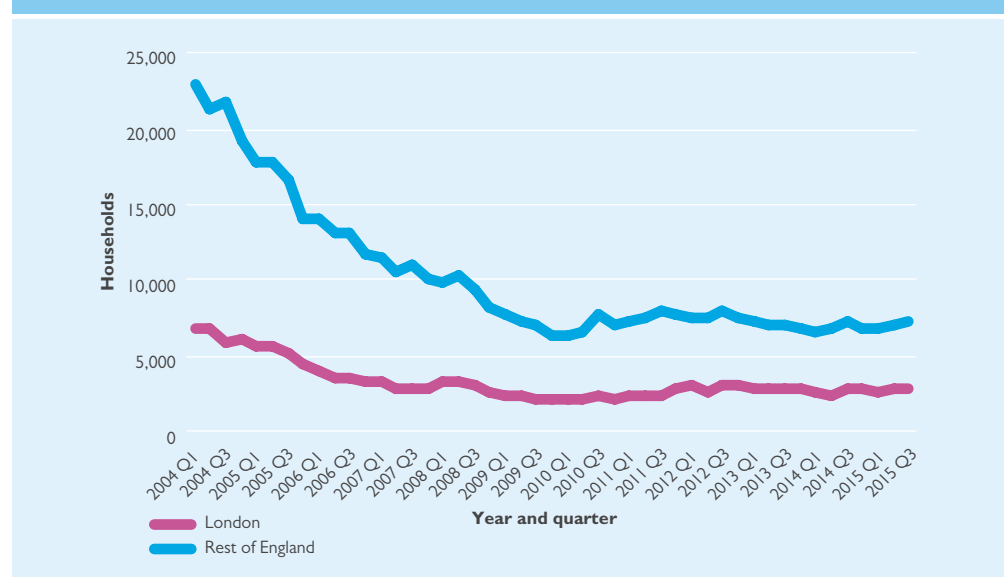
The only exception to this trend is the increase in households being housed in Temporary Accommodation as a result of the ending of an AST. To reiterate, this typically represents a situation where a private tenancy comes to an end but the household is unable to find a property to move to.

This probably accounts for the recent rise in the number of households in Temporary Accommodation.

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120 Lund B, *Understanding Housing Policy*, Bristol: The Policy Pres, 2011, pp163–170

121 Department for Communities and Local Government, *Statutory homelessness live tables: July to September 2015*, London: Department for Communities and Local Government, 2015, Table 774_London, Table 774_Rest_of_England [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/463064/Statutory_Homelessness_Live_Tables_201506.xlsx (11/12/15)]

Figure 5: Households in Temporary Accommodation[122]
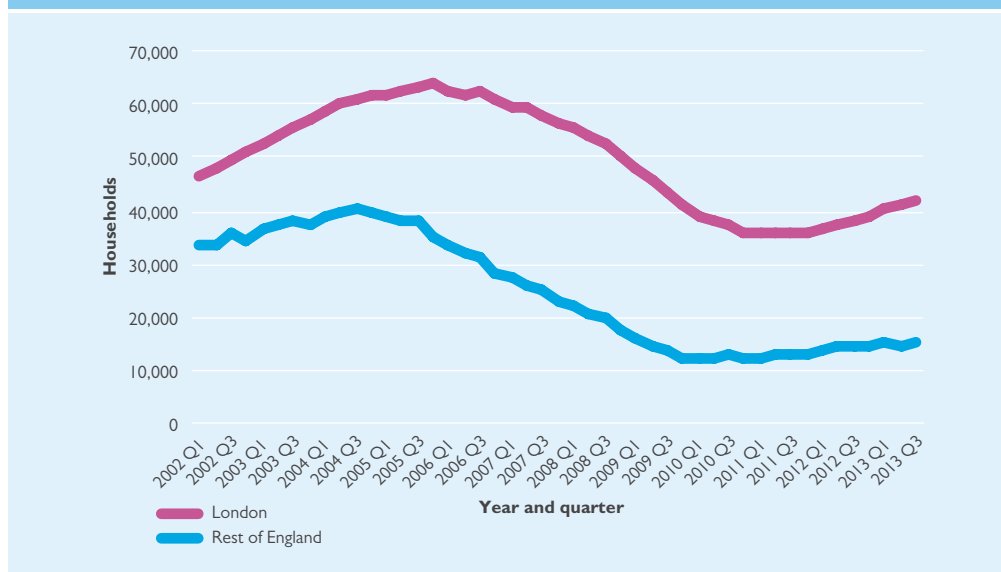
A strategy to provide low-income families with stable homes would therefore seek to increase the number of tenancies accessible to benefit claimants – both to ensure LHA claimants in the PRS are able to access sustainable tenancies, and also to provide access to the PRS for households who would otherwise be homeless or in Temporary Accommodation. To achieve this, it is important to give private landlords who rent at the bottom 30 per cent of the market confidence that this option has reduced risk.

Such a strategy would also ensure a level of support for vulnerable people who may struggle to make any tenancy sustainable. And, for the reasons we set out in the previous section, it would work to encourage longer tenancies in the PRS.

These are the goals we set ourselves in Chapter 2.

1.2 Unsuitability

There are certain basic conditions which must be met for any home to be suitable for the household who live there. Damp and mould, structural defects, and overcrowding all have an impact on families' ability to thrive.[123]

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122 Department for Communities and Local Government, *Statutory homelessness live tables: July to September 2015*, London: Department for Communities and Local Government, 2015, Table 775_London, Table 775_Rest_of_England [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/463064/Statutory_Homelessness_Live_Tables_201506.xlsx (11/12/15)]

123 PostNote, *Housing and Health*, London: Parliamentary Office of Science and Technology, 2011, p1 [accessed via: www.parliament.uk/documents/post/postpn_371-housing_health_h.pdf (11/12/15)]

While most owner-occupiers have the opportunity to shape their home environment to better meet these standards, this is often not a realistic option for renters. It is therefore up to government and the courts to ensure landlords meet their obligations so that basic standards are met across the social rented sector and PRS.

1.2.1 The effect of bad housing

The impact of poor housing on health is clearly demonstrable. Those living in poor housing facilities, specifically in cold, damp, and mouldy conditions, have the highest risks of ill health.[124] In particular, associations have been made in numerous medical studies between low temperatures, damp and mould, and respiratory disease, eczema, asthma, and rhinitis.[125] The strongest provable links with poor housing conditions and poor health are found in evidence on respiratory illnesses which has a negative impact on children's education.[126]

Similarly, cold, poorly insulated homes have been proved to increase adults' chances of developing respiratory illnesses and breathing problems such as asthma and pneumonia.[127] This can have knock-on consequences for employment opportunities as, controlling for other factors, adults are more likely to be workless after an asthma diagnosis.[128]

> **The impact of poor conditions on health, education and employment: Jacky and Sarah's story**[129]
>
> Jacky, aged 35 and her daughter Sarah, aged 15, live in a two bedroom flat. When the family moved in the carpet was in a terrible condition and had blood stains from previous tenants. The carpet was removed, but the floor was left as bare concrete. This obviously made it much more costly to try and heat the home in colder months and as the mother was out of work, she found it difficult to pay these bills.
>
> During winter, both the mother and daughter suffered from asthma and were much more susceptible to flu. Sarah had to take time off school as a result. While Jacky was looking for work, she found that her illness hampered her performance in job interviews, and made it difficult to hold down a job.
>
> School-Home support was asked by Sarah's school to made an intervention with the family due to Sarah's poor attendance. They helped her to purchase a new carpet for the flat and supported the daughter back into school. By the end of the academic year, her attendance had risen to 85 per cent, up from 54 per cent. They have also helped Jacky onto an employment course and are supporting her with her search for employment.

124 ECOTEC, *Social impact of poor housing*, London: ECOTEC, 2010, p12 [accessed via: www.salford.gov.uk/corestrategy/iw/JC-JC13-Social-impact-of-poor-housing.pdf (22/12/15)]

125 Marsh A et al, 'Housing Deprivation and Health: A Longitudinal Analysis', *Housing Studies*, 15(3), 2000, p413 [accessed via: www.tandfonline.com/doi/abs/10.1080/02673030050009258#.VqEvl5qLSt8 (11/12/15)]

126 Feitosa C et al, 'Behaviour problems and prevalence of asthma symptoms among Brazilian children', *Journal of Psychosomatic Research*, 71(3), 2011, p6 [accessed via: researchonline.lshtm.ac.uk/83/1/main.pdf (11/12/15)]

127 World Health Organisation, *Housing, Energy and Thermal Comfort*, Copenhagen: World Health Organisation, 2007 in Liddell C, and Morris C, 'Fuel poverty and human health: A review of recent evidence', *Energy Policy*, 38, 2010, p2988 [accessed via: ac.els-cdn.com/S0301421510000625/1-s2.0-S0301421510000625-main.pdf?_tid=486dbf64-a8b9-11e5-b337-00000aab0f27&acdnat=1450795124_07b93b9ecabdc24e552e84fe9884f20e (22/12/15)]

128 Blanc P et al, 'The work impact of asthma and rhinitis: Findings from a population-based survey', *Journal of Clinical Epidemiology*, 2001, 54, p610

129 Case study provided by School-Home Support in evidence to the CSJ

There can also be severe consequences for children and adults when homes are not of a sufficient size for the needs of the family. Sharing rooms with other family members (such as adults who have to get up earlier) can mean that children's sleep is disrupted, leading to difficulty concentrating during the day.[130] A lack of suitable space can lead to children having difficulties studying and reading, affecting school performance.[131, 132]

This was a concern that was raised to us by a number of CSJ Alliance Charities in evidence to our review. Family Friends, a charity that works with disadvantaged families and provides mentoring services from a network of trained volunteers, told us about one recent case:

> *'We recently worked with Dean, a 13 year old living in a two bedroom flat with six siblings and his parents. Family Friends got involved with the family because Dean was getting into trouble at school which meant that during one term he amassed 50 detentions. He was often late for school and never had his homework done.*
>
> *'After being matched by his volunteer at Family Friends, it became clear that Dean didn't mind detentions because that meant there was a quiet place for him to go and do his homework. It turned out that Dean was feeling as if he had no space away from his brothers and sisters.'*
>
> **Family Friends, in evidence to the CSJ**

We also heard that overcrowding has an impact on family relationships and the mental health of adults.[133] This will not be the case for every overcrowded family. As some commentators have pointed out, families from different cultural backgrounds have widely different expectations of what is suitable space for a family, and some families may chose to live in 'overcrowded' housing so that they can accommodate several generations under one roof.[134]

Nevertheless, the CSJ heard that overcrowding can have a real impact on the family unit. Indeed, one study found that three quarters of families in overcrowded accommodation reported that overcrowding had a negative effect on family relationships.[135] By contrast, moving to a house of a sufficient size can reduce friction and family disputes.[136]

130 Solari C and Robert D, *Housing crowding effects on children's wellbeing*. Social Science Research, 41, 2012, p465 [accessed via: www.sciencedirect.com/science/article/pii/S0049089X11001694 (08/12/15)]

131 Barnes M, Butt S and Tomaszewski W, 'The Duration of Bad Housing and Children's Well-being in Britain', *Housing Studies*, 26, 1, 2011, p156 [accessed via: openaccess.city.ac.uk/4591/1/The%20duration%20of%20bad%20housing%20and%20living%20standards%20of%20children%20in%20Britain_Barnes_revised%20copy.pdf (21/01/16)]

132 Solari C and Robert D, 'Housing crowding effects on children's wellbeing', *Social Science Research*, 41, 2012, p465 [accessed via: www.sciencedirect.com/science/article/pii/S0049089X11001694 (08/12/15)]

133 Marsh A et al, 'Housing Deprivation and Health: A Longitudinal Analysis', *Housing Studies*, 15(3), 2000, p413 [accessed via: www.tandfonline.com/doi/abs/10.1080/02673030050009258#.VqEvl5qLSt8 (11/12/15)]

134 Tomlins R, *Housing Experiences of Minority Ethnic Communities in Britain: an academic literature review and annotated bibliography*, Warwick: Centre for Research in Ethnic Relations, 1999 [accessed via: www2.warwick.ac.uk/fac/soc/crer/research/publications/bibliog/bibliography_no.15.pdf (04/01/16)]

135 Shelter, *Full house? How overcrowding housing affects families*, London: Shelter, 2008, p13 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0004/39532/Full_house_overcrowding_effects.pdf (08/12/15)]

136 Greater London Authority, *Housing Space Standards*, London: Greater London Authority, 2006, p47 [accessed via: www.london.gov.uk/file/8036/download?token=6LOIQqMS (03/07/15)]

1.2.2 The scale of bad housing

The main measure of the basic suitability of housing in the UK is the decent homes standard.

Decent Homes Standard: Since 2006, the decent homes standard has required homes to meet four criteria:[137]

- Housing Health and Safety Rating System (HHSRS): meeting minimum standards for housing (not having dangerous stairs, for example);

- Disrepair: being in a reasonable state of repair (a home would fail if the roof leaks or the heating or electrical system are in poor condition);

- Modernisation: having reasonably modern facilities and services (such as an appropriately located WC);

- Thermal comfort: adequate warmth through reasonably effective heating and insulation.

Figure 6: Number of dwellings failing the Decent Homes Standard by tenure, 2006–2013[138]
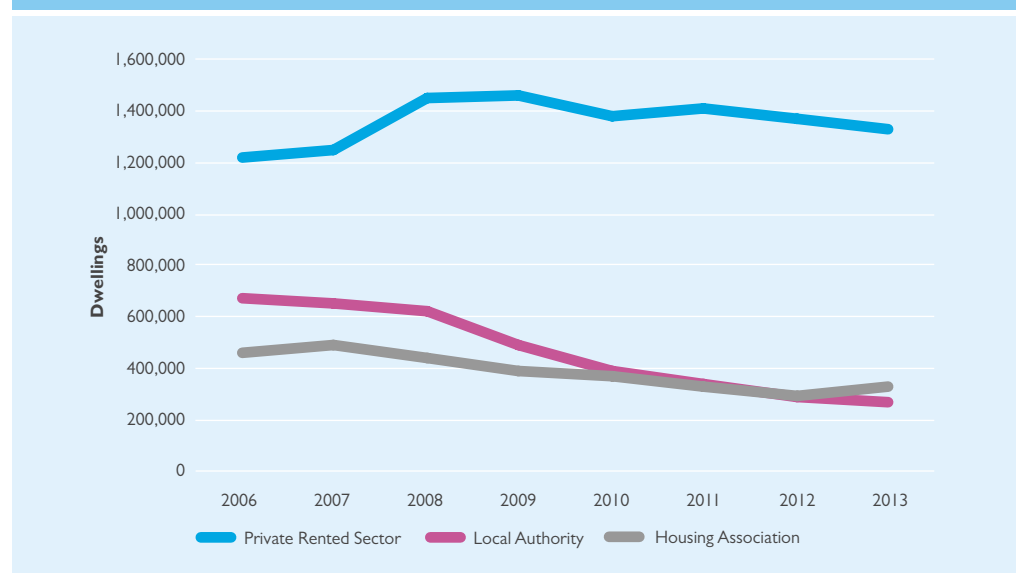

As can be seen, there have been great improvements in the condition of the England's social housing stock in the last decade. Nevertheless 30 per cent of private rented homes (1.3 million households), and 15 per cent of socially rented homes (585,000 households) still fail to meet the decent homes standard.[139] This represents a significant rump which still needs to be tackled.

137 Department for Communities and Local Government, *A Decent Home: Definition and guidance for implementation*, London: Department for Communities and Local Government, 2006, pp12–13 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/7812/138355.pdf (22/01/16)]

138 Department for Communities and Local Government, *English Housing Survey 2013: profile of English housing report*, London: Department for Communities and Local Government, 2015, Annex Table 3.16 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/445378/Chapter_3_Tables_Figures_and_Annex_Tables.xlsx (10/12/15)]

139 Department for Communities and Local Government, *England Housing Survey: Headline Report 2013–14* , London: Department for Communities and Local Government, 2014, pp8, 53 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/406740/English_Housing_Survey_Headline_Report_2013-14.pdf (22/01/16)]

Figure 7: Reasons for dwellings failing the Decent Homes Standard, 2013[140]

Private Rented Sector | **Social Sector**
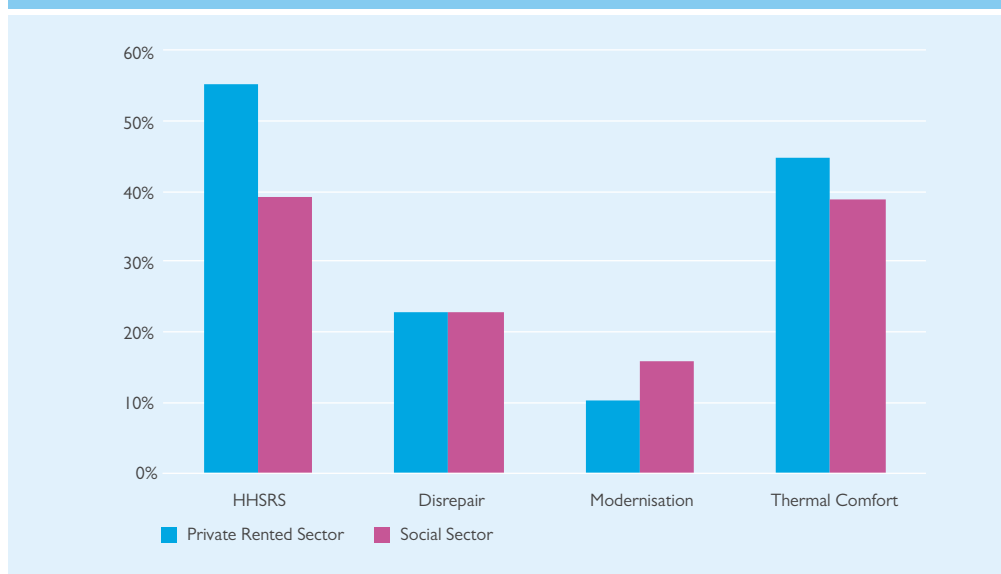
Similarly, damp remains a problem in a significant minority of private rented housing and social rented housing. In 2013, eight per cent (377,000) of dwellings in the PRS had some kind of damp problem, and five per cent (201,442) of dwellings in Social Rented Housing.[141]

Figure 8: Number of dwellings with any kind of damp problem, 2003–2013[142]

Private rented | **Social housing**
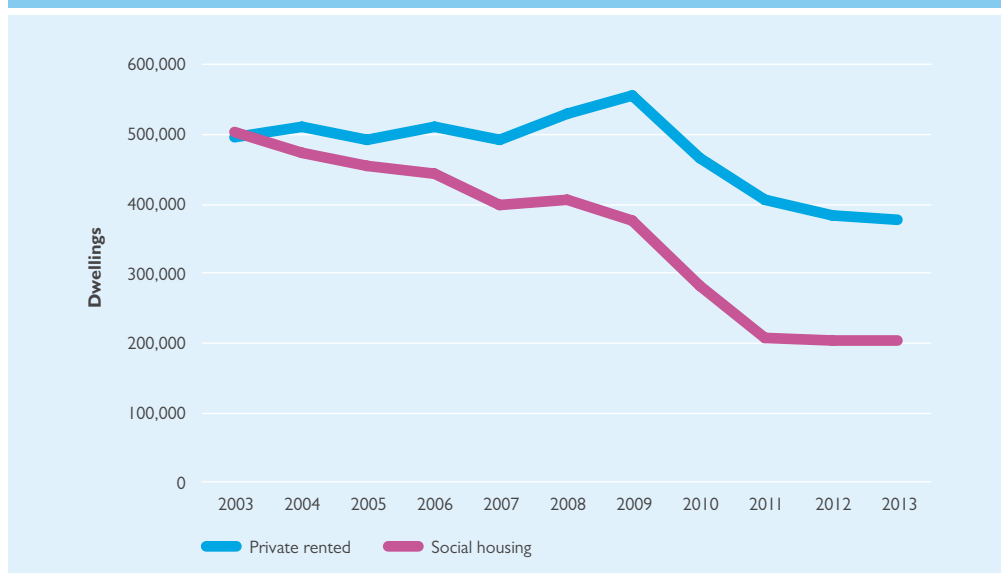
The main measure of households' need for space in the UK is the 'bedroom standard'.

140 Department for Communities and Local Government, *English housing survey 2013: profile of English housing report*, London: Department for Communities and Local Government, 2015, Annex Table 3.15 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/445378/Chapter_3_Tables_Figures_and_Annex_Tables.xlsx (22/01/16)]

141 Department for Communities and Local Government, *English Housing Survey 2013: profile of English Housing Report,* London: Department for Communities and Local Government, 2015, Annex Table 3.7 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/445378/Chapter_3_Tables_Figures_and_Annex_Tables.xlsx (22/01/16)]

142 Ibid

The 'bedroom standard' is used by the Government as an indicator of occupation density. A standard number of bedrooms is calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10–20 of the same sex, and each pair of children under 10.[143]

Those homes which are one room below the bedroom standard (one fewer bedrooms than required) are considered by the Government to be overcrowded.

There are limits to this approach. For example, the measure does not include the amount of space in a bedroom, or the wider house.[144] Nor is it sensitive to individual family circumstances: two siblings in one bedroom may be problematic if one child has certain behavioural problems, while in other families three young children in one bedroom may be no problem at all. Finally, it hides the nature of severe overcrowding – where whole families sleep in one room, or where children have to sleep in corridors.[145]

Nevertheless, in the absence of other figures collected by the Government, the standard does provide a useable benchmark. According to the standard, we can say that 666,000 households (or three per cent of households) are living in overcrowded conditions.[146] We also know that 31,000 households (or 0.8 per cent) in the social rented sector live in homes which are two rooms below the bedroom standard.[147]

Figure 9: Overcrowded households[148]
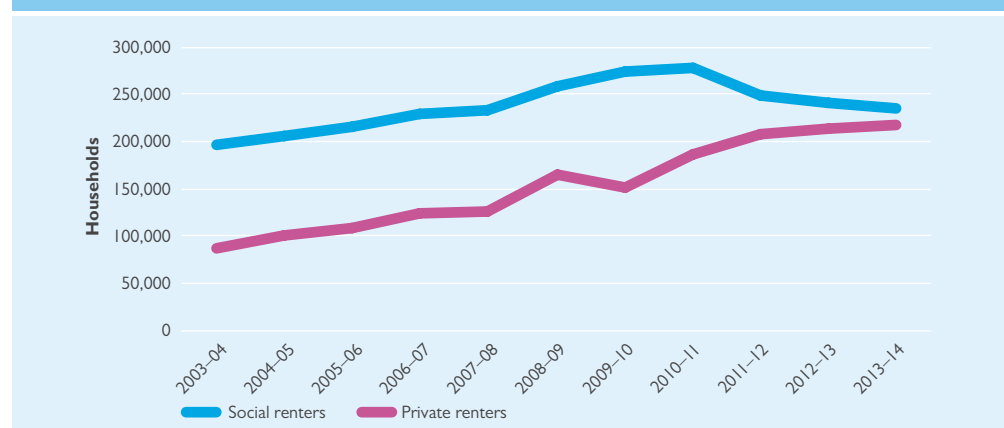
143 Department of Communities and Local Government, *English Housing Survey: Household report 2013–14*, London: Department of Communities and Local Government, 2014, p118 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461439/EHS_Households_2013-14.pdf (22/01/16)]

144 Morgan M, and Cruickshank H, 'Quantifying the extent of space shortages: English dwellings', *Building Research and Information*, 42(6) pp710–724 [accessed via: www.tandfonline.com/doi/pdf/10.1080/09613218.2014.922271 (22/01/16)]

145 Shelter, *Full house? How overcrowded housing affects families*, London: Shelter, 2005, p20 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0004/39532/Full_house_overcrowding_effects.pdf (22/01/16)]

146 Department of Communities and Local Government, *English Housing Survey: Headline report 2013–14*, London: Department of Communities and Local Government, 2014, p31 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/469213/English_Housing_Survey_Headline_Report_2013-14.pdf (09/12/15)]

147 Department of Communities and Local Government, *Survey Households Report 2013–14: Section 5*, London: Department of Communities and Local Government, 2014 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461451/Chapter_5_Social_renters_Tables_Figures_and_Annex_Tables.xlsx (09/12/15)]; Department of Communities and Local Government, *English Survey Households Report 2013–14: Section 1*, London: Department of Communities and Local Government, 2014 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/469214/2013-14_Section_1_Households_tables_and_figures_FINAL.xlsx (09/12/15)]

148 Department for Communities and Local Government, *English housing survey headline report 2013 to 2013: section 1 household tables*, London: Department for Communities and Local Government, 2015, Annex Table 1.13 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/469214/2013-14_Section_1_Households_tables_and_figures_FINAL.xlsx (11/12/15)]

Whilst this is in part a problem of supply, it is also a problem of use. Just as there is overcrowding in the PRS and social rented sector, there is also under-occupancy. This is something that the removal of the spare-room subsidy in 2012 sought to address in the social rented sector after 2012.[149] The problem in the PRS might also be relieved if social housing stock were allocated as efficiently as possible to overcrowded families renting privately who are most in need of extra space.

Figure 10: Overcrowding and under-occupation, three year average 2011–12 to 2013–14[150]
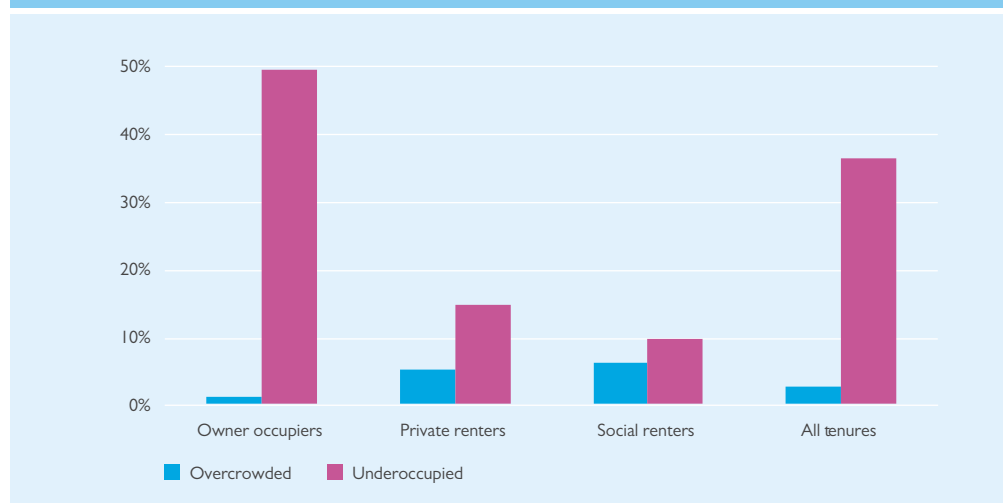
1.3 Inflexibility

People need different homes at different stages of their lives. A home which is currently suitable may become unsuitable as a result of life events. Households grow and shrink as relationships change, or parents have children. Due to age or disability, people may find they need a home better adapted to their needs.

Individuals and households may also need to move to relocate to another location. They will sometimes want to move to access job opportunities, or to care for family members. Sometimes they will want to move to another area to start again, to escape negative social influences when recovering from an addiction or escaping from gang involvement, for example.

Barriers to moving to a different home can therefore have a substantial impact on life chances and quality of life.

149 Department for Work and Pensions, *Evaluation of Removal of the Spare Room Subsidy*, London: Department for Work and Pensions, 2015, pp 86–87 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/485939/rsrs-evaluation.pdf (19/01/16)]

150 Department for Communities and Local Government, *English housing survey headline report 2013 to 2014: section 1 household tables*, London: Department for Communities and Local Government, 2015, Table 1.6 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/469214/2013-14_Section_1_Households_tables_and_figures_FINAL.xlsx (11/12/15)]; Department for Communities and Local Government, *English housing survey headline report 2011 to 2012: section 1 household tables*, London: Department for Communities and Local Government, 2013, Annex Table 1.13 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/211289/Headline_report_2011-12_tables.xls (11/12/15)]

Potential barriers include:

- The affordability of properties in areas in which people want to live and work;
- The availability of suitable properties to meet certain needs (such as requirements as a result of disability);
- The ability to move to those properties. Options may be limited by the allocation of social housing, or knowledge of the options available to renters, for example;
- Being able to afford the cost of moving properties.

1.3.1 Geographical mobility and employment

Being unable to move to a geographic location affects the employment prospects of many people. Young people in particular may have their education and employment opportunities limited by being unable to move to an area of high employment. In a 2010 poll, 12 per cent of people said that high housing costs had affected their ability to move for work; among 18 to 34-year-olds, this was 18 per cent.[151]

This should not be a surprise considering the imbalance between demand for opportunities and what is on offer in certain regions. For instance, in 2012 the ratio of apprenticeship applications to online vacancies ranged from 4:1 in Oxfordshire (4,590 applications to 1,204 vacancies) to 22:1 in Wolverhampton (15,610 applications to 683 vacancies).[152] At the same time, the unemployment rate in Oxfordshire is currently 3.0 per cent, as opposed to the national average of 5.5 per cent; in Wolverhampton the unemployment rate is 10.0 per cent.[153]

The ability to move to an area of employment, or to take up a job, is not just limited by affordability. As some commentators have highlighted, lack of flexibility in the social housing system may also be a contributing factor with limited options thwarting the job search of social tenants.[154]

There are also barriers to moving in the PRS. These include a deposit, lettings agency fees, a month's rent in advance, and the need for a guarantor if the tenant is on benefits.[155] The CSJ heard that these factors sometimes mean that people are 'stuck'.

> *'The need to put down a deposit or pay rent in advance, sometimes one to two months in advance are a massive problem for people who need to relocate for work. One customer recently had to turn down a job offer and postpone relocation, hence losing a job opportunity, as he could not meet the relocation costs.'*
>
> JCP Adviser, in evidence to the CSJ

151 Shelter, *The Human Cost: How the lack of affordable housing impacts on all aspects of life*, London: Shelter, 2010, pp19 [accessed via: england. shelter.org.uk/__data/assets/pdf_file/0003/268752/The_Human_Cost.pdf (09/12/15)]

152 The Work Foundation, *The geography of youth unemployment: a route map for change*, London: The Work Foundation, 2014, p15 [accessed via: www.theworkfoundation.com/DownloadPublication/Report/360_The%20Geography%20of%20Youth%20Unemployment%20 FINAL%2008%2004%2014.pdf (30/09/15)]

153 ONS *Regional Labour market, January 2016*. Regional Labour Market LI01 – Local indicators for counties, local and unitary authorities, January 2016. [accessed via: www.ons.gov.uk/ons/rel/subnational-labour/regional-labour-market-statistics/january-2016/rft-lm-table-li01-january-2016.xls (21/01/16)]

154 Hills J, *Ends and Means: the future roles of social housing in England*, London: ESRC Research Centre for Analysis of Social Exclusion, 2007, pp105–19 [accessed via: eprints.lse.ac.uk/5568/1/Ends_and_Means_The_future_roles_of_social_housing_in_England_1.pdf (09/12/15)]

155 See Section 4.3

The problem is reflected in the growing clamour from the business community for affordable housing and reduced housing costs to accommodate their employees. A Confederation of British Industry (CBI) survey found that 61 per cent of businesses in London reported that housing costs and availability are having a negative impact on recruitment of entry level staff, with half of respondents saying the same thing for mid-level managerial employees.[156]

> 'Businesses need a flexible and mobile workforce, but the high cost of moving home, and lack of decent and affordable housing, are barriers to attracting and retaining employees.'
>
> Katja Hal, Confederation of British Industry (CBI) Deputy Director-General[157]

1.3.2 Family support

The problems we have touched on – affordability, the cost of moving, and other barriers – do not just affect employment opportunities. A major reason why people want to move home is to be with friends and family.[158] It can prevent people from caring for family members.[159]

For instance, grandparents provide over 40 per cent of childcare for parents who are at work or studying.[160] If they are not able to live in the same area, however, they will be unable to provide that support for both their children and grandchildren.

WILD Young Parents Project, which works with about 200 vulnerable mothers across Cornwall, told the CSJ that this was a major concern:

> 'We work with a lot of vulnerable mums who split up and separate from their families and support networks, and are unable to move to be near them. That could be because they are in social housing and so effectively stuck, or because they are renting privately and don't have the deposit and the other necessities to move to another property.
>
> 'The impact can be pretty terrible. Without their support networks they can become really isolated. No family around means that they will often be caring for their child with no respite and that's pretty relentless. You can see that mums' mental health deteriorates and parent-child attachment can also suffer as a result.
>
> 'Without family around there's also no one to provide childcare. Grandparents may want to help out, but they might live an hour's drive away.'
>
> WILD Young Parents Project, in evidence to the CSJ

156 Confederation of British Industry (CBI), *Housing Britain: building homes for growth*, London: Confederation of British Industry, 2014, p11 [accessed via: news.cbi.org.uk/news/homes-for-growth/ (09/12/15)]

157 Ibid, p3

158 Broomleigh Housing Association, *Mobility Matters*, London: Broomleigh Housing Association, 2009, p9 [accessed via: www.campbelltickell. com/images/publications/uk_government/mobility-matters.pdf (09/12/15)]

159 Shelter, *The Human Cost: How the lack of affordable housing impacts on all aspects of life*, London: Shelter, 2010, pp14–15 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0003/268752/The_Human_Cost.pdf (08/12/15)]

160 Grandparents Plus, *Living extended family lives*, London: Grandparents Plus, 2009, p5 [accessed via: www.grandparentsplus.org.uk/wp-content/uploads/2011/03/Rethinking-Family-Life-Report.pdf (09/12/15)]

1.3.3 Vulnerable families unable to move

Barriers to moving may also trap people in unsuitable circumstances. One study of 128 vulnerable people in the PRS found that every home had a condition problem, and the majority had to deal with problem landlords.[161] But, without the financial means for a bond or deposit, people were trapped, unable to move to another property.[162]

The CSJ heard that barriers to moving sometimes lead to the inability to escape a whole host of other negative situations: antisocial behaviour, domestic violence, gangs, old negative influences, social isolation.

Escaping gangs: Julie's Story[163]

Julie lived with her three sons, aged 18, 16, and 11, in a private tenancy in Liverpool. Her family is known to social services and the local Troubled Families Programme.

One of Julie's sons, Nathan, had previously been involved with a gang in the local area and was subject to a Referral order from the Youth Offending Service for a public order offence. Due to the referral, Nathan stopped engaging with the gang. But things only got worse for the family, as he became a target for local gang members in the area. They would congregate outside the family home and intimidate the family.

Julie reported the incidents to the police, but the family did not feel safe, particularly after one of Nathan's friends was stabbed by a gang member. Julie suffered from depression and anxiety and the situation exasperated her condition. She would suffer panic attacks when she left the house.

But the family was trapped. Due to Nathan's previous affiliation with the gang, Julie was unable to secure accommodation with a Housing Association. Neither did Julie have the funds for a deposit and rent in advance for a new Private Tenancy.

Escaping harassment: Jenny's Story[164]

Jenny is a young mother aged 19 who lives in a temporary flat with her baby daughter, Maddie. Jenny had a complex childhood, with a history of being in care. She moved to Cornwall to be with her older partner, and together they accrued significant debt (while living on benefits).

Jenny found out that her partner was on a register linked to previous sex offences, and split up with him. He now lives in an adjacent flat, and he and his family have been harassing her.

Jenny would like to live with Maddie in a safe environment, away from her ex-partner. However, due to debts and rent arrears, Jenny cannot move home. Jenny has depression, and is struggling to pay back debts from her benefits, particularly during the winter months, as she has a damp, cold flat which is expensive to heat.

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161 Shelter, *A Roof Over My Head: The final report of the Sustain project*, London: Shelter, 2014, p6 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0005/760514/6424_Sustain_Final_Report_for_web.pdf (09/12/15)]

162 Ibid, p36

163 Case study provided by Merseyside Family Support Services in evidence to the CSJ

164 Case study provided by WILD Young Parents Project in evidence to the CSJ

1.3.4 Disability and flexible housing

A final problem related to flexibility that has a clear and detrimental impact on life chances is the ability of those with a disability to move to a home suitable to their needs.

There are very few suitable houses for people with physical disabilities in the PRS.[165] This means that many are reliant upon the social rented sector for a suitable home to move to. Although it may not represent 300,000 unique individuals, Local Authorities register 300,000 disabled people on social housing waiting lists across Britain.[166]

As a result, people may have to live in unsuitable accommodation. According to one survey, nine per cent of disabled people have issues with using their stairs, four per cent have difficulties with level access to their property, and three per cent lack suitable toilet facilities.[167]

Unsuitable housing can have a direct impact on the physical and mental health of disabled adults and children.[168] Moreover, an essential part of child development is dependent on a level of independence, spontaneity, and the ability to play and explore which can be hindered by a lack of suitable space and adaptations.[169]

Even when disabled people find a home suitable to their needs, that home may be in a geographical location that limits life opportunities. If they want to move, for example to improve their chances of getting a job, it may well be difficult.

'There is a shortage of accessible housing for those with disabilities in the country. Moreover, much of the accessible stock we have is concentrated in isolated, rural areas. This hugely reduces choices for disabled people about where they can live.

'Families and friends become separated, undermining relationships. People have no choice but to live in communities stranded far from areas of employment, and have little hope of moving to an area where they might be able to get into work.

'That is life limiting. If we are serious about widening opportunities and halving the disability employment gap, we need to broaden the options for disabled people about where they can live.'

Papworth Trust, in evidence to the CSJ

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165 Department for Communities and Local Government, *Housing in England 2007–08*, London: Department for Communities and Local Government, 2009, p45 [accessed via: webarchive.nationalarchives.gov.uk/20121108165934/http://www.communities.gov.uk/documents/statistics/pdf/1346249.pdf (09/12/15)]

166 This figure was reached by asking all housing authorities in the UK how many 'disabled people' are currently on their housing waiting. It should therefore be noted that some individuals may be on the more than one social housing waiting list, so this figure may not represent 300,000 separate individuals. Leonard Cheshire Disability, *No Place Like Home*, London: Leonard Cheshire Disability, 2014, p1 [accessed via: www.leonardcheshire.org/sites/default/files/no-place-like-home-leonard-cheshire-disabiltiy.pdf (09/12/15)]

167 In this instance, disability is used for 'serious physical disabilities', 'mobility disabled people', and 'physical and sensory mobility disability'. Ecorys, *Disabled People's Housing Needs Study: Housing needs of people with physical disabilities*, Rotterdam: Ecorys, 2012, p9

168 In this instance, the term disabled is used for physical disabilities. Heywood F, 'The health outcomes of housing adaptations', *Disability and Society*, 19(2), 2010, p135; Every Disabled Child Matters, *Disabled Children and Housing*, London: Every Disabled Child Matters, 2008, p1 [accessed via: www.edcm.org.uk/media/8104/disabled_children_and_housing.pdf (08/12/15)]

169 Goldstein J, *Play in Children's Development, Health and Well-Being*, Brussels: Toy Industries of Europe, 2012 [accessed via: www.ornes.nl/wp-content/uploads/2010/08/Play-in-children-s-development-health-and-well-being-feb-2012.pdf (04/12/15)]

1.4 Neighbourhoods

The importance of the 'home' goes beyond the four walls of a property. Built design and neighbourhood mix can have a significant impact on communities, binding people together and strengthening positive social relationships, or contributing to social breakdown and cycles of poverty.

The problem we face today is largely the product of history. Post-war estates provided, for the first time for many, a decent, stable, and affordable home for those who had been living in slums or had lost their home in the Second World War.[170] In theory, this should have been a great step forward in improving the conditions of low-income people in the UK. The reality was more complicated, as many such estates slid into social failure, rife with crime, antisocial behaviour and worklessness as the Government has recognised in its recent announcement.[171]

1.4.1 Built design and social breakdown

Some commentators began to question the wisdom of post-war estate architecture soon after it was first introduced, but it was not until the 1980s that robust evidence appeared to show the negative impact design was having.[172]

Professor Alice Coleman's study, which still remains the largest of its kind, surveyed 4,099 high-rise and medium-risk blocks and 1,800 single dwellings, collecting signs of social breakdown and criminality. Vandalism was associated with an array of design faults, such as high-rise tower blocks and estates with interconnecting exits, which provide alternative escape routes for those fleeing from authorities.[173] It was 50 per cent more likely for a household to have had a child taken into care if they were living in a block of 60 flats than one of 25–35 flats.[174]

Other studies have added to these conclusions. For example, it now seems fairly indisputable that multi-storey living is inappropriate for children. Most studies have found clear correlations between high-rise living and childhood behavioural problems when socio-economic status is taken into account.[175] No study has found high-rise living to be beneficial to children.[176] This may in part be because high-rise living restricts opportunities for play, and time outdoors.[177]

> *'We work with one family who live in a one bedroom flat at the top of a five storey tower block with no lift. The parents have 18 month old twins and another baby on the way. The dad works during the day, leaving mum to look after the children at home.*

170   Hanley L, *Estate: An Intimate History*, London: Granta Publications, 2007, pp74–76

171   Hanley L, *Estate: An Intimate History*, London: Granta Publications, 2007

172   Coleman A, *Utopia on Trial: Vision and Reality in planned housing*, London: Hilary Shipman Limited, 1985, pp2–5,11–13

173   Ibid, pp62, 66

174   Ibid, pp81–82

175   Gifford R, 'The Consequences of Living in High-Rise Buildings', *Architectural Science Review*, 50(1), 2007, pp10–12 [accessed via: web.uvic.ca/~esplab/sites/default/files/ASR%20High%20Rises%20proof.pdf (09/12/15)]

176   Ibid

177   Ibid

'The mum finds it nearly impossible to leave the flat during the day. With two toddlers and the buggy plus other essentials, she needs support from someone who is able to carry toddlers and equipment up and down the stairs of the building. As a result, she is unable to get out of the flat with her children.'

Family Friends, in evidence to the CSJ

1.4.2 The impact of 'neighbourhood effects'

Disadvantage has become highly concentrated in some estates. When they were first built estates may have been mono-tenure (purely social housing), but because of the insufficiency of supply and the way in which housing was allocated they accommodated a range of people from different socio-economic groups.[178] Since the 1977 Housing Act, there has been an increasing emphasis on allocating social housing to the very neediest.[179] Over the same period we have seen social housing supply fail to keep up with demand.[180]

This can severely impact life chances. Robust studies have shown that:

- In communities where unemployment rates are particularly high, the chances of residents finding work in the future are significantly lower.[181] This may be due to a lack of knowledge of job opportunities within social networks, positive or negative role models, or employer discrimination against certain postcodes;[182]
- A high concentration of socially disadvantaged households may lead to weaker social norms. This situation, in turn, can produce negative consequences, such as increased youth offending, criminality, and mental distress;[183]
- Reinforced by geographical factors, including poor transport links, disadvantaged neighbourhoods can become isolated, limiting spatial horizons and making it more difficult for residents to access employment opportunities;[184]
- The negative impact of living in certain areas on adults, such as increased stress, can be passed onto children, affecting their life chances.[185]

Welfare reform is having a positive impact on the employment rates in these neighbourhoods. Indeed, the proportion of social renters in work has risen significantly in recent years: 37 per

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178 The Smith Institute, *The Public Value of Social Housing: A longitudinal analysis of the relationship between housing and life chances*, London: The Smith Institute, 2008, pp18–23

179 Localis, *Principles of Social Housing Reform*, London: Localis Research, 2009, pp25–27 [accessed via: www.localis.org.uk/images/localis%20 principles%20for%20social%20housing%20reform%20web.pdf (09/12/15)]

180 Capital Economics Ltd, *Building New Social Rent Homes*, London: Capital Economics Ltd, 2015 [accessed via: www.almos.org.uk/include/ getDoc.php?did=7103&fid=8219 (11/12/15)]

181 Buck N, 'Identifying Neighbourhood Effects on Social Exclusion', *Urban Studies*, 38, 2001, pp 2266, 2270–71, 2272

182 Department for Work and Pensions, *Social housing and worklessness: Qualitative findings*, London: Department for Work and Pensions, 2008, pp32–38 [accessed via: lx.iriss.org.uk/sites/default/files/resources/rrep521.pdf (09/12/15)]

183 Galster C G, 'The Mechanism(s) of Neighbourhood Effects Theory, Evidence, and Policy Implications', *Neighbourhood Effects Research: New Perspectives*, Berlin: Springer, 2010, p15 [accessed via: clas.wayne.edu/Multimedia/DUSP/files/G.Galster/St_AndrewsSeminar-Mechanisms_ of_neigh_effects-Galster_2-23-10.pdf (09/12/15)]

184 Department for Work and Pensions, *Social housing and worklessness: Qualitative research findings*, London: Department for Work and Pensions, 2008, pp31–45 [accessed via: lx.iriss.org.uk/sites/default/files/resources/rrep521.pdf, (09/12/15)]; University College London, *Transport and Poverty A review of the evidence*, London: University College London, 2014, [accessed via: www.ucl.ac.uk/transport-institute/ pdfs/transport-poverty (09/12/15)]

185 Galster C G, 'The Mechanism(s) of Neighbourhood Effects Theory, Evidence, and Policy Implications', *Neighbourhood Effects Research: New Perspectives*, Berlin: Springer, 2010, p12 [accessed via: clas.wayne.edu/Multimedia/DUSP/files/G.Galster/St_AndrewsSeminar-Mechanisms_ of_neigh_effects-Galster_2-23-10.pdf (09/12/15)]

cent of all social renters are now in employment, compared to 31 per cent ten years ago.[186] However, challenges clearly remain, as is recognised by organisations that work in areas of disadvantage.

'There are certain geographical areas and neighbourhoods where aspiration and confidence to find work is particularly low. Our experience is that these are areas where employment opportunities are limited, or where the Local Authority nominations process has resulted in concentrations of "higher need" residents.

'Thanet in Kent is an area characterised by low aspiration because of limited opportunity in this isolated area. In the less isolated Leybourne Park estate near Maidstone in Kent many young single mothers were put into the social housing side of the development, and it seems that this has created both the circumstances and "community attitudes" not conducive to work.'

Hyde Group, in evidence to the CSJ

'It can be true that in the most deprived communities with high concentrations of social housing, (whilst not generalising), a lack of aspiration and norming behaviours can exist which limit the ambition to seek employment. Similarly, due to limited interaction, areas can become socially isolated. We have established a process of neighbourhood planning to develop stronger local capacity in such communities and with partners directed regeneration projects both physical improvements but also social programmes such as job clubs, training and support in these neighbourhoods to address their relative exclusion and lower aspirations.'

Aspire Group, in evidence to the CSJ

'We often deliver support to "troubled families" in areas where disadvantage is concentrated, which can cause additional barriers to progress. For example, families can be trapped in intergenerational cycles of worklessness, without the skills and role models needed to make the sustained progress towards work required by the programme. They may need a great deal of support in this area before it appears that progress has been made.'

Family Action Troubled Families Service, in evidence to the CSJ

1.4.3 The need to involve disadvantaged people in regeneration

As the Government recognises, there is therefore a clear and urgent need to regenerate the most dysfunctional estates in the UK to ensure that they no longer trap people in poverty. But it is also important to ensure that we do this in the right way so that new developments meet the needs of low-income people, rather than repeating the mistakes of the past, or simply displacing them from the areas in which they had lived.

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186 Department for Communities and Local Government, *English Housing Survey 2013 to 2014: Household Report*, London: Department for Communities and Local Government, 2015, Annex Table 5.1 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461451/Chapter_5_Social_renters_Tables_Figures_and_Annex_Tables.xlsx (06/12/15)]

For decades, regeneration schemes have regularly failed to adequately consult residents on the design of new neighbourhoods.[187] What is more, the new exciting powers that neighbourhood planning put into the hands of communities to shape their own future may be difficult for disadvantaged neighbourhoods to take hold of, as the process is costly and relies heavily on informal professional support, drawn from the community, to navigate the complexities and technicalities of the process.[188, 189]

If these problems are not corrected, there is the danger that new developments in the next decade will continue to fail to reflect the wants and needs of the disadvantaged.

1.5 Conclusion

The Government continues to make a concerted effort to tackle the root causes of poverty by reforming welfare to make work pay, addressing educational failure through the expansion of academies, and helping some of the most difficult families in the country through the expanded Troubled Families programme. However, it has a long way to go to link its social justice agenda with its housing policy for those on low incomes. In this chapter, we have demonstrated that it should.

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187 Tallon A, *Urban Regeneration In The UK*, London: Routledge, 2010, pp274–275

188 Locality, *Neighbourhood Plans Roadmap Guide*, London: Locality, 2013, p14 [accessed via: locality.org.uk/wp-content/uploads/Roadmap-worksheets-map-May-13.pdf (11/12/15)]

189 London Assembly, *Localism in London: What's the story?*, London: London Assembly, 2014, pp18–19 [accessed via: www.london.gov.uk/moderngov/documents/s43257/15-01-22-Appendix%201-Final-Localism-Report.pdf (09/12/15)]

chapter two
Stability

A stable home is one of the foundations for a successful life. Without stable housing, families lack predictability for the future. Households can be disrupted by frequent moves and so struggle to establish a career or provide consistent education for children.

As more and more low-income families become resident in the PRS it is essential that this type of housing becomes more stable for them. This chapter makes recommendations about how:

- Low-income tenants in the PRS can acquire longer, more stable tenancies;
- Benefit claimants and vulnerable people can access sustainable tenancies;
- Local Authorities can minimise use of Temporary Accommodation by instead assisting homeless families to find a higher degree of permanency within the PRS.

2.1 Longer tenancies in the Private Rented Sector for low-income households

It is currently the norm for families to be on assured shorthold tenancies (ASTs).[190] According to one survey, 45 per cent of these tenancies last six months, and 49 per cent last 12 months.[191] Landlords are able to evict tenants when this period is up, even if there is no fault on the part of the tenant, as long as they give two months' notice.[192]

2.1.1 Helping tenants to acquire longer assured shorthold tenancies

We believe that the PRS can provide far greater stability than it often does. Within the PRS, landlords and tenants are free to negotiate the length of ASTs, and frequently do so. One survey

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190 The Stationery Office Limited, *House of Commons, Communities and Local Government Committee: The Private Rented Sector*, London: The Stationery Office Limited, 2013, p36 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf (11/12/15)]

191 House of Commons Communities and Local Government Committee, *The Private Rented Sector: Volume II, Oral and Written Evidence*, London: The Stationery Office Limited, 2013, p231 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50ii.pdf (17/10/15)]

192 Citizens Advice, *Renting from a private landlord*, London: Citizens Advice [accessed via: www.citizensadvice.org.uk/housing/renting-a-home/renting-from-a-private-landlord/ (11/12/15)]

found that 24 per cent of private renters have asked a landlord for a longer initial tenancy.[193] Although it may merely indicate an increase from an indeterminate to a six month tenancy, or a six month to a 12 month, in four out of five cases, the landlord agreed.[194] However, the same survey also found that 14 per cent of tenants said that they wanted to ask for a longer initial tenancy, but did not because they were not comfortable negotiating.[195]

To help ensure tenants are properly equipped to achieve the stability they want, in 2015 the Government produced a model tenancy agreement, focussed on supporting tenants who want to negotiate a longer fixed-term period at the start of the tenancy.[196]

Model Tenancy Agreement[197]

The agreement sets out the rights and responsibilities of tenants and landlords negotiating terms for letting a dwelling on a fixed term, AST. It requires both tenant(s) and landlord(s) to sign an agreement on details of the tenancy. In particular, the agreement sets out the term and expiry date of the fixed term, the number of tenants, the rent, and the tenant(s) obligations.

The agreement also provides prospective tenants with a clear and concise overview of the options landlords can take on each of the above terms of the agreement. Worked examples of possible scenarios and further guidance on the rights of the landlord are included.

This is a welcome move, although there is, as yet, no evidence to support whether landlords are actually using the contract, or that there has been a shift towards longer tenancies.

There is also an ingrained bias towards short-term tenancies due to the fact that many landlords use lettings agencies to find tenants and manage their properties. Lettings agencies have a financial incentive to push landlords and tenants towards short-term tenancies, as they generate income through renewal fees and setting up new tenancies, which is maximised by increased turnover.[198] As a result they often encourage landlords to let out their properties on successive fixed-term tenancies, even where a longer-term tenancy would be the preferred option for both landlord and tenant.[199]

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193 House of Commons Communities and Local Government Committee, *The Private Rented Sector: Volume II, Oral and Written Evidence*, London: The Stationery Office Limited, 2013, p231 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50ii.pdf (17/10/15)]

194 Ibid

195 House of Commons Communities and Local Government Committee, *The Private Rented Sector: Volume II, Oral and Written Evidence*, London: The Stationery Office Limited, 2013, p231 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50ii.pdf (17/10/15)]

196 Department for Communities and Local Government, *Model agreement for a shorthold assured tenancy*, London: Department for Communities and Local Government, 2015 [accessed via: www.gov.uk/government/publications/model-agreement-for-a-shorthold-assured-tenancy (17/10/15)]

197 Ibid

198 Shelter, *A better deal: Towards more stable private renting*, London: Shelter, 2012, pp22–23 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0009/587178/A_better_deal_report.pdf (17/10/15)]

199 London Assembly Housing and Regeneration Committee, *Rent Reform: Making London's Private Rented Sector Fit for Purpose*, London: Greater London Authority, 2013, p10 [accessed via: www.london.gov.uk/sites/default/files/Rent%20Reforms%20-%20Making%20the%20Private%20Rented%20Sector%20Fit%20for%20Purpose%20Final.pdf (18/10/15)]; House of Commons Communities and Local Government Committee, T*he Private Rented Sector*, London: The Stationery Office Limited, 2014, pp40–41 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf (18/10/15)]; Shelter, *A better deal: Towards more stable private renting*, London: Shelter, 2012, pp22–23 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0009/587178/A_better_deal_report.pdf (18/10/15)]

'Some letting agents will discourage longer tenancies to the detriment of landlords and tenants. It is in landlords' financial interest to encourage longer tenancies.'

National Landlords Association, in evidence to the CSJ

A mystery shopper exercise revealed the impact of these practices on renters. 20 out of 34 lettings agencies contacted flatly ruled out a longer-term tenancy when asked by a prospective tenant.[200] This is in striking contrast to the survey cited earlier – where four out of five tenants found that their landlord was willing to offer a longer tenancy.[201]

To rectify this problem, the Communities and Local Government Select Committee has recommended that the Government include a requirement to make tenants aware of the option of longer tenancies in the code of conduct for letting agents, and, where appropriate, to broker discussions about tenancy length between landlords and tenants.[202] About 60 per cent of lettings agencies have signed up to the Code of Conduct.[203] However, the updated Code of Conduct, effective from 1 October 2015, appears to have changed little in this area, and still does not explicitly require agents to disclose information on tenancy length, as it does for information on furnishings and fittings.[204]

> We recommend that the Government include in the code of conduct for letting agents a requirement to make tenants aware of the full range of options available for tenancy length. This must include the option of using the Government's model contract to negotiate longer tenancy agreements.

2.1.2 Helping landlords to offer longer tenancies

Within the rental market, mortgage lenders create an additional barrier to longer-term ASTs. They sometimes prohibit the establishment of tenancies longer than 12 months as part of their standard 'buy-to-let' mortgage agreements.[205] This is done so that if they have to re-possess the property they can then get vacant possession in a relatively short time. It is less complicated to sell a property which vacant than one with a sitting tenant.[206]

The market does seem to be moving in the right direction, with more lenders offering buy-to-let mortgages and associated financial products that enable longer tenancy periods. Five of the

200 Shelter, *A better deal: Towards more stable private renting*, London: Shelter, 2012, p14 [accessed via: england.shelter.org.uk/__data/assets/ pdf_file/0009/587178/A_better_deal_report.pdf (18/10/15)]

201 House of Commons Communities and Local Government Committee, *The Private Rented Sector: Volume II, Oral and Written Evidence*, London: The Stationery Office Limited, 2013, p231 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/ cmcomloc/50/50ii.pdf (17/10/15)]

202 House of Commons Communities and Local Government Committee, *The Private Rented Sector*, London: The Stationery Office Limited, 2013, p41[accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf (09/12/15)]

203 The Property Ombudsman, Press Release, *TPO Launches New Property Codes of Practice for Sales and Lettings Agents – Codes Will Come into Force from 1st August 2014*, 15 July 2014 [accessed via: www.tpos.co.uk/news-media-and-press-releases/press-releases/item/tpo-launches-new-property-codes-of-practice-for-sales-and-lettings-agents-codes-will-come-into-force-from-1st-august-2014 (11/12/15)]

204 The Property Ombudsman, *Code of Practice for Residential Letting Agents*, London: The Property Ombudsman, 2015 [accessed via: www. tpos.co.uk/images/documents/Codes/TPOE22-3_A5_Code_of_Practice_Residential_Lettings_Agents_-_Effective_from_1_Oct_15.pdf (11/12/15)]

205 House of Commons Communities and Local Government Committee, *The Private Rented Sector*, London: The Stationery Office Limited, 2013, pp39–40 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf (09/12/15)]

206 Ibid

top ten buy-to-let mortgage lender providers now offer tenancy periods of over 12 months.[207] There were none three years ago.[208]

There is little excuse therefore for some mortgage lenders to not be offering a product that can work well for both landlord and tenant, and has been shown to be viable.

> We recommend that the Council of Mortgage Lenders work with its members to offer mortgage lending agreements that allow shorthold tenancies for more than 12 months.

The CSJ has heard that another substantive barrier to longer-term tenancies in the PRS is that landlords lack confidence in the court system and the procedures that are needed to evict tenants when they are in breach of their contract.[209]

> Under the Housing Act 1988, there are two processes which landlords can use to evict a tenant:
>
> **'Section 21 evictions':** Under Section 21 landlords simply require repossession of their property. They do not have to give any grounds for this. *The notice is valid as long as the request is delivered two months before the date at which the tenant is asked to leave.* The date on which the tenant has to leave must also be both six months after the start of the tenancy and after the AST has come to an end.
>
> **'Section 8 evictions':** Under Section 8 the landlord asks for the property back on the grounds that the tenant has breached the terms of their contract. This includes rent arrears. Eviction can take place before the agreed tenancy period has expired.

In a properly functioning system, landlords would let out their properties as long as they wished, safe in the knowledge that if a tenant reneged on their contract they would be able to evict them in a fair and efficient process through a Section 8 notice.

However, this is not the case, because it is in fact harder to evict bad tenants under Section 8 than Section 21. If a tenant challenges a Section 21 order or refuses to move out, the landlord applies to the court. There is no court hearing: rather a judge simply reviews the papers submitted by the landlord and, if everything is in order, the landlord is granted possession.[210] In contrast, if a tenant challenges a Section 8 order it can result in lengthy and expensive litigation. Landlords therefore minimise their risk that they will have to go through this process by offering shorter tenancy agreements, and using Section 21 to evict a bad tenant.[211]

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207 1. Santander/Abbey, Northern Rock/Virgin Money, Lloyds Banking Group, NatWest, and Godiva Mortgages: 6 months–12 months; 2. Barclays/Woolwich and Bank of Ireland/Post Office: 12months–2 years; 3. BM Solutions, Nationwide, and Paragon Mortgages: 36 months. Data from CSJ research.

208 Communities and Local Government Committee, *The Private Rented Sector*, London: Communities and Local Government Committee, 2013, p40 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf (09/12/15)]

209 Communities and Local Government Committee, *The Private Rented Sector*, London: Communities and Local Government Committee, 2013, pp38–39 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf (09/12/15)]

210 Landlord Action, *The Residential Eviction Process* [accessed via: www.landlordaction.co.uk/site.php/tenant/legal/residential_eviction_procedure (08/12/15)]

211 Communities and Local Government Committee, *The Private Rented Sector*, London: Communities and Local Government Committee, 2013, pp38–39 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf (09/12/15)]

'The use of Section 8 can be slow and inefficient. The rise in the use of courts by landlords has not been met by an availability of justice. As a result, use of Section 21 remains the most reliable way for landlords to evict bad tenants, which obviously discourages landlords from offering longer tenancy agreements.'

National Landlords Association, in evidence to the CSJ

There needs to be a rebalancing, so that Section 8 can be used as a fair and efficient tool for evicting bad tenants, and to discourage landlords from relying on Section 21 for this purpose.

The Coalition Government set up a working party to examine how the eviction of tenants who break their contract, such as through non-payment of rent or causing damage to the property, could be expedited. However, the CSJ has learned that, while action has been taken in response to recommendations by the working party on simplifying Section 21 notices, no action has been taken on reforming Section 8 notices.[212]

'In terms of the eviction process, the policy intention is to simplify the process for landlords by introducing a standard s21 proforma designed to minimise errors and to protect tenants from landlords who do not fulfil their legal requirements regarding energy efficiency and gas safety.'

Freedom of Information Reply 1339502, Department for Communities and Local Government (DCLG), 21 September 2015

We recommend the Government look to reform the Section 8 eviction process to make it fair and efficient for both landlord and tenant.

The simplest way to do this would be to introduce similar procedures for Section 8 evictions as apply for Section 21 evictions where there is a clear breach of contract on the part of the tenant, for which the landlord can provide documentary evidence, as would be the case, for example, with rent arrears or damage to the property.

If landlords had confidence in the evictions process, they would be more willing to offer longer-term tenancies and there would be a stronger argument for the Government to move towards making longer ASTs a legal standard.

The first step would be to ensure that ASTs last at least 12 months. At the moment, landlords are prevented from gaining possession of their properties without giving a reason (through 'Section 21' orders) for the first six months of the tenancy.[213] This could be extended to 12 months.

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212 Freedom of Information Reply 1339502, Department for Communities and Local Government, 21 September 2015
213 Property Hawk, *Possession (accelerated): Section 21 Notice* [accessed via: www.propertyhawk.co.uk/?possession-section-21-notice (11/12/15)]

This would still enable landlords to evict bad tenants through Section 8 orders. However, it would ensure that, where both sides meet the conditions of their contract, tenants would have the knowledge that they would be able to stay in their property for at least 12 months rather than six.

> We therefore recommend that, once Section 8 has been made more robust, the Government legislate to change the minimum period in which Section 21 possession orders are not legally enforceable from six months from the start of the tenancy to 12 months.

2.2 Improving access to sustainable tenancies in the Private Rented Sector

The above recommendations will go some way to make the PRS more stable for low-income families. However, that does not mean that those in Temporary Accommodation, hostels, or otherwise homeless, will be able to access tenancies. Nor does it mean that tenancies will be *sustainable*, which relies on both tenant and landlord being willing and able to meet their ends of the contract.

Sometimes vulnerable tenants get into problems (such as arrears and antisocial behaviour) due to their support needs. As more vulnerable people are housed in the PRS this is a problem which must be addressed.
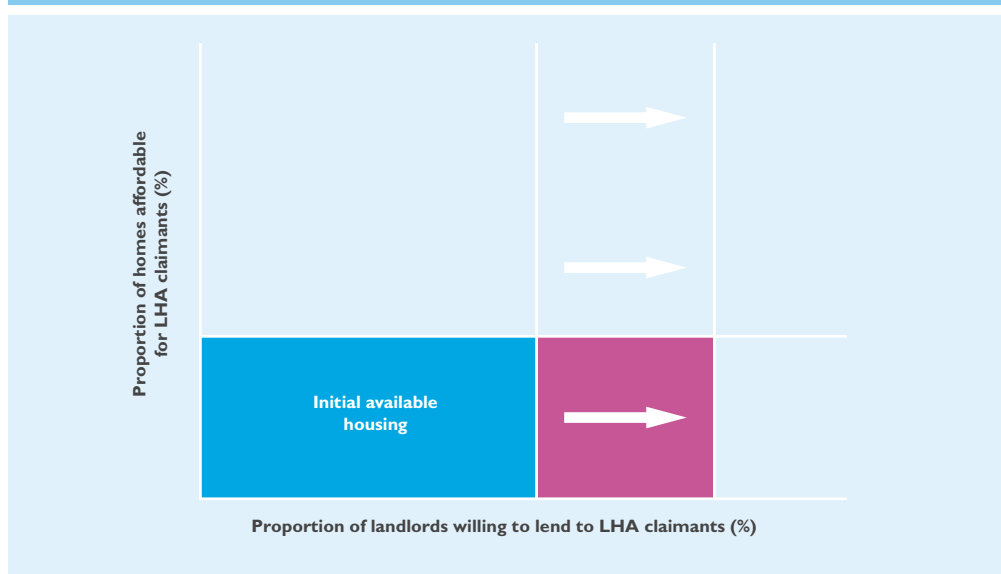
As we explained in Section 1.1.5.2, the sustainability of tenancies is also affected by other factors: whether rent is covered by income, the appropriateness of house-shares, and the behaviour of landlords. Increasing the number of low-income people in sustainable tenancies therefore entails increasing the number of options available to them, so that they can find appropriate tenancies. This may mean helping those out of work or on low-pay to increase their income. It also means increasing the number of properties available to them.

Many landlords do not want to let to LHA claimants regardless of whether their properties would be affordable to them. This is because they associate benefit claimants with risk. Notably, they fear delays in payment, unpaid rent, damage to property and anti-social behaviour.[214]

By removing these risks from the equation, a far larger number of landlords would be willing and able to rent out to benefit claimants.

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214 Department for Communities and Local Government, *Private Landlords Survey 2010*, London: Department for Communities and Local Government, 2011, p46 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/7249/2010380.pdf (09/12/15)]

Figure 11: Reducing risks for landlords to increase properties available to LHA claimants

Initial available housing

Proportion of homes affordable for LHA claimants (%)

Proportion of landlords willing to lend to LHA claimants (%)

2.2.1 Social Lettings Agencies

It is therefore important that a way is found to minimise risk to landlords so that they are willing to let to benefit claimants and to support the needs of PRS tenants. The result would be that more low-income people would be able to find a tenancy which is suitable and sustainable. It is also important that vulnerable people have the support they need to sustain their tenancies. The CSJ has seen that there is enormous potential in utilising Social Lettings Agencies for both these purposes.

Rather than managing their lettings directly, 43 per cent of landlords hire agents to undertake the letting and management of their portfolios.[215] However, as highlighted above, commercial lettings agencies do not always cater for the needs of low-income families. To bridge this gap and improve outcomes for both landlords and tenants, a new generation of alternative institutions known as Social Lettings Agencies have emerged.

Social Letting Agencies have come into existence in two ways:[216]

- Those established directly by Local Authorities as an evolution of schemes designed to house vulnerable people, or as an initiative in response to the rapidly growing PRS;
- Those established by charities, often as an extension to their work to house homeless people.

215 Department for Communities and Local Government, *Private Landlords Survey 2010*, London: Department for Communities and Local Government, 2011, p38 [accessed via www.gov.uk/government/uploads/system/uploads/attachment_data/file/7249/2010380.pdf (09/12/15)

216 Cambridge Centre for Housing and Planning Research, *The role of the private rented sector in preventing homelessness: identifying good practice and the impact of policy change*, Cambridge: Cambridge University Press, 2013, p2 [accessed via: www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&cad=rja&uact=8&ved=0ahUKEwjcj9St_dHJAhXGuBQKHbUOBXMQFgguMAI&url=http%3A%2F%2Fwww.cchpr.landecon.cam.ac.uk%2FProjects%2FStart-Year%2F2012%2FRole-of-Private-Rented-Sector-Homelessness%2FProject-Report%2FFinalReport%2Fat_download%2Ffile&usg=AFQjCNEuT45-q1Ldq1Pl-WDmqoffhn2TaQ&sig2=dUwxPWWRtZV0ZPXxUcbGpw (11/12/15)]

Social Lettings Agencies – at its most basic, they operate along the lines of a high street lettings agency. The operator finds landlords seeking tenants for their properties and then matches them with appropriate people in need of housing, arranging the tenancies and acting as the 'full service' lettings agency that most small-scale PRS landlords want. In exchange for this service the Social Lettings Agency retains a percentage of the rent while also providing additional specialised management services for the participating landlords.

These additional services are typically specifically designed to help vulnerable people maintain the tenancy and provide landlords with additional security and mitigate their risk of providing housing to this group. Typically a Social Lettings Agency will have support workers who regularly check in on vulnerable clients to ensure that they are coping well in their tenancies, and provide support or refer them to other services if they are struggling.

'Leaseholder' Social Lettings Agencies – these Social Lettings Agencies actually lease the properties from landlords for an agreed period of time (e.g a five year lease) and commit to paying the rent for this duration regardless of whether the property is occupied or the tenants maintain their rental payments. The difference between the rent paid to the landlord and the rent that can be charged from the tenants, can then be used to fund some of the operating costs of running the scheme, which may include additional support services for tenants and maintenance fees. This model is sometimes known as 'private sector leasing'.

Social Lettings Agencies have proved to be an excellent means of mitigating risk for landlords and for preventing tenancies from failing.

Particularly in the 'Leaseholder' model described above, Social Lettings Agencies transfer the risk of letting to a benefit claimant onto themselves. In theory they can take on much greater risk than the average landlord because:

- They have the skills and the capacity to invest time and effort in making tenancies sustainable;
- They can spread the risk over a large number of properties. If one of 200 properties has a void, and the Social Lettings Agency has to cover this cost, they will take much less of an immediate hit than a landlord with one or two properties;
- They have the potential to cross-subsidise their activities – for example, by taking on more profitable low-risk tenants alongside high-risk tenants.

The CSJ was particularly impressed with three models (the third, Can Do Lettings, is on p66).

Case Study: Homes for Good

Homes for Good is a social enterprise which operates in the Glasgow area. It was set up in March 2013 in response to the problem that, despite the fact there were 300 lettings agents in city, 70 per cent did not let to tenants on Housing Benefit.

The model was explicitly set up to straddle the whole range of the property market from the lower to higher end. Properties let through the agency have a rental range from £250 to £1,350 per calendar month. At least 60 per cent of their tenants claim benefits. About 5–10 per cent could be considered 'high risk' due to addiction, mental health problems, refugee status, or other vulnerabilities. These tenants receive intensive support from the tenancy support staff, who also catch up with those tenants who have lower support needs, ready to provide more assistance if needed.

The model was set up with grant funding and has since received social investment. Not only is the organisation self-sustaining, it has a clear and structured business plan illustrating its viability within the sector.

Profits made are reinvested back into the business. The ambition is that Homes for Good will expand further into the higher end of the market. This will allow the agency to further cross-subsidise support for those on lower incomes or with additional support needs. This might include classes on cookery and healthy eating to help tenants make the most of their lives.

Currently 40 per cent of tenants have been with Homes for Good over a year. This rate is unsurprising considering the number of properties on their books has expanded from 80 to 210 over 12 months.

Homes for Good have effectively become self-sustaining, managing their level of risk by cross-subsiding high-risk tenancies with market activities. Real Lettings, below, has taken a different approach by utilising social investment to create a stable resource of properties to lease from.

Case Study: Real Lettings

Real Lettings was set up by Broadway (now part of St Mungo's Broadway) in 2005. It began on a purely 'leaseholder' Social Lettings Agency model, with landlords leasing their properties to Broadway for five years, with a guarantee of rent payment. The model was funded by a mixture of landlord charges and grant funding.

In 2010, working with Fund Manager Resonance, they set up the £56 million Real Lettings Capital Fund which acquired 300 properties in the high-pressure market of London. Investors into the fund include London and Quadrant and Big Society Capital. By factoring the uplift from the value of the properties it owns in the rising market, the Real Lettings Capital Fund is able to return a healthy return of six per cent per annum to the investors.

Properties are then leased by Real Lettings from the fund, alongside their existing base private landlords. By the end of the financial year 400 properties will be leased and let by Real Lettings. The financial sustainability of the model is bolstered by fees charged to Local Authorities who want to make a referral, which helps cover staffing costs.

Figure 12: The financial model of Real Lettings
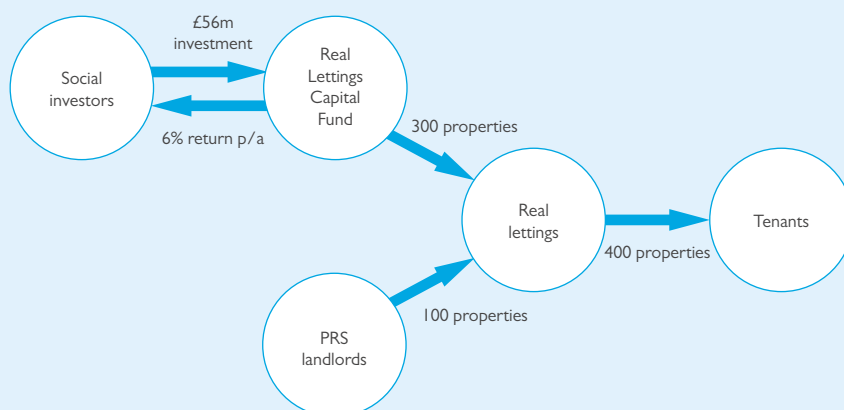
> So far, all clients have maintained their tenancy for over six months and are taking care of their home. 67 per cent of tenants have received help to find new networks or connections and 94 per cent are either in work, education or training.
>
> Going forward, St Mungo's Broadway are looking to expand the model beyond London through another £30 million fund.

These two Social Lettings Agencies we have highlighted are fairly atypical. Many are currently small and highly reliant on grant funding.[217]

Under the Coalition Government, support for Social Lettings Agencies was tied up with funding for other PRS access schemes to house the homeless. Some Social Lettings Agencies initially had funding through an £8m (later £11m) DCLG fund, managed by Crisis. The purpose of this scheme was 'to get [the] single homeless, including ex-offenders, into the PRS and to support them in the accommodation'.[218]

While many such schemes (which included both Social Lettings Agencies and other types of PRS access schemes) were successful in promoting access and tenancy sustainment, an evaluation by Dr Julie Rugg found that they failed to achieve financially sustainable operating models. Only three of the dozens of schemes were progressing towards a self-funding model.[219] The rest were looking for Local Authority grant funding or charitable donations, with mixed success.[220] As a result some such schemes collapsed after the funding dried up.

However the right strategy could see financially self-sustaining social lettings agencies operating throughout the country, so that:

- More properties are available to LHA claimants;
- Homeless households and those in Temporary Accommodation are able to find a permanent home in the PRS.

2.2.2 A strategy for Social Lettings Agencies

We believe it is an opportune moment to introduce such a strategy because a new potential source of funding has recently become available.

Currently, when tenants are placed in Temporary Accommodation with a private landlord, they are charged rent of up to 90 per cent of LHA (on average about £100 per week), plus a

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217 This was confirmed by Crisis in evidence to the CSJ. See also Welsh Local Government Association, *Social Lettings Agencies in Wales 2013*, Cardiff: Welsh Local Government Association, 2013 [accessed via: www.wlga.gov.uk/download.php?id=5763&l=1 (09/12/15)]

218 Department for Communities and Local Government, Press Release, *Voluntary sector funding announced to help tackle rough sleeping*, 17 February 2011[accessed via: www.gov.uk/government/news/voluntary-sector-funding-announced-to-help-tackle-rough-sleeping (09/12/15)]

219 Crisis, *Crisis' Private Rented Sector Access Development Programme*, London: Crisis, 2014, p20 [accessed via: www.york.ac.uk/media/chp/ PRS%20Access%20Development%20Evaluation_FINAL_email.pdf (09/12/15)]

220 Ibid

£60 per week management fee (£40 in London).[221] This extra fee compensates landlords for the fact they are likely to be managing properties with vulnerable tenants. In effect, this has meant the DWP has been paying for this accommodation through Housing Benefit, as fees are covered as well as rent in Temporary Accommodation. If this system had continued, then between 2017/18 and 2020/21 DWP would have spent £965 million on Housing Benefit to fund Temporary Accommodation.[222]

However, in the Autumn Statement the Government said that it will no longer pay the management fee for Temporary Accommodation through Housing Benefit.[223]

Instead DCLG will be given £1,005 million for the 2017/18–2020/21 period, which, it is expected, will be transferred to Local Authorities.[224] This is £40 million more than DWP would have spent on Temporary Accommodation.

Local Authorities will be expected to use the money they receive to meet their duties to homeless families. All things being equal, this money would be used to fund Temporary Accommodation.

We believe the Government should be taking a radically different approach.

First, the £40 million allocated by the Treasury to DCLG which goes beyond what it is expected local authorities would need to house homeless families in Temporary Accommodation should be redirected to a Social Lettings Agency Capital Fund. This would enable those Social Lettings Agencies with high tenancy sustainment rates and credible business plans to expand, and find ways to become more financially self-sustaining. It could also incentivise other organisations that have existing relevant infrastructure and skill-set, notably Housing Associations, to set up Social Lettings Agencies.

The launch of a Capital Fund would provide Social Lettings Agencies with much-needed publicity. As a result, we would hope to see an increased interest from social investors in the sector, and greater awareness among landlords of the advantages of renting to Social Lettings Agencies.

> We recommend the Government set up a £40 million Social Lettings Agency Capital Fund to aid the expansion of Social Lettings Agencies which have credible business plans.
>
> A key aim of the fund would be to ensure that Social Lettings Agencies become financially self-sustaining so that they are not reliant on central government support in the future.

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221 Department for Work and Pensions, *Housing Benefit Circular*, London: Department for Work and Pensions, 2014 [accessed via: www.gov. uk/government/uploads/system/uploads/attachment_data/file/299504/a9-2014.pdf (08/12/15)]

222 Her Majesty's Government, *Spending Review and Autumn Statement 2015: policy costings*, London: Open Government License, 2015, p15 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/480565/SRAS2015_policy_costings_amended_ page_25.pdf (08/12/15)]

223 Her Majesty's Government, *Spending Review and Autumn Statement 2015: policy costings*, London: Open Government License, 2015, p15 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/480565/SRAS2015_policy_costings_amended_ page_25.pdf (08/12/15)]

224 Her Majesty's Government, *Spending Review and Autumn Statement 2015: policy costings*, London: Open Government License, 2015, p15 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/480565/SRAS2015_policy_costings_amended_ page_25.pdf (08/12/15)]

The rest of the £1,005 million funding could then be devolved to Local Authorities, as expected. However, rather than simply using this money for Temporary Accommodation, we believe that instead Local Authorities should be backing Social Lettings Agencies, and using those agencies to permanently house homeless families to whom they owe statutory duty.

The arrangement between Can Do Lettings and Cardiff City Council represents the kind of relationship that could be taken to a completely new level if the Local Authority was to opt to use its funding in this way.

Case Study: Can Do Lettings and City of Cardiff Council

Can Do Lettings was set up by Cadwyn Housing Association in 2007. The agency was initially set up with the help of Welsh Government funding. By heavily marketing the agency to landlords as an attractive product, however, they substantially expanded their business growing from 160 properties on their books to 450 in a period of 18 months between 2011 and 2013. This enabled the agency to become financially self-sustaining.

In the last few years their tenant base has included more high-risk clients, and they have had to provide a support staff to help them sustain their tenancies. To offset this they are also looking at making other elements of their business more profitable and are planning to enter the market of properties for sale. They retain a high tenancy sustainment rate, with 70 per cent of tenancies lasting more than two years.

From this position of relative strength, they are able to enter into a mutually beneficial relationship with Cardiff City Council. With such a shortage of social housing the Local Authority are increasingly looking to house households to whom they have a statutory duty permanently in the PRS. They have therefore housed hundreds of families facing eviction with Can Do Lettings.

'It's a better situation for all involved than placing people in Temporary Accommodation, which causes huge disruption for families and is very costly for the Local Authority.'

Denise Wheton, Manager of Housing Options Centre, Cardiff City Council, in evidence to the CSJ

It is a relationship which both Cardiff City Council and Can Do Lettings could see expanding in the future:

'We would be happy to contract with the Local Authority to take on more homeless households in exchange for the right kind of backing, such as bond guarantees and support services that help us manage risk levels across our business.'

Francesca Coles, Manager, Can Do Lettings, in evidence to the CSJ

'I could see us entering into an agreement to house more homeless families with Can Do. Anything they can give us we'll use.'

Denise Wheton, Manager of Housing Options Centre, Cardiff City Council, in evidence to the CSJ

It should be noted that Temporary Accommodation is often costly for local authorities as well as central government. With the level of demand for Temporary Accommodation, landlords in some areas of the country have found that they can charge a more expensive nightly rate or take their business elsewhere.[225] Local Authorities have therefore been effectively 'topping up'

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225 Inside Housing, *Councils unite to tackle soaring nightly letting rates*, 13 June 2014 [accessed via: www.insidehousing.co.uk/Councils-unite-to-tackle-soaring-nightly-let-rates/7004142.article (08/12/15)]

the service charge DWP has been covering through Housing Benefit. For instance, the London borough of Bromley found that meeting their homelessness duties has moved in recent years from being largely cost neutral (i.e. covered by DWP through rents and charges) to costing about £1 million per year due to the need to pay landlords on a nightly basis.[226]

By entering into arrangement with Social Lettings Agencies instead of using Temporary Accommodation, Local Authorities could therefore make significant savings.

Such a relationship would only be productive in authorities where there is a Social Lettings Agency which is sufficiently developed. However, should the capital fund we recommend be implemented, we would expect to see more agencies reach this level of maturity in the coming years.

> We recommend that Local Authorities use their new flexibilities to move away from housing homeless families in Temporary Accommodation and instead enter into arrangements with mature Social Lettings Agencies. This will allow them to successfully house homeless households to whom they owe a statutory duty permanently in the PRS.

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226 London Housing Committee, *Assessing the Consequences of Welfare Reform*, London: London Assembly, 2014, pg 33 [accessed via: www.insidehousing.co.uk/journals/2014/04/07/o/y/j/Assessing-the-consequences-of-welfare-reform.pdf (08/12/15)]

chapter three
Suitability

Poor housing conditions do not just impact on the quality of life of those who live in such properties. The impact on physical and mental health can be such that they fundamentally undermine life chances, damaging child development and education, and undermining attempts by adults to enter sustainable employment.

It is simply unacceptable that social housing providers sometimes continue to keep their tenants living in deleterious conditions. It is in the PRS however, that the worst conditions proliferate: for instance, 596,000 homes in the PRS lack the sufficient insulation to give 'adequate thermal comfort', in comparison to 225,000 in the social rented sector.[227] As more low-income people find themselves privately renting, we have to provide a way to ensure landlords are aware of their responsibilities, and are held to account if they do not meet them.

In this chapter we look at how housing standards can be driven up in both the social rented sector and PRS to improve tenants' life chances.

3.1 Improving suitability in the Social Rented Sector

3.1.1 Tackling irresponsible social landlords

There are still far too many households who live in poor conditions in the social rented sector: 16 per cent of Local Authority housing fails to meet the decent homes standard, along with 14 per cent of Housing Association properties.[228]

If a social tenant is living in a property that is in a poor state of repair or otherwise uninhabitable, and they are not happy with the initial response to their complaint, there is a three-step process which they can take to resolve the situation:[229]

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227   Department for Communities and Local Government, *English housing survey 2013: profile of English housing report*, London: Department for Communities and Local Government, 2015, Annex Table 3.16 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/445378/Chapter_3_Tables_Figures_and_Annex_Tables.xlsx (11/12/15)]

228   Ibid, Annex Table 3.15

229   Housing Ombudsman Service, *Resolve a complaint* [accessed via: www.housing-ombudsman.org.uk/resolve-a-complaint/#.VmbZWNLhCt8 (08/12/15)]

- First they must make a formal complaint to their landlord;
- If that fails to lead to adequate action or their landlord is unresponsive to their complaints, they can take their case to a 'designated person' – an MP, Councillor, or recognised Tenant Panel. The designated person can then deal with the matter in any way they think will resolve the complaint;
- If that fails to resolve the complaint, the tenant can take the case to the Housing Ombudsman. Alternatively, the designated person can take the complaint straight to the Housing Ombudsman.

The CSJ has learned that the level of complaints and enquiries to Housing Ombudsman have increased year on year since 2006. Between 2012/13 and 2014/15, the number of complaints and enquiries received by the Housing Ombudsman increased by 64 per cent, and now stand at over 16,200 per year. This was partly due to the extension of the Ombudman's remit to cover Local Housing Authorities on 1 April 2013, but also reflects an increase in complaints across all sectors.[230]

This may simply reflect a growing awareness of the Ombudsman process among tenants. However, it might also reflect persistent poor service by certain social landlords. We believe that there should be a greater level of transparency to expose whether these complaints are disproportionately lodged against certain social landlords.

> The Housing Ombudsman should publish data on the number of complaints against each social landlord and the nature of their judgment.

With this data available, the Government would be aware of whether certain social landlords are acting irresponsibly. Should this be the case, it may wish to strengthen the powers of the Ombudsman to tackle these landlords.

> If Ombudsman data were to reveal that there are certain social landlords persistently failing to carry out adequate repairs and urgent improvements for their tenants, we recommend that the Government considers giving the Ombudsman additional powers. Where a social landlord is in a clear breach of its responsibilities the Housing Ombudsman might be empowered to rule that the tenant does not have to pay their rent until a repair is fixed or that they can get the issue fixed and deduct the cost automatically from their rent.

3.1.2 Tackling overcrowding in the social rented sector

Nearly 250,000 households in the social rented sector are currently classified as overcrowded, according to the bedroom standard (see Section 1.2.2).[231]

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230 'Dispute Resolution Manager, Housing Ombudsman email to the CSJ', 9 December 2015

231 Department for Communities and Local Government, *English Housing Survey Households 2013–14,* London: Department for Communities and Local Government, 2015, p15 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461439/EHS_Households_2013-14.pdf (08/12/15)]

In order to tackle this problem of overcrowding and reduce Housing Benefit expenditure, in 2013 the Coalition Government removed the 'spare room subsidy' for those living in the social rented sector.[232] In practice this meant that claimants with one spare room might typically have lost between about £10–15 per week from their benefits, or £20–25 per week if they had two 'spare rooms'.[233]

In the first 20 months of the policy, about 10 per cent of claimants affected by this Under-Occupancy Charge downsized in the social rented sector, and two per cent moved to the PRS.[234, 235] However, the majority of tenants affected have decided not to move and it is clear that more could be done to allocate social housing more efficiently so as to better use capacity within the social rented sector.[236]

Figure 13: Households affected by the Under-Occupancy Charge vs overcrowding in the Social Rented Sector[237]
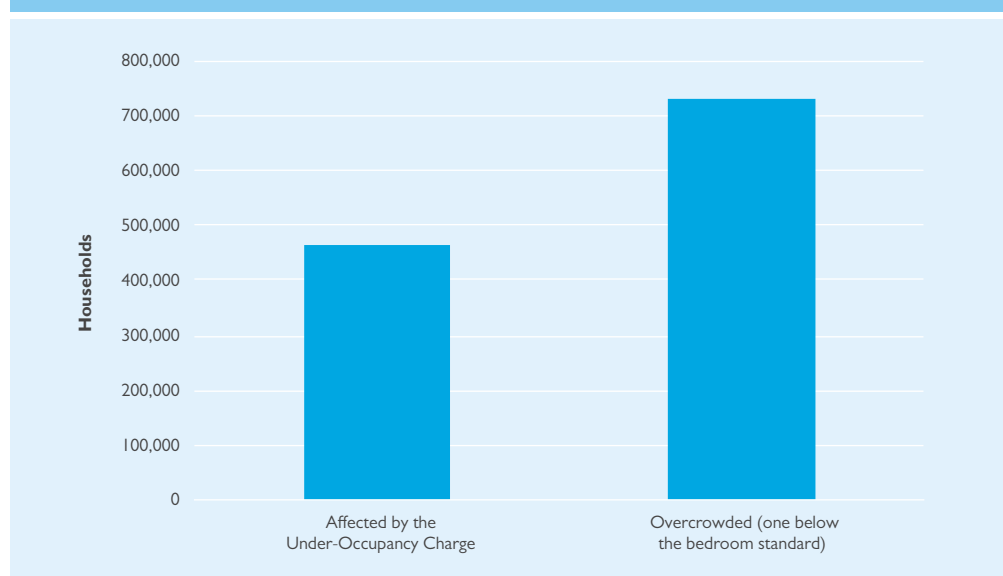
232 House of Commons, *Mr Duncan Smith 11 Mar 2013: Column 21, Topical Questions* [accessed via: www.publications.parliament.uk/pa/cm201213/cmhansrd/cm130311/debtext/130311-0001.htm#130311-0001.htm_spnew102 (11/12/15)]; Department for Work and Pensions, *Housing Benefit: Size Criteria for People Renting in the Social Rented Sector: Impact Assessment*, London: Department for Communities and Local Government, 2012, pp2–5 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/220154/eia-social-sector-housing-under-occupation-wr2011.pdf (10/12/15)]; The National Archives, *Welfare Reform Act 2012* [accessed via: www.legislation.gov.uk/ukpga/2012/5/contents/enacted (11/12/15)]

233 Department for Work and Pensions, *Evaluation of Removal of the Spare Room Subsidy: Final Report,* London: Department for Work and Pensions, 2015, p22 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/485939/rsrs-evaluation.pdf (21/01/16)]

234 Ibid, p72

235 Ibid, p53

236 Ibid, p72

237 Department for Communities and Local Government, *English housing survey 2013 to 2014: household report*, London: Department for Communities and Local Government, 2015, Annex Table 5.14 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461451/Chapter_5_Social_renters_Tables_Figures_and_Annex_Tables.xlsx (11/12/15)]; Department for Work and Pensions, *Evaluation of Removal of the Spare Room Subsidy Final Report*, London: Department for Work and Pensions, 2015, p15 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/485939/rsrs-evaluation.pdf (22/01/16)]

As the graph above shows, there is likely to be enough room in the social housing stock as a whole to more overcrowded families to upsize to suitable accommodation. If this were to happen, it would also mean that a large number of families would also no longer be affected by the Under-Occupancy Charge.

In the last Parliament the Government introduced the freedom for social landlords to offer fixed-term tenancies to new tenants, rather than giving them a tenancy for life.[238] Some landlords have exercised this option in order to make a more efficient use of housing stock, and encourage households to think about other options if they no longer require a social tenancy at the end of the fixed term period.[239] However such landlords are in the minority. In the year 2014/15, 16 per cent of new lets for social housing (general needs affordable and social rent) were on the basis of a fixed-term tenancy.[240] This compares to 12 per cent in the year 2013/14.[241]

The Government recently introduced an amendment to the Housing and Planning Bill to phase out lifetime tenancies in Council housing.

> *'A secure tenant can currently live in a property for life. This amendment and NS4 phase out lifetime tenancies. In future secure tenancies will generally have to be for a fixed term of two to five years and will not automatically be renewed. Towards the end of the term, the landlord will have to do a review to decide whether to grant a new tenancy or recover possession.'*
>
> **Brandon Lewis MP, Minister of State for Housing and Planning**[242]

The CSJ broadly supports this move as it will allow a more efficient use of housing stock to house families in suitable accommodation, ensure that social housing is used to house those who actually need it, and encourage tenants to think about options beyond the social rented sector.

Ideally, we would like to see further flexibilities introduced than the amendment currently specifies. Fixed-term tenancies could be introduced so as to reflect the need for families for suitable properties at different stages of lives. For example, it might be appropriate to introduce a break clause for when household structure changes, rather than a set period of two to five years.

> We support the Government's move to phase out lifetime tenancies in Council housing.
>
> We recommend that the Government considers allowing greater flexibility with regards to the length of tenancy conditions than the amendment to the Housing and Planning Bill currently permits.

238 Chartered Institute of Housing, *New Approaches to Fixed Term Tenancies,* London: Chartered Institute of Housing, 2014, p4 [accessed via: www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/New%20approaches%20to%20using%20fixed%20term%20tenancies.pdf (08/12/15)]

239 Chartered Institute of Housing, *New Approaches to Fixed Term Tenancies,* London: Chartered Institute of Housing, 2014 [accessed via: www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/New%20approaches%20to%20using%20fixed%20term%20tenancies.pdf (10/12/15)]

240 Department for Communities and Local Government, *Social Housing Lettings: April 2014 to March 2015, England*, London: Department for Communities and Local Government, 2015, Tables 2a, 2b [accessed via: www.gov.uk/government/statistics/social-housing-lettings-in-england-april-2014-to-march-2015 (10/12/15)]

241 Ibid

242 Hansard, *Session 2015–16, Other Bills Before Parliament: Housing and Planning Bill*, Hansard, 8 December 2015 [accessed via: www.publications.parliament.uk/pa/bills/cbill/2015-2016/0075/amend/housing_rm_pbc_1208.8-14.html (22/12/15)]

3.2 Improving suitability in the Private Rented Sector

There are currently 1.3 million homes in the PRS that fail to meet the decent homes standard.[243] What is more, our FOI requests found that in 2014 alone, 47,269 complaints made against private landlords by tenants to 96 councils.[244] In Liverpool, there were 4,075 complaints in just one year, and in the London Borough of Haringey (which has a population of 267,541) there were 1,300 complaints.[245] These complaints often involved cases where landlords had refused to carry out repairs to the property, illegally evicted the tenants, or refused to deal with health and safety hazards.

This problem is partially due to rogue landlords who deliberately exploit their tenants.[246] However a survey of 42 Councillors and 30 senior Local Authority officers across the country suggested that the ignorance of amateur landlords caused greater concern for the welfare of private tenants than the presence of rogue landlords in their area.[247]

The PRS is largely made up of small-scale buy-to-let landlords, who see their property as a personal investment rather than a business.[248] 72 per cent of private landlords regard their properties 'as their pension', and one third cite this as the main reason why they entered the property market.[249] This is reflected in their skill set: as of 2010, 63 per cent of private landlords had no relevant experience or qualifications, and only six per cent belonged to a relevant professional body or organisation.[250] Consequently, private individuals may well be unaware of their basic duties as a landlord to keep their properties fit and safe for their tenants.[251]

We believe that our plan to expand the role of Social Lettings Agencies would be a major step forward to tackle both these problems.[252] This would ensure that low-income people (including Housing Benefit claimants) have the option of renting a property via an intermediary which has both the knowledge and motive to rent out suitable properties and up-keep them through repairs.

243 Department for Communities and Local Government, *English Housing Survey 2013: profile of English housing report,* London: Department for Communities and Local Government, 2015, Annex Table 3.13 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/445378/Chapter_3_Tables_Figures_and_Annex_Tables.xlsx (06/12/16)]

244 Freedom of Information Requests by Centre for Social Justice [sent 19/11/15]. 95 responded with usable information

245 Haringey London, 'Population Estimates', 23 November 2015 [accessed via: www.haringey.gov.uk/local-democracy/about-council/facts-and-figures/statistics/population-estimates (21/01/16)]

246 Shelter, *Can't complain: why poor conditions prevail in private rented homes*, London: Shelter, 2014, p3 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0006/892482/6430_04_9_Million_Renters_Policy_Report_Proof_10_opt.pdf (10/12/15)]

247 The Smith Institute, *The growth of the private rented sector: what do Local Authorities think?,* London: The Smith Institute, 2014 [accessed via: smithinstitutethinktank.files.wordpress.com/2014/09/the-growth-of-the-prs-what-do-local-authorities-think.pdf (22/12/15)]

248 Evidence submitted to the CSJ by the National Landlords Association

249 Evidence submitted to the CSJ by the National Landlords Association. Data based on interviews with over 2,000 representative landlords from across the UK each quarter. Surveys carried out by BDRC Continental.

250 Department for Communities and Local Government, *Private Landlords Survey 2010,* London: Department for Communities and Local Government, 2010, p13 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/7249/2010380.pdf (10/12/15)]

251 Shelter, *Safe and Decent Himes: Solutions for a better private rented sector*, London: Shelter, 2014, p32 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0003/1039530/FINAL_SAFE_AND_DECENT_HOMES_REPORT-_USE_FOR_LAUNCH.pdf (10/12/15)]

252 See Section 2.2

The CSJ's expert working group has also identified three additional approaches that can help rectify this problem:

- Improve the skills of existing private landlords;
- Bring more suitable homes into use to be rented out by the third sector;
- Tackle rogue landlords.

3.2.1 Build the skills of existing landlords

More should be done to improve the skillset of existing landlords, especially those who are small-scale, private individuals who see their property as an investment rather than the basis of a business or profession.

We believe a sensible step forward would be to encourage every private landlord to be a member of a recognised professional body. Such organisations offer advice and training to members, along with standard forms and documentation, which enable landlords to meet their duties towards tenants. Membership also reinforces the message that being a private landlord is a professional job and comes with responsibilities.

This would be a very minimal burden for landlords. Membership of private landlord associations is inexpensive. Associate membership of the National Landlords Association is available for free.[253]

> **We recommend that the Government make membership of a landlord's association a condition for those taking out a buy-to-let mortgage.**

3.2.2 Bring more suitable homes into use

The Government's plan to build one million new homes by 2020 will bring new, high quality building stock into the market.[254] While this may start to relieve some of the pressure in the market, it is likely that much of this will be out of the reach of most low-income families.

One means of making more accommodation available to these families is to bring vacant properties back into use. There are currently 206,000 homes in England that have been unoccupied for longer than six months.[255] Some are very high value properties bought as investments and left empty by wealthy buyers, but not the majority.[256] There are nearly twice as many properties that have been empty for six months in the cheapest 20 per cent of the market than in the most expensive 20 per cent.[257]

253 National Landlords Association, *Join us as a Free Landlord Associate* [accessed via: www.landlords.org.uk/membership/library-user (08/12/15)]
254 The Guardian, *We want to build 1m more English homes by 2020 says government,* 21 September 2015 [accessed via: www.theguardian.com/society/2015/sep/21/1m-more-homes-in-england-by-2020-government (08/12/15)]
255 Empty Homes, *Empty Homes in England,* London: Empty Homes, 2015, p10 [accessed via: www.emptyhomes.com/wp-content/uploads/2011/05/Empty-homes-in-England-Final.pdf (10/12/15)]
256 Ibid, p19
257 Ibid, p14

The Empty Homes Programme was an initiative by which the Coalition Government ensured more suitable, well-managed homes were made available. Through this scheme, charities, social enterprises and community organisations worked to bring homes in a deleterious state into use, and now rent them on affordable rents to low-income people.

One strand of this funding was available to Housing Associations. Another strand, the Empty Homes Community Grants Programme made £50 million available to 110 local charities and community groups who were not registered social landlords to renovate empty properties to make them fit for use.[258] The results have been impressive:

- Providers leveraged an additional £52 for every £100 of Government funding;[259]
- The work had additional social impacts, including opportunities for work experience for disadvantaged young people, and apprenticeships;[260]
- By renovating properties, charities were able to build up their asset base, and rent those properties to groups such as the vulnerably housed.[261]

The Empty Homes Community Grants Programme was therefore not only a resource-efficient way to increase the supply of the country's housing stock, but had multiple other advantages. In particular, it put the stock into the hands of third sector organisations who would then become good landlords to their new tenants.

> *'The Empty Homes Community Grant Programme enabled us to create tenancies for individuals and families in Newcastle and Gateshead, in newly refurbished desirable properties, meeting a very real housing need. In addition to this, our balance sheet and the financial resilience of Oasis Aquila Housing as a charity were strengthened, for unlike revenue funding that is used up at the end of the funding term, these capital grants have enabled us to purchase assets that we will be able to utilise for the lifetime of the charity, offering a long term, sustainable response to housing need.'*
>
> **Oasis Aquila Housing, in evidence to the CSJ**

The Government has indicated that there will be no designated Empty Homes fund in this Parliament, but that those who want to develop empty homes will be able to apply for funding through the Affordable Homes Programme.[262] However, Affordable Homes funding is only available to Housing Associations not charities and social enterprises – despite the success that they have previously had.[263]

It would be useful if the Government were to extend the Affordable Homes Programme to allow charities and social enterprises to bring more properties back into use.

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258 Housing and Communities Research Group, *Building a Legacy: The impact of empty homes community grants programme in the North East and Yorkshire and Humberside,* Birmingham: Housing and Communities Research Group, 2015, p6 [accessed via: www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/SPSW/Housing/working-paper-series/HCR-WP-3-2015.pdf (11/12/15)]
259 Evidence submitted to the CSJ by Professor David Mullins
260 Housing and Communities Research Group, *Building a Legacy: The impact of empty homes community grants programme in the North East and Yorkshire and Humberside,* Birmingham: Housing and Communities Research Group, 2015, pp66–68 [accessed via: www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/SPSW/Housing/working-paper-series/HCR-WP-3-2015.pdf (11/12/15)]
261 Ibid, p120
262 Homes and Communities Agency, *Affordable Homes Programme 2015–18,* London: Homes and Communities Agency, 2014, p39 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/343896/affordable-homes-15-18-framework.pdf (11/12/15)]
263 Ibid, p32

> We recommend that the Government extends access to the Affordable Homes Programme for non-registered community-led organisations who wish to bring more empty properties into use.

Some properties in the UK will be empty because they are in uninhabitable conditions, but the landlord will not want to sell it as an asset. In such circumstances, Local Authorities could provide a financial incentive for landlords to bring the properties up to decent homes standards. For instance, they might cover 30 per cent of the renovation costs of the property.

In return the landlord would be expected to help the Local Authorities meet their strategic goals. Some similar schemes in the past have required landlords to give nomination rights to the Local Authorities for five years, or a similar period of time.[264] In Local Authorities that adopt our scheme to gradually reduce use of Temporary Accommodation by backing mature Social Lettings Agencies (Section 2.2.2), it would make more sense to require that properties be leased to a Social Lettings Agency for at least five years.

A renovation fund to bring empty properties up to necessary standard for use by a Social Lettings Agency could be one use of the financial flexibilities that are being given to Local Authorities to tackle homelessness (Section 2.2.2).

> We recommend that Local Authorities invest some of the funding that is being transferred to Local Authorities from DWP via DCLG to fund bringing privately owned empty properties back into use. Those properties can then be used as a resource to meet their duties to house homeless families.

3.2.3 Tackling rogue landlords

The Government has already acted to protect tenants from 'rogue landlords'. In the last Parliament, it set up a taskforce to work with Local Authorities to tackle those renting out so-called 'beds in sheds' – unauthorised dwellings located within rear gardens, providing some of the most shocking living conditions in the country.[265] In March 2015, Parliament legislated to ban retaliatory evictions, whereby landlords would issue a Section 21 notice to evict a tenant when they complained about conditions in their property.[266]

264 Evidence submitted to the CSJ by Councillor John Moss
265 Department for Communities and Local Government, Press release, *National taskforce to end the problem of 'beds in sheds'*, 30 April 2014 [accessed via; www.gov.uk/government/news/national-taskforce-to-end-the-problem-of-beds-in-sheds--3 (10/12/15)]
266 Deregulation Bill (HL Bill 95) 2015 [accessed via: www.publications.parliament.uk/pa/bills/lbill/2014-2015/0095/lbill_2014-20150095_en_5.htm (10/12/15)]

What is more, the Government plans to introduce further robust measures through the Housing and Planning Bill, including:[267]

■ Creating a blacklist of persistent rogue landlords and letting agents to help Councils focus their enforcement action and keep track of those who have been convicted of housing offences;

■ A new, tougher, 'fit and proper person' test for landlords of properties that have to be licensed, to ensure they do not pose a risk to the welfare or safety of tenants;

■ Extending Rent Repayment Orders so Local Authorities can claim back rent payments from landlords who abuse the Housing Benefit system by failing to ensure the property is maintained to a good standard;

■ Enabling Local Authorities to issue on-the-spot fines for certain civil offences, with the money retained by the Council and used for housing purposes;

■ Permitting the sharing of Tenancy Deposit Protection data to help Councils crack down on rogue landlords who knowingly rent out unsafe and overcrowded accommodation.

These are very promising measures which will do much to root out the worst landlords in the sector.

There is a danger, however, that some rogue landlords will continue to remain 'below the radar'. This is because Local Authorities are not automatically informed about which landlord is renting out which property in their area. If a landlord with a bad track record lets out a new property, the Local Authority does not normally find out about this unless the tenant makes a complaint. This hampers the ability of the Local Authority to take a proactive approach.[268]

Some Local Authorities have expanded landlord licensing to ensure that every landlord is registered and regulated.[269] While selective licensing can be useful, blanket licensing is burdensome to landlords, and costs about £500 per property.[270] These costs are often passed onto tenants, thus creating an unnecessary burden for both landlord and tenant in a context where most tenants are happy with their tenancy.[271]

An alternative solution has been brought forward in the Local Government Finance (Tenure Information) Bill, a private members bill introduced by Dame Angela Watkinson MP. The proposed legislation would enable Councils to add a question to Council tax registration forms, requiring tenants to give details of who owns the property they occupy.[272] Local

267 Department for Communities and Local Government, Press release, *New measures to crackdown on illegal immigrants renting properties*, 3 August 2015 [accessed via: www.gov.uk/government/news/new-measures-to-crackdown-on-illegal-immigrants-renting-properties (10/12/15)]

268 Evidence Submitted to the CSJ by Councillor John Moss

269 House of Commons Library, Briefing paper, *Selective Licensing of Privately Rented Housing (England & Wales)*, 2015, pp18–19 [accessed via: www.parliament.uk/briefing-papers/SN04634.pdf (09/12/15)]

270 Waltham Forest Council, *Private Rented Property Licence*, London: Waltham Forest Council, 2015 [accessed via: www.walthamforest.gov.uk/pages/services/sl-selective-licensing.aspx (09/12/15)]; London Borough of Barking and Dagenham, *Private Rented Property Licence*, London: London Borough of Barking and Dagenham, 2015 [accessed via: www.lbbd.gov.uk/residents/housing-and-tenancy/private-landlords/private-rented-property-licences/overview/ (09/12/15)]

271 Residential Landlord Association, *Landlord Licensing*, Manchester: Residential Landlord Association, 2015, p7 [accessed via: www.landlords.org.uk/sites/default/files/NLA%20Licensing%20Report.pdf (10/12/15)]

272 Angela Watkinson MP for Hornchurch and Upminster, *Angela Watkinson MP Presents laws to help identify rogue landlords*, 2015 [accessed via: www.angelawatkinson.org.uk/news/angela-watkinson-mp-presents-laws-help-identify-rogue-landlords (10/12/15)]

Authorities would thus be able to identify the landlords in their area. In conjunction with the introduction of the proposed 'blacklist', they would then be able to identify where such landlords were 'rogue landlords' and target interventions (such as inspections) effectively.[273]

> We support the Local Government Finance (Tenure Information) Bill and urge that Government gives it public backing.

273 Residential Landlord Association, *Election Manifesto 2015*, Manchester: Residential Landlord Association, 2015, p21 [accessed via: See news.rla.org.uk/wp-content/uploads/RLA-Election-Manifesto2015.pdf?ref=LBTL (10/12/15)]

chapter four
Flexibility

People's housing needs change throughout their life. A new job may require someone to move to a different area. Family formation and change may mean the household requires a larger or smaller property. Acquiring a disability or growing old can mean people need to move to a suitably adapted property.

For people living in social housing or the PRS there are, however, a number of barriers to moving:

- The affordability of properties in areas in which people want to live and work;
- The availability of suitable properties to meet certain needs (such as requirements as a result of disability);
- The ability to move to those properties. Options may be limited by the allocation of social housing, or knowledge of the options available to renters, for example;
- Being able to afford the cost of moving properties.

Creating a flexible housing system therefore means building the right kind of homes where they are needed, and ensuring that the barriers to people being able to take the decisions to move when appropriate to them are removed.

4.1 Affordability

Currently, a major barrier to a flexible housing market which allows poorer families more choice over where they live, is affordability – itself driven by a problem of supply. Today the cheapest quartile of two-bedroom properties in London cost £1,200 per month.[274] In June 2011 they cost £950 per month.[275]

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274 Valuation Office Agency, *Private Rental Market Statistics – May 2015*, London: Valuation Office Agency, 2015, Table 1.4 [accessed via: www.gov.uk/government/statistics/private-rental-market-statistics-may-2015 (10/12/15)]

275 Valuation Office Agency, *Private Rental Market Statistics – October 2011*, London: Valuation Office Agency, 2011, Table 1.4 [accessed via: webarchive.nationalarchives.gov.uk/20140712003745/http://www.voa.gov.uk/corporate/statisticalReleases/110929_PrivateResidentialRentalMarketStatistics.html (10/12/15)]

As a result, low-pay workers struggle to afford to live in London. In Hackney, a couple with two children, both earning the London Living Wage, would spend 35 per cent of their total income (wages and benefits) on rent if they lived in the cheapest quartile of tenancies in London.[276] This compares to 19 per cent of their total income if they were earning the UK Living Wage and lived in Birmingham, and five per cent if they earned the UK Living Wage and lived in Newcastle. One survey has found that the high cost of housing has affected the ability of nearly one in five 18–34 year olds to move for work.[277]

As outlined in the introduction, it is encouraging that the Government has stated its ambition to build one million new homes by 2020. However, it is important to emphasise that whilst it is essential to increase supply to keep the overall cost of housing under control, it is also vital to ensure there is more affordable housing available for rent in areas of greatest need.

In the last Parliament the Government allocated £2.5 billion to build affordable rented homes, on top of £2 billion that had already been committed by the previous administration.[278] This delivered 170,000 affordable rented homes, which are let out at 80 per cent of market rent.[279]

The programme was set to continue through the Affordable Homes Programme 2015–18, which would provide £1.7 billion to build homes primarily for affordable rent.[280] However, the Government has indicated that the £700 million as yet unallocated from the Affordable Homes Programme will be redirected towards home ownership products, and no further programmes for building affordable rent homes are expected.[281] As a result, the Office for Budget Responsibility forecasts that government funding for affordable rent housing will gradually drop from £960m in 2015/16 to £130m a year between 2018 and 2021.[282]

> We recommend that the Affordable Homes Programme should be continued to be used to build homes for affordable rent. If this element of the programme is to be significantly reduced, we urge the Government to target remaining funding at building homes for affordable rent in London and other areas where job opportunities coincide with high rents in the PRS.

Our research has suggested that Right to Buy in Housing Associations represents an opportunity to increase the number of affordable rented homes being supplied in the areas of highest need – but only if properly managed.

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276 Calculated on the basis of a two parent, two child household living in a two bedroom property using the 'entitledto' benefits calculator [accessed via: www.entitledto.co.uk/ (08/01/16)]. For the cheapest quartile of rents, see Valuation Office Agency, *Private rental market statistics – May 2015*, London: Valuation Office Agency, Table 2.4 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/430017/PRM_-_AllTables.xls (08/01/15)]

277 Shelter, *The Human Cost: How the lack of affordable housing impacts on all aspects of life*, London: Shelter, 2010, p19 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0003/268752/The_Human_Cost.pdf (08/12/15)]

278 Department for Communities and Local Government, *Written statement to Parliament: Localism Bill and social housing*, 2010 [accessed via: www.gov.uk/government/speeches/localism-bill-and-social-housing (08/12/15)]

279 Homes and Communities Agency, Press release, *HCA exceeds housing delivery targets by over 11,000 homes*, 16 June 2015 [accessed via: www.gov.uk/government/news/hca-exceeds-housing-delivery-targets-by-over-11000-homes (08/12/15)]

280 Homes and Communities Agency, *Affordable Homes Programme 2015–18: Prospectus*, London: Homes and Communities Agency, 2014, pp4, 6 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/343896/affordable-homes-15-18-framework.pdf (08/12/15)]

281 Inside Housing, *£700m grant to be shifted to ownership*, 2 December 2015 [accessed via: www.insidehousing.co.uk/business/development/government-schemes/700m-grant-to-be-shifted-to-ownership/7013005.article (08/12/15)]

282 Open Government Licence, *Office for Budget Responsibility: Economic and fiscal outlook Presented to Parliament by the Economic Secretary to the Treasury by Command of Her Majesty*, London: Open Government Licence, 2015, p229 [accessed via: cdn.budgetresponsibility.independent.gov.uk/EFO_November__2015.pdf (08/12/15)]

Right to Buy in Housing Associations: the funding mechanism

Following the Conservative Party Manifesto proposal in May 2015 and a voluntary deal agreement made with the National Housing Federation announced in October, the Government has committed to extending Right to Buy discounts to Housing Association tenants from 2016.

Housing Association tenants who have rented a property for three years or more will be eligible to apply to buy the property at a discount. The discount will begin at 35 per cent, for three, four and five year tenancies, then increasing by one per cent for each year of a tenancy to a maximum of 70 per cent.[283]

Under the voluntary deal, Housing Associations will be expected to replace at least one new home for each home sold within a three-year period.[284] For each property sold, the Government will pay full compensation for discounts direct to Housing Associations – 70 per cent on completion of the sale, and 30 per cent once there is evidence of a 'start on site or acquisition'.[285]

To pay for the discounts, the Government is expected to spend receipts raised from the sale of vacant 'high value' Council homes, Local Authority properties that rank among the most expensive third of all properties of that type in their area'.[286] Revenue from the estimated 15,000 high-value Council homes that fall vacant each year will help fund the new policy.[287]

During the 2015 general election campaign, the Conservative Party indicated that a portion of the receipts would also be used to replace each high-value Council home with an 'affordable home' in the 'same area'.[288]

It is important to note that the mechanism, as it has been set out by the Government leads to no net loss in 'affordable homes', and that it will actually lead to a net *gain* in the number of homes in England.

What the current plans do not guarantee is that such homes will be for social or affordable rent, rather than the 'affordable' ownership products which, as we discussed in the introduction, are inaccessible for the poorest.[289] This is particularly concerning as between one fifth and one quarter of high-value Council homes expected to be sold are in London, which is often unaffordable to those on the lowest incomes.[290]

283 National Housing Federation, *An offer to extend Right To Buy discounts to Housing Association tenants*, London: National Housing Federation, 2015, p11 [accessed via: www.wragge-law.com/Wragge/media/pdf/151103_rtb_offer.pdf (08/12/15)]

284 Ibid, p6

285 Ibid, p6

286 Conservative Party, Press release, *David Cameron: we are the party of working people, offering you security at every stage of your life*, 14 April 2015 provided by CCHQ in evidence to the CSJ; See also The Guardian, *Conservative manifesto to offer 1.3m families right to buy housing association homes*, 14 April 2015 [accessed via: www.theguardian.com/politics/2015/apr/14/tory-election-manifesto-right-to-buy-housing-association-properties (08/12/15)]

287 The Institute for Fiscal Studies, *Extending Right to Buy: risks and uncertainties*, London: Institute for Fiscal Studies, 2015, p5 [accessed via: election2015.ifs.org.uk/uploads/publications/bns/BN171.pdf#page=5 (08/12/15)]

288 Conservative Party, Press release, *David Cameron: we are the party of working people, offering you security at every stage of your life*, 14 April 2015 (provided by CCHQ in evidence to the CSJ); See also [accessed via: www.24dash.com/news/housing/2015-04-14-Tory-Party-manifesto-in-their-own-words (08/12/15)]

289 See Department for Communities and Local Government, *Consultation on proposed changes to national planning policy*, London: Department for Communities and Local Government, 2015, pp7–8 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/488276/151207_Consultation_document.pdf (14/01/15)]

290 The Greater London Authority has estimated that there will be between 3000–4500 homes sales of high-value Council properties a year in London alone. Taken with the government estimate of 15,000 nationwide sales, between one fifth and one quarter of high-value Council homes will be sold in London under the new scheme. See Shelter, *The Forced Council Home Sell-Off*, London: Shelter, 2015, p11 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0010/1187047/7862_Council_House_Sales_Briefing_v3_FINAL.pdf (08/12/15)]; Inside Housing, *GLA: London will see 4,500 Council homes sold off under Right to Buy plans*, 16 July 2015 [accessed via: www.insidehousing.co.uk/gla-london-will-see-4500-Council-homes-sold-off-under-right-to-buy-plans/7010843.article (08/12/15)]

We urge the Government to ensure that Council homes sold to fund the Right to Buy in Housing Associations are replaced with homes for social or affordable rent. If the Government wishes to replace them with home ownership products, it must find a way to make them affordable for the poorest in society.

4.2 Increasing options for the disabled

While increasing housing supply would mean that there are more options for people to move across the board, we are focussed on this improving for options of disabled people with mobility problems. As we explored in Section 1.3.4, a lack of options means that disabled tenants may become trapped in homes unsuitable for their needs.[291]

The Government does appreciate this problem, as is clear from its recent commitment to build at least 8,000 specialist homes for disabled and elderly people.[292]

However, more could be done to bring homes suitable for those with disabilities into the mainstream. Very few disabled people live in suitable homes in the PRS.[293] This means that many disabled people are reliant upon the social rented sector for a suitable home to move to. Local Authorities have 300,000 registrations for disabled people on social housing waiting lists across Britain.[294]

This is despite the fact that there is a substantial unmet demand in the market for suitable homes for the disabled.[295] In particular, the CSJ heard that bungalows, which are often particularly suited to people with mobility impairments, and are also in high demand among the elderly, could be a highly profitable product for the private sector. However, developers have failed to realise this opportunity and the number of bungalows completed has fallen dramatically in recent years.

> *'Papworth Trust has designed and built two accessible bungalows on broadly the same footprint as a standard home for broadly the same cost. We are, right now, looking at working with developers around incorporating similar, financially viable models of accessible housing into their designs. We are really optimistic that about the project. There is the market demand out there for accessible housing, it's just not being met.'*
>
> Papworth Trust, in evidence to the CSJ

291 Leonard Cheshire, *The Hidden Housing Crisis: Home Sweet Hell,* London: Leonard Cheshire, 2014, p1 [accessed via: www.leonardcheshire. org/sites/default/files/Hidden%20Housing%20Crisis%20July%2014.pdf (08/12/15)]

292 HM Treasury, *Spending Review and Autumn Statement 2015*, London: HM Treasury, 2015, p41 [accessed via: www.gov.uk/government/ uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf (08/12/15)]

293 Department for Communities and Local Government, *Housing in England 2007–08: A report principally from the 2007–08 Survey of English Housing, carried out by the National Centre for Social Research on behalf of Communities and Local Government*, London: Department for Communities and Local Government, 2009, p45 [accessed via: webarchive.nationalarchives.gov.uk/20121108165934/www.communities. gov.uk/documents/statistics/pdf/1346249.pdf (08/12/15)]

294 This figure was reached by asking all housing authorities in the UK how many 'disabled people' are currently on their housing waiting. It should therefore be noted that some individuals may be on the more than one social housing waiting list, so this figure may not represent 300,000 separate individuals. Leonard Cheshire, *No place like home: 5 million reasons to make housing disabled-friendly*, London: Leonard Cheshire, 2014, p1 [accessed via: www.leonardcheshire.org/sites/default/files/no-place-like-home-leonard-cheshire-disabiltiy.pdf (08/12/15)]

295 Shelter, *A better fit? Creating housing choices for an ageing population*, London: Shelter, 2012, p6 [accessed via: england.shelter.org.uk/__data/ assets/pdf_file/0005/427730/Policy_report_A_better_fit.pdf (08/12/15)]

Figure 14: Bungalows built in UK, 2004–2014[296]
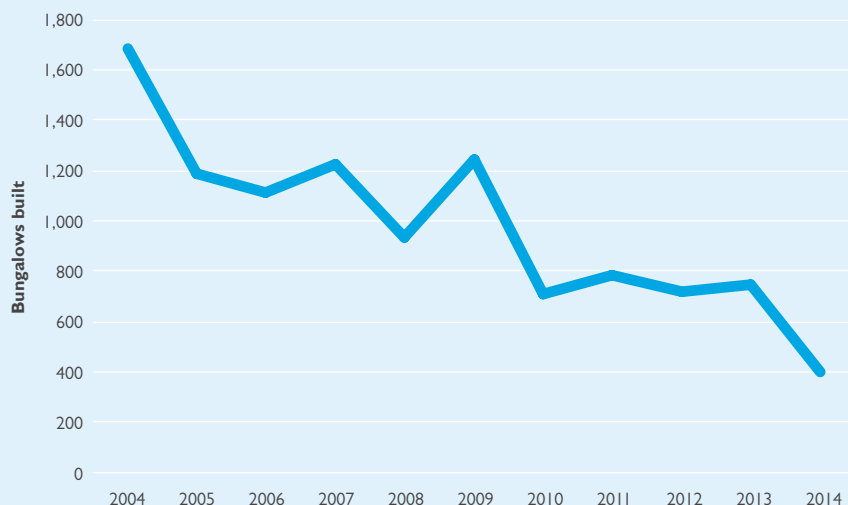
Local government has a role to play by influencing what is built through planning policies. However, currently a third of Councils (32 per cent) either do not mention disability at all in their housing plan, or only mention it in passing.[297] Only 17 per cent set out plans to build disabled-friendly homes in the year ahead.[298]

In fact, Local Authorities could be, by promoting a culture change, encouraging developers to build bungalows for the private rented market as part of Section 106 agreements.

> We recommend that Section 106 agreements should be used by Local Authorities to encourage developers to incorporate bungalows into their developments. These need not be homes for affordable or social rent, but could be private rented homes, which is more likely to make such developments financially viable.

296 National Housing Building Council, *NHBC Annual Home Statistics Review 2014*, London: National Housing Building Council, 2015, Appendix Table 4, p6 [accessed via: www.nhbc.co.uk/cms/publish/consumer/NewsandComment/Stats/Q4_2014.pdf (10/12/15)]; Department for Communities and Local Government, *Live tables on house building*, London: Department for Communities and Local Government, 2015, Table 211 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/477838/LiveTable211.xlsx (10/12/15)]

297 Leonard Cheshire, *No place like home: 5 million reasons to make housing disabled-friendly*, London: Leonard Cheshire, 2014, p9 [accessed via: www.leonardcheshire.org/sites/default/files/no-place-like-home-leonard-cheshire-disabiltiy.pdf (08/12/15)]

298 Ibid

4.3 Barriers to moving in the Private Rented Sector

Moving within the PRS entails a number of financial barriers. These include:

- A deposit, from which the landlord can then deduct an amount if the tenant leaves the property owing rent, damages the property, or does not pay their bills. On average, this is about £1,000;[299]
- A month's rent in advance, about £700 on average;[300]
- Lettings agency fees, including an administration fee, a fee for a reference check, a holding deposit, a deposit administration fee, and a check-in fee. On average these charges amount to about £350, but can be as high as £700 for a tenant.[301]

In addition, there are non-financial barriers such as most landlords now requiring a guarantor for a tenant who is on Housing Benefit.[302]

Eight million households in the UK have no savings at all, including about 50 per cent of households with a weekly income of less than £300.[303] For this group, deposits, agency fees and advance payments can present considerable difficulties.[304]

Robert's story[305]

Following the break-up of his relationship with his partner Robert found himself homeless and moving between friends and family. However, Robert was unable to secure a tenancy without the financial means for a deposit and other up-front fees. As a result, he eventually ended up in a run down bed and breakfast where he was not safe and his possessions were stolen. This whole experience had a serious impact on Robert's mental health. He was unable to focus on finding a job and was worried about his future. The Oasis Aquila Bond Scheme intervened and was able to move Robert to more suitable Temporary Accommodation. They then began to look for a new property for him and, using the bond, moved him into a new flat. Robert did not have any belongings so they arranged for affordable furniture to be provided and helped him to obtain a grant to set up home. He was able to move in and get settled quickly. Robert was very keen to start working and immediately set about looking for a job. This summer he was successful in being taken on at a new company based at the Metro Centre and started training.

299 Citizens Advice Bureau, *Still Let Down: How letting agents are still exploiting private renters – and what this tells us about consumer protection*, London: Citizens Advice Bureau, 2015, p18 [accessed via: www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/still-let-down-final.pdf (08/12/15)]

300 Department for Communities and Local Government, *English Housing Survey: Annual report on England's households, 2013–14*, London: Department for Communities and Local Government, 2015, p14 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/461439/EHS_Households_2013-14.pdf (25/01/16)]

301 Ibid, p16

302 Citizens Advice Bureau, *Still Let Down: How letting agents are still exploiting private renters – and what this tells us about consumer protection*, London: Citizens Advice Bureau, 2015, p11 [accessed via: www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/still-let-down-final.pdf (08/12/15)]

303 Department for Work and Pensions, *Family Resource Survey 2013/2014*, London: Department for Work and Pensions, 2015, Table SI.12 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/437496/frs-savings-tables-2013-14.xls (21/01/16)]

304 Sliced Bread Consulting, *Helping private tenants achieve financial inclusion*, London: Sliced Bread Consulting, 2013, p22 [accessed via: www.nationwidefoundation.org.uk/SlicedBreadNwidereport.pdf (08/12/15)]

305 Case study provided by Oasis Aquila Housing in evidence to the CSJ

4.3.1 Deposits and advance payments

The need for a deposit is likely to remain a cost for tenants in some shape or form. Landlords, quite rightly, desire security against unpaid rent, or damages to their property.

To overcome this problem, many Local Authorities now run bond schemes for the most vulnerable people to access a tenancy.[306] That is, the Local Authority provides a guarantee to cover unpaid rent or damage up to the value of the bond, upon suitable proof being submitted for a claim.[307]

However, this is not a long-term solution. When people want to move they are likely to face the barrier of not having a deposit as bond guarantees are not transferable. The result is that vulnerable people can become trapped, unable to move on.[308]

> Where Local Authorities run 'bond' schemes to accommodate vulnerable people in the PRS, it would be beneficial to ensure that they make arrangements to help tenants gradually build a deposit through money paid on top of rent.

With the full roll out of Universal Credit it would be possible for government to develop a scheme to help people with both deposits and rent in advance where there is a clear benefit to a claimant moving, and these costs are prohibitive.

Currently it is possible to be granted a 'budgeting loan' through Universal Credit, which provides a low-interest loan by which claimants can cover unforeseen expenses. Theoretically, this can be used for deposits and rent in advance. However, the CSJ understands that this is not happening in practice because they have to be repaid out of Universal Credit payments in a period of a few months, which is not practical.

> We recommend that DWP explore a scheme so that tenants in receipt of Universal Credit are able to borrow against future Universal Credit payments to secure a deposit or pay advance rent.

Even when low-income people do have a deposit lodged to cover their current tenancy that does not mean that it will be available to use for a new property. There is typically a lag of several weeks in getting the deposit back from the current landlord or their deposit protection

306 Cambridge Centre for Housing and Planning Research, *The role of the private rented sector in preventing homelessness: identifying good practice and the impact of policy change Final report to the Oak Foundation*, Cambridge: Cambridge Centre for Housing and Planning Research, 2013, p31 [accessed via: www.cchpr.landecon.cam.ac.uk/Projects/Start-Year/2012/Role-of-Private-Rented-Sector-Homelessness/Project-Report/FinalReport (08/12/15)]

307 Cambridge Centre for Housing and Planning Research, *The role of the private rented sector in preventing homelessness: identifying good practice and the impact of policy change Final report to the Oak Foundation*, Cambridge: Cambridge Centre for Housing and Planning Research, 2013, pp30–31 [accessed via: www.cchpr.landecon.cam.ac.uk/Projects/Start-Year/2012/Role-of-Private-Rented-Sector-Homelessness/Project-Report/FinalReport (08/12/15)]

308 Shelter and Crisis, *A Roof Over My Head: The final report of the Sustain project. Sustain: A longitudinal study of housing outcomes and wellbeing in private rented accommodation,* London: Shelter and Crisis, 2014, p49 [accessed via: england.shelter.org.uk/__data/assets/pdf_file/0005/760514/6424_Sustain_Final_Report_for_web.pdf (08/12/15)]; Sliced Bread Consulting, *Helping private tenants achieve financial inclusion,* London: Sliced Bread Consulting, 2013, p22 [accessed via: www.nationwidefoundation.org.uk/SlicedBreadNwidereport.pdf (08/12/15)]

scheme, which means that the tenant may well need to find the money for the next deposit before they have their money back from their current one.[309]

In other countries this problem has been overcome through the deposit being held by a third party. In New Zealand, for example, bond deposits are held by Tenancy Services, when a tenant moves properties, with the consent of both current and future landlord, the tenant can transfer the bond to a new tenancy by submitting a simple form.[310]

In England, deposits are often now held by a custodial party: the Deposit Protection Service, MyDeposits, or the Tenancy Deposit scheme.[311] There is therefore the potential to set up a similar system in the England.

> We recommend that the Government consider changing regulation so that tenants can apply to simply transfer their deposit without any delay from one property to the next when they move.

4.3.2 Lettings agency fees

There are good reasons to believe that letting agents are often not working in the best interests of tenants. Numerous studies have highlighted widespread examples of poor practice, such as 'drip-pricing' where charges are only revealed gradually to the prospective tenant, double charging landlord and tenant for the same service, and charging fees which appear to bear no relation to the services carried out.[312] One recent survey found that an extraordinary 27 per cent of renters who had dealt with a lettings agency in the last three years had got into debt as a result of the fees they were charged.[313]

The Government has already taken action by requiring lettings agencies to publish their fees transparently.[314] Lettings agencies are also now required to belong to a redress scheme.[315] Nevertheless, it is landlords who choose the lettings agency they use, which means that tenants have little bargaining power.

309 Resolution Foundation, *Renting in the Dark: Creating a lettings market that works for tenants,* London: Resolution Foundation, 2011, p7 [accessed via: www.resolutionfoundation.org/wp-content/uploads/2014/08/Renting-in-the-Dark.pdf (08/12/15)]

310 Tenancy Services, *Transferring bond to another property* [accessed via: www.tenancy.govt.nz/rent-bond-and-bills/bond/transferring-bond/ (08/12/15)]; Scoop Parliament Independent News, *Tenancy bond system moves online*, 1 November 2015 [accessed via: www.scoop.co.nz/ stories/PA1511/S00008/tenancy-bond-system-moves-online.htm (08/12/15)]; NZNewsUK, *Tenancy bond system moves online* [accessed via: www.nznewsuk.co.uk/property/?id=65840&story=Tenancy-bond-system-moves-online (08/12/15)]

311 Open Government Licence, *Tenancy deposit protection* [accessed via: www.gov.uk/tenancy-deposit-protection/overview (08/12/15)]

312 Resolution Foundation, *More than a roof: How incentives can improve standards in the private rented sector,* London: Resolution Foundation, 2014, p11 [accessed via: www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/CIH014%20resolution_foundation_2.pdf (08/12/15)]; Resolution Foundation, *Renting in the Dark: Creating a lettings market that works for tenants,* London: Resolution Foundation, 2011 [accessed via: www.resolutionfoundation.org/wp-content/uploads/2014/08/Renting-in-the-Dark.pdf (08/12/15)]; Citizens Advice Bureau, *Still Let Down: How letting agents are still exploiting private renters – and what this tells us about consumer protection,* London: Citizens Advice Bureau, 2015 [accessed via: www.citizensadvice.org.uk/global/migrated_documents/corporate/still-let-down-final.pdf (08/12/15)]; The Stationery Office Limited, The Communities and Local Government Committee, *The Private Rented Sector First Report of Session 2013–14,* London: The Stationery Office Limited, 2013, pp32–35 [accessed via: www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf (08/12/15)]

313 Shelter, *Lettings agencies: The price you pay,* London: Shelter, 2013, p13 [accessed via: england.shelter.org.uk/__data/assets/pdf_ file/0006/671649/Letting_agencies_-_The_price_you_pay.pdf (08/12/15)]

314 Department for Communities and Local Government, Press release, *Fees transparency to ensure a fair deal for landlords and tenants*, 13 May 2014 [accessed via: www.gov.uk/government/news/fees-transparency-to-ensure-a-fair-deal-for-landlords-and-tenants (08/12/15)]

315 Department for Communities and Local Government, *Lettings Agents and Property Managers Which Government approved redress scheme do you belong to?,* London: Department for Communities and Local Government, 2014, p2 [accessed via: www.gov.uk/government/uploads/ system/uploads/attachment_data/file/361556/Lettings_Agents_and_Property_Managers_redress_scheme_leaflet.pdf (08/12/15)]

What many tenants do not realise, however, is that they are able to bypass a number of significant lettings agency fees. For example, 70 per cent of lettings agencies charge tenants for reference checks.[316] Such charges average £83 but range from £6 to £300.[317] However, many lettings agencies will simply use a third party credit reference agency, which costs them very little. One of the most commonly used, Experian Ltd, provides an Instant Check for £15.[318] This includes an identity check, adverse financial check and renter risk score. For an extra £10 Experian will also include an income reference and a previous landlord reference.[319] Tenants themselves could therefore use Experian directly for a fraction of the cost.

The Government plans to require landlords to give all tenants a copy of a 'How to Rent' guide so that both parties have a clear and up to date view of their rights and responsibilities.[320] An additional document should be produced by the Government on how to deal with lettings agencies. This would outline exactly what different lettings agency fees are for, and how tenants could use other third parties to bypass them.

This should be presented as a physical printed document to a prospective tenant. It should be accompanied by a document produced by the lettings agency, setting out all the fees they will charge both them and the landlord.

Lettings agents would be able to opt out of this only if they do not charge tenants any fees other than rent and a refundable deposit.

> We recommend that the Government produce a 'What are lettings agency fees?' guide. Lettings agencies should be required to present this document, along with a document setting out their fees and charges, to prospective tenants.

If this, along with other government measures to drive up transparency in the system, is not effective at reducing the burden on tenants, then the Government may wish to consider banning lettings agents from charging fees to tenants. This has been implemented in Scotland.[321] Some commentators have raised concerns that it may be encouraging landlords to raise rents to offset the cost of extra fees, which lettings agencies are charging landlords instead of tenants.[322] This is regrettable, but we believe it is a better situation than having significant fees at the front of a tenancy, thus creating a substantial barrier to tenants moving into a property.

> If measures to increase transparency about fees do not work, the Government should consider making all tenant charges charged by lettings agencies, other than rent and a refundable deposit, illegal.

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316 Citizens Advice Bureau, *Still let down How letting agents are still exploiting private renters – and what this tells us about consumer protection*, London: Citizens Advice Bureau, 2015, p22 [accessed via: www.citizensadvice.org.uk/global/migrated_documents/corporate/still-let-down-final.pdf (08/12/15)]

317 Ibid, p23

318 Ibid, pp22–23

319 Ibid

320 Freedom of Information Reply 1339502, Department for Communities and Local Government, 21 September 2015

321 The Scottish Government, An end to illegal charges on tenants, 26 August 2012 [accessed via: wayback.archive-it. org/3011/20130201202825/http://www.scotland.gov.uk/News/Releases/2012/08/Tenants-Charges26082012 (08/12/15)]

322 House of Commons Communities and Local Government Committee, *The Private Rented Sector, the evidence from banning letting agents' fees in Scotland* London: The Stationery Office Limited, 2013, p11[accessed via: www.publications.parliament.uk/pa/cm201415/cmselect/cmcomloc/964/964.pdf (11/12/15)]

4.4 Barriers to moving for social tenants

In contrast to the PRS, the barriers to mobility in the social rented sector are well recognised, and scrutinised.[323] The challenge is clear: one survey of 1,280 social sector tenants found that 37 per cent wanted to move, including 17 per cent who said they wanted to move a lot.[324]

There are often substantial incentives for tenants to remain within the social rented sector, such as security and affordable rent. To move within the social rented sector they have two options.

First they can apply for a social tenancy and be placed on the waiting list with a Local Authority, as any other person applying for social housing would. In the context of the shortage of social housing and the stringency of criteria, it is often highly unlikely that they will be able to access social housing this way.[325]

This may be about to change for those looking to move for work-related reasons. The Government plans to introduce a new 'Right to Move' by creating a new 'hardship category' in social housing allocations where a social tenant is trying to move for work-related reasons, and ensuring that Local Authorities have one per cent of their stock, about 16,000 homes, put aside to accommodate such people.[326] This is an extremely welcome move which could enable more tenants to meet their ambitions.

A second option for tenants is to sign on to a mutual exchange scheme, such as HomeSwap Direct. This allows tenants to find an individual or family who would want to exchange their home as better suited to their needs, thus expanding their opportunities for mobility. However, to make a move a tenant will usually need to find someone who is also interested in their own property for a direct exchange. This hugely limits options. If a social tenant is living in property adapted for disability, and their current property is in an isolated area, for example, it could be very difficult to find someone willing to swap for a suitable property in an area of high employment.

Some of these problems may resolve if, as expected, lifetime tenancies are increasingly restricted in the social rented sector (see Section 3.1.2). However, this will throw up new challenges, as more people will be searching for suitable properties in the PRS when their tenancies come to an end; and more people will want to move within, or into, the social rented sector when properties become available.

323 Hills J, *Ends and means: the future roles of social housing in England,* London: Centre for Analysis of Social Exclusion, 2007, Chapter 10 [accessed via: eprints.lse.ac.uk/5568/1/Ends_and_Means_The_future_roles_of_social_housing_in_England_1.pdf (08/12/15)]; Cho Y and Whitehead C, 'The immobility of social tenants: is it true? Does it matter?', *Journal of Housing and the Built Environment*, 28(4), 2013, pp705–726 [accessed via: eprints.lse.ac.uk/49425/ (08/12/15)]; Mobility Taskforce, *Report of the Mobility Taskforce*, London: Mobility Taskforce, 2010 [accessed via: s3-eu-west-1.amazonaws.com/pub.housing.org.uk/mobility_taskforce_report_august2010.pdf (08/12/15)]

324 Broomleigh Housing Association, *Mobility Matters: Exploring mobility aspirations and options for social housing residents,* London: Broomleigh Housing Association, 2009, p19 [accessed via: www.campbelltickell.com/images/publications/uk_government/mobility-matters.pdf (08/12/15)]

325 Mobility Taskforce, *Report of the Mobility Taskforce*, London: Mobility Taskforce, 2010, pp10–11 [accessed via: s3-eu-west-1.amazonaws.com/pub.housing.org.uk/mobility_taskforce_report_august2010.pdf (08/12/15)]

326 Department for Communities and Local Government, Press release, *New support for social tenants who want to work*, 2015, 9 March 2015 [accessed via: www.gov.uk/government/news/new-support-for-social-tenants-who-want-to-work (08/12/15)]

4.4.1 Improving information for tenants

The CSJ heard that tenants who are looking to move would benefit from a simple, universal, online platform which offers ease of access to the full range of options available.

At the moment tenants looking for a suitable property is confronted with a wide array of platforms and application processes. This might include the different choice-based or points-based lettings system of different Local Authorities; the mutual exchange scheme they are signed up to, such as HomeSwap Direct; and any number of ways to look for a suitable private sector property, including online platforms such as RightMove or Zoopla.

If tenants were able to use a single online platform, they would be able to see the suitable private properties alongside the social options that are available at any given moment.

Good practice: Homefinder Somerset[327]

Homefinder Somerset is an online platform to enable people to bid and apply for properties within the Somerset area. The platform enables prospective tenants to:

- Bid for properties on a choice-based lettings system across five district Local Authorities, including Council-managed properties, ALMOs (Arms-Length Management Organisations), and Housing Associations (both small and large). Previously tenants would have to navigate the applications methods and allocation criteria for each authority and each social landlord;

- Search for and apply for suitable mutual exchange properties. As with the choice-based bids, prospective tenants can search for suitable properties by specifying certain criteria (such as size and location);

- Find suitable PRS properties to rent. Although relatively fledgling, this aspect is particularly innovative as it ensures people are aware of the options of privately rented properties, even if they may not have otherwise considered them. The listings have been achieved through proactive engagement with local landlord forums.

'Homefinder has been enormously helpful for our tenants who use it extensively. It has greatly increased the ability of people to find suitable properties to move to.'

Yarlington Housing Association, in evidence to the CSJ

At a minimum, we would suggest other Local Authorities replicate this good practice, and set up similar schemes through cooperation with local social landlords and private sector associations. We would also further recommend that different Local Authorities look at cooperating to set up a single platform for each wider region, so that tenants' choices are not limited by the geography of Local Authority boundaries.

The Government should examine the possibility of setting up a universal, national online platform, in which every social landlord is registered. Private landlords could be incentivised to sign up too. This would enable a high level of flexibility, and enable all current and potential tenants to see suitable properties in both the private and social rented sector.

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327 See Homefinder Somerset [accessed via: www.homefindersomerset.co.uk/Data/ASPPages/1/30.aspx (08/12/15)]

We recommend that Local Authorities set up online platforms to simplify the process for low-income tenants looking for a new property, that they cooperate to set up regional platforms, and that the Government explore the possibility of setting up a national platform.

4.4.2 Improving support for social tenants to move

If, as is expected, lifetime tenancies are phased out for Council tenants and more Housing Associations explore the use of fixed-term tenancies, social landlords will find that their tenants may want, or need, to move out of their properties at the end of their tenancy.[328] We would hope that some may have progressed towards home ownership, either through Right to Buy, or through shared ownership. Others will look to the PRS.

As we explored in this chapter, there are significant barriers to accessing the PRS, such as the need for a deposit. We believe it incumbent upon the Government to ensure that reform achieves a PRS more suitable to the needs of low-income people, and removes the barriers to access. Nevertheless, it is also concerning that, according to the Chartered Institute of Housing, there are very few social landlords who are themselves taking the initiative and offering support (such as assistance with a deposit) to tenants who want to move to PRS.[329] As more and more tenants have fixed-term tenancies it will be important for Social Rented Sector providers to offer more support to those who will transition into the PRS by helping them find sustainable work, but also by helping them save for a deposit and rent advance over the course of their Social Rented Sector tenancy, or offering loans or grants to enable them to move.

We recommend social landlords support tenants who wish to move to the PRS with deposits and the other costs of moving.

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328 See Section 3.1.2

329 Chartered Institute of Housing, *Moving on: findings from our housing mobility survey*, London: Chartered Institute of Housing, 2015, p9 [accessed via: www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/CIH033%20Mobility%20report.pdf (08/12/15)]

chapter five
Work and progression

The CSJ has long argued that moving into employment and progression in work is the best route out of poverty. Doing so ensures people have the choice and ability to shape their own housing circumstances. As the CSJ has previously argued, the welfare system should always seek to help people on benefits to progress towards full-time work on a reasonable wage. To do this, all parts of the system should pull towards this end, including housing. This chapter looks at how more can be done to help those in need of housing support progress towards independent living.

5.1 Work Progression for those in Hostels and Supported Housing

Supported housing (which includes hostels) provides accommodation for some of the most vulnerable in our society – those who would otherwise be without any other shelter, or whose needs are sufficiently high that they are unable to live fully independently.

Hostel accommodation: Hostels provide temporary shelter for those who are ineligible for Local Authority support (i.e. non-statutory homeless). Some hostels are direct access, which means that people can turn up to see if they have any spaces. Others require referrals from an agency, such as a Day Centre or Outreach Team.

They are often run by the voluntary sector, with onsite support staff who may provide specialist help in dealing with alcohol or drug use, or employment opportunities, for example. There are currently 36,540 bed spaces in hostels across England.[330]

Supported housing: This covers a wide range of housing-based solutions for vulnerable people that offer housing, support and sometimes care services in an integrated package.[331]

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330 Homeless Link, *Support for single homeless people in England: Annual Review 2015*, London: Homeless Link, 2015, p21, Table 5 [accessed via: www.homeless.org.uk/sites/default/files/site-attachments/Full%20report%20-%20Single%20homelessness%20support%20in%20England%202015.pdf (08/12/15)]

331 Sitra, *What is supported housing and who does it support?* [accessed via: www.sitra.org/about-us/vic-rayner-explains-supported-housing/ (08/12/15)]

Types of supported housing include: hostels, sheltered accommodation for the frail elderly; refuges for those fleeing domestic abuse; shared supported housing for those with mental health problems or an addiction; foyer or semi-independent accommodation for young people, who might for instance be young parents, care leavers, or homeless.

At present there is a major work disincentive in the benefits system for those living in supported housing. This is because once someone in supported housing takes work they start to lose Housing Benefit and become liable to pay some or all of their own rent and service charges in that accommodation. In order to cover the extra costs associated with supported housing (such as on-site staff), rents and service charges are very high and are not subject to LHA rates. In 2014/15 the mean weekly rent for direct access hostels in England was £101 and weekly service charge was £110.[332]

The result is an enormous work disincentive. Moving into work can mean people are only a few pounds better off a month. Sometimes those living in hostels and supported housing will actually be financially worse off in work than on benefits.[333]

'One of my deepest frustrations as the Chief Executive of a homelessness charity is the knowledge that high rents levied to recover the actual costs of providing housing to people with multiple needs places tenants in a catch 22 position where entry levels jobs hold no financial incentive, because once in receipt of income, all their earnings go on covering the cost of their accommodation. At our supported accommodation projects with 24 hour staffing, rents can be in excess of £200 a week. If someone gains a job whilst in supported accommodation the choice is stark: continue living here where you get the support you need, have community and staff who will be instrumental in the transition from being unemployed to getting into the routines of working life, but spend a disproportionate amount of money on your rent; or move out before you feel ready, potentially feel unable to deal with all the change and therefore risk not being able to maintain your new job and home. We support people with potential and ambition, for whom life has already put enough hurdles in the way of them thriving, the rents required to sustain supported accommodation should not become another hurdle for them to cross.'

Nancy Doyle, Chief Executive, Oasis Aquila Housing

The Government recognises that the transition to Universal Credit presents an ideal opportunity for the whole system of funding for supported housing to be reviewed in order to remove work disincentives for residents.

Currently those in receipt of Universal Credit while living in supported housing continue to have Housing Benefit paid as a separate payment every two weeks directly to the supported housing provider. However, the CSJ understands that this is purely a temporary measure and in time those in supported housing will also have their housing costs covered by Universal Credit.

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332 Freedom of Information Reply 1627471, Department for Communities and Local Government, 2 December 2015
333 Broadway, *Keeping Work: starting and staying in work after homelessness*, London: Broadway, 2015, p47 [accessed via: www.mungosbroadway. org.uk/documents/4889/4889.pdf (08/12/15)]

We recommend the Government cap the amount of rent that can be claimed under Universal Credit in supported housing and hostel accommodation at LHA, and provide a new, separate form of funding for supported housing to meet service costs. This would ensure that residents in supported housing have no greater work disincentive than tenants in the PRS.

This separate fund must be a substantial, ring-fenced budget. The Government must ensure that there is no net-loss of funding for the providers of hostels and supported housing. This would be cost-neutral to the taxpayer.

5.2 Work progression for those in social housing

Social landlords have a unique opportunity to build services around people, to tackle some of the root causes of poverty, and to enable tenants to achieve their ambitions. This includes helping people into work.

We believe that this role for social landlords must be valued, and actively supported and encouraged by the Government. By moving into employment social tenants have greater power to shape their own housing circumstances. They may therefore no longer require a social tenancy after several years – or they may have sufficient means to exercise their Right to Buy and become home owners, or take on shared ownership. If, as expected, life-time tenancies are reduced in the coming years, it will become increasingly important that social housing providers prepare their tenants for living in another tenure.[334]

In recent years, social landlords have increasingly moved to help their tenants into employment and deal with other forms of personal disadvantage.[335] Currently, 39 per cent of Housing Associations offer employment and skills support, with a further 28 per cent planning to do so in the future.[336] Some of these programmes may be small-scale, but others are helping hundreds of people become more independent and progress into work.[337]

Housing Associations have an active interest in providing such services, both to serve their social purpose and make their business model more sustainable.

'The provision of financial inclusion services such as debt advice and money guidance increases social inclusion for our residents by reducing stress and increasing income. In 2014–15 our financial inclusion team generated benefits of £1.34m to the business through reducing rent arrears and bringing in Housing Benefit.

'Similarly, the provision of employment support increases incomes, quality of life, and the ability of our tenants to pay their rent. A recent internal survey showed that tenants who

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334 See Section 3.1.2
335 National Housing Federation, *A Job, A Home, A Future, London: National Housing Federation*, 2014 [accessed via: s3-eu-west-1.amazonaws.com/pub.housing.org.uk/A-Home-A-Job-A-Future.pdf (08/12/15)]
336 Ibid, p3
337 Ibid, pp8–21

had secured jobs with the help of our employment team were, on average, just over £500 in less arrears after a period of 12 months than before they went into work.'

Hyde Group, in evidence to the CSJ

Some social landlords are providing targeted services by developing the role of the Housing Officer.[338] Traditionally, Housing Officers simply respond to needs relating to the conditions of homes – to carry out repairs, for example. A different approach is for officers to take time to get to know tenants, assist them in realising their ambitions, identify their barriers to work and signpost them to relevant services where necessary.

Much of this change has been driven by welfare reform.[339] Universal Credit is bringing to an end the payment of Housing Benefit to social landlords – instead, in most cases Universal Credit is being paid directly into a claimant's account.[340] This means that social landlords have an incentive to ensure that their tenants have the capability to pay their rent.

Case study: Yarlington's Offer[341]

Yarlington is a Housing Association based in South Somerset, working across Somerset, Devon and Dorset. Their current mission and ethos arose from a re-evaluation of their social purpose in 2010. Homes were all at the Decent Homes Standard, and Yarlington saw an opportunity to develop its relationship with residents to provide support and services to progress into employment and training, to access local services and to help build individual and community capacity.

This observation led to Yarlington's pilot Household Ambition Plans, and, latterly, 'The Offer', to residents. Residents are given the opportunity to access services to help them achieve their ambitions around: enterprise, employment, education and training, raising self esteem, managing the home, financial inclusion, digital inclusion, services in retirement living, and home ownership. Sometimes this service will be delivered by in-house Yarlington teams, including an in-house social enterprise, Inspired to Achieve and others by local voluntary sector organisations which are often funded or supported by Yarlington.

While these services are offered at the beginning of a tenancy, and residents are able to self-refer to The Offer, the key intermediary between residents and these services are Community Coordinators. These are staff who carry out housing functions like any other Housing Officers, but are also a key part of delivering the Community Investment strategy. What makes Coordinators particularly distinctive is the use of nudge theory to encourage tenants to take up services. Initially introduced through a bespoke training programme for Housing Officers, the approach is now embedded amongst staff and services.

Most referrals come at trigger points in the tenancy – arrears, welfare benefits advice, incidents of antisocial behaviour. The nudge approach maximises the potential uptake of such services. In the case of money management, rather than talking about 'financial inclusion' staff encourage tenants to achieve financial responsibility and increasing income is seen as the goal.

338 Frontline Futures, *New era, changing role for housing officers*, Edinburgh: Frontline Futures, 2014 [accessed via: www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Frontline%20futures%20report%20final.pdf (08/12/15)]

339 Ibid, p10

340 HM Government, *Universal Credit and rented housing – frequently asked questions*, London: HM Government, 2016, p2 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/491047/uc-rented-housing-faq-Jan16.pdf (08/01/16)]

341 Evidence submitted to the CSJ by Yarlington Housing Association

Since the launch of this new way of working: 354 more people are in employment as a result of mentoring and practical support and 20 businesses have been set up by residents. Due to the level of demand from residents they are increasing their emphasis on employment and training even further.

Residents' response to the support has been overwhelmingly positive. Yarlington has found that, once they have engaged for support, residents are keen to get involved elsewhere enabling the organisation to hear from a wider range of its residents and ensure their views can inform their service delivery.

We believe that this is a model that could be replicated by other social landlords in order to help people move into and progress in work and prepare for independent living.

We recommend that social landlords extend the role of the Housing Officer in their service delivery. It has the potential to play a pivotal role to encourage tenants to access services which can help them achieve their ambitions.

A second way to ensure that Housing Associations are able to maximise their impact to help their tenants into employment is to work in cooperation with other providers. However:

- Only 27 per cent of Housing Associations who support their tenants with employment and skills work with JCP;
- Only 21 per cent work with DWP contractors like those delivering the Work Programme; and
- Only 26 per cent work with local authorities.[342]

In particular, it is regrettable that so few Housing Associations managed to deliver the Work Programme for their residents, and that a large number that did begin to deliver the programme subsequently withdrew.[343] We spoke to a number of social landlords about this, who particularly raised the lack of control over whether they were able to deliver the programme to their own tenants.

'There were three reasons for withdrawing from the Work Programme: the high financial risks because of the perceived lack of control over clients (prime contractors have more control over client profiles than sub-contractors), the strict payment by results regime, and the fact that we were not able to work only with Hyde residents. The latter means that we were not confident we could add value for our customers.'

Hyde Group, in evidence to the CSJ

Our conversations indicated that a number of social landlords would be willing to consider delivering a future back-to-work programme if they had the option of working only with their own tenants.

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342 National Housing Federation, *A Job, A Home, A Future, London: National Housing Federation*, 2014, p4 [accessed via: s3-eu-west-1.amazonaws. com/pub.housing.org.uk/A-Home-A-Job-A-Future.pdf (08/12/15)]

343 Inside Housing, *Notice to quit the Work Programme*, 19 September 2014 [accessed via: www.insidehousing.co.uk/notice-to-quit-the-work-programme/7005631.article (08/01/16)]

The Work Programme comes to an end in 2017 and will be replaced by the Work and Health Programme, which will provide specialist support for the long-term unemployed and claimants with health conditions and disabilities.[344] This represents an ideal opportunity for reassessment.

> We recommend that the Government consider whether Housing Associations should be enabled to opt to deliver the Work and Health Programme to only their own tenants.

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344 Department for Work and Pensions, Press Release, *Department for Work and Pensions' settlement at the Spending Review*, 25 November 2015 [accessed via: www.gov.uk/government/news/department-for-work-and-pensions-settlement-at-the-spending-review (08/12/15)]

chapter six
Neighbourhoods

More homes – even better homes – do not necessarily lead to social justice outcomes if the environment in which they are set makes life difficult for residents. The value of appropriately sized, well-maintained housing is negated if they are in dangerous neighbourhoods.

Today, this issue is particularly associated with the dysfunctional mono-tenure estates of the twentieth century. Their problems are in part due to misguided ideas about architecture and neighbourhood design; in part because, in the rush to get more houses built, too little thought was given to what makes sustainable communities.[345, 346] Their poor design has contributed to worklessness, crime, and social breakdown.[347]

The Government has recently made a new commitment to take on this challenge, and it is possible that we are on the verge of an exciting new era of regeneration. But this will only be of benefit to the poorest if done properly, by targeting estates where regeneration is most needed, and involving residents in neighbourhood design.

It is also important that we apply these principles to *new* developments, or we will be prone to repeating the mistakes of the past.

6.1 A new era of estate regeneration?

There are two distinct reasons why the Government has a renewed interest in estate regeneration, having fallen off the agenda for much of the last Parliament.

First, regeneration has the potential to increase the supply of new homes, particularly in London. Post-war estates often have a low residential density.[348] This was the result of a deliberate policy,

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345 Coleman A, *Utopia on Trial: Vision and Reality in Planned Housing*, London: Hilary Shipman, 1985
346 Hanley L, *Estates: An Intimate History*, London: Granta Books, 2012, pp90–94
347 See Section 1.4
348 Institute for Public Policy Research, *City Villages: More Homes, Better Communities*, London: Institute for Public Policy Research, 2015, p11
     [accessed via: www.ippr.org/files/publications/pdf/city-villages_Mar2015.pdf?noredirect=1 (10/12/15)]

to manage the expected decline in inner-city populations.[349] In Southwark, for instance, as a result of the 1950s-70s estate-building programmes, the population fell by two-thirds.[350] Now, by regenerating these estates to increase density, we can meet the housing needs of London's rising population. Research by Savills has shown that, if just 21 per cent of land in London Local Authority housing estates were regenerated, it could provide up to 360,000 additional homes for the capital.[351]

In 2014 the Government heeded this argument and introduced an Estate Regeneration Programme, which consists of £150 million of recoverable loans to rebuild three London estates at a higher density.[352] The London Housing Zones made a further wave of funding available for the regeneration of 14 estates.[353] In both projects, the emphasis has overwhelmingly been on increasing supply.[354]

However, in a speech in January 2016 the Prime Minister made the social justice case for estate regeneration in a way that we have not heard since the New Labour era.

> 'There is also an important issue of community that we must address – and that's some of our housing estates. Some of these places, especially those built after the war, actually entrench poverty, because of the way they isolate and entrap so many families and communities. Within these estates, behind front doors, families build warm and welcoming homes just like everyone else. But step outside and you're often confronted by concrete slabs as if dropped from on high, brutal high-rise towers and linked walkways that become a gift to criminals and drug dealers. These places actually design in crime, rather than out. Decades of neglect have spawned ghettos, gangs and anti-social behaviour. And poverty has become concentrated, because let's face it – few who could afford to move would want to stay. Of course, these estates also lead to social segregation, meaning people from different backgrounds just don't mix together as much as they used to. And that isn't good for anyone.'
> Rt Hon David Cameron MP[355]

We warmly welcome this shift in tone from the Prime Minister, and the bold new political leadership he has shown on this issue. Increasing housing supply is an important goal, but must also go hand-in-hand with the social regeneration of estates, so that they become functioning neighbourhoods.

349 Ibid, p57
350 Ibid, p57
351 Savills, *Completing London's Streets: How the regeneration and intensification of housing estates could increase London's supply of homes and benefit residents,* London: Savills, 2016, p4 [accessed via: pdf.euro.savills.co.uk/uk/residential---other/completing-london-s-streets-080116.pdf (08/01/16)]
352 Department for Communities and Local Government, *Estate Regeneration Programme: Prospectus for 2015/16,* London: Department for Communities and Local Government, 2014, p4 [accessed via: www.london.gov.uk/sites/default/files/140613%20Estate%20 Regeneration%20Prospectus%20FINAL%20(2).pdf (10/12/15)]
353 Mayor of London, *Housing Zones,* London: Mayor of London, 2015, p7 [accessed via: www.london.gov.uk/sites/default/files/housing_zones_ brochure_october_2015-2.pdf (10/12/15)]
354 Department for Communities and Local Government, *Estate Regeneration Programme,* London: Department for Communities and Local Government, 2015, pp3–4 [accessed via: www.london.gov.uk/sites/default/files/housing_zones_brochure_october_2015-2.pdf (22/01/16)]; Department for Communities and Local Government, *Estate Regeneration Programme Prospectus for 2015/16,* London: Department for Communities and Local Government, 2014, pp4–5 [accessed via: www.london.gov.uk/sites/default/files/140613%20Estate%20 Regeneration%20Prospectus%20FINAL%20(2).pdf (22/01/16)]
355 Speech by The Rt Hon David Cameron MP, *Life Chances,* 11 January 2016 [accessed via: www.gov.uk/government/speeches/prime-ministers-speech-on-life-chances (12/01/16)]

The Prime Minister's speech was accompanied by the announcement of a plan of action:

- A new £140 million fund that will 'pump-prime the planning process, temporary rehousing and early construction costs'.[356] This appears to be on top of the £2.3 billion in loans that the Government has already committed in the Comprehensive Spending Review to help regenerate large Council estates and invest in infrastructure needed for major housing developments;[357]
- Publishing an Estates Regeneration Strategy to reform planning processes.[358] This will be supported by a new Estate Regeneration Advisory Panel, which will be chaired by Lord Heseltine.[359] The Panel will report in detail by this year's Autumn Statement.[360]

6.1.1 Targeting estate regeneration: investing for social justice outcomes

It is clear that the £140 million which the Government has earmarked for the new Estate Regeneration programme will not go very far – as a point of comparison, the regeneration of the Aylesbury estate is set to cost £1.5 billion.[361, 362] Capital for the development of the 100 estates therefore must come from private investors, the £2.3 billion loan scheme for local authorities mentioned above, or more likely both.

This is not necessarily an unreasonable expectation. Regeneration in recent years has often been financed by cross-subsidising homes for social and affordable rent with the profit from selling homes for the market.[363] This means that regeneration is most financially viable where land values are high as private homes can be sold at a better price.

As a Government-commissioned report by Savills has shown, regeneration in London, particularly if it creates streets, therefore has the potential to be highly profitable.[364] In London, it should be possible to use this uplift in site value to deliver a healthy return to a public or private investor. In Northern cities such as Manchester and Sheffield, however, lower land prices means this will simply not be the case.[365]

If we are really to see the regeneration of 100 of the worst estates 'across the country' then regeneration must obviously take place beyond London. We suggest that this might be achieved in two ways.

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356 The Rt Hon David Cameron MP writing in the Sunday Times, *Estate Regeneration*, 10 January 2016 [accessed via: www.gov.uk/government/speeches/estate-regeneration-article-by-david-cameron (12/01/16)]

357 HM Treasury, *Spending Review and Autumn Statement 2015*, London: HM Treasury, 2015, p41 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf (12/01/16)]

358 The Rt Hon David Cameron MP writing in the Sunday Times, *Estate Regeneration*, 10 January 2016 [accessed via: www.gov.uk/government/speeches/estate-regeneration-article-by-david-cameron (12/01/16)]

359 HM Government, Press Release, *Prime Minister pledges to transform sink estates*, 10 January 2016 [accessed via: www.gov.uk/government/news/prime-minister-pledges-to-transform-sink-estates (12/01/16)]

360 Ibid

361 Housing and Communities Agency, *Estate Regeneration Programme*, London: Housing and Communities Agency, 2014 [accessed via: www.gov.uk/government/publications/estate-regeneration-programme (10/12/15)]

362 Inside Housing, *Partner selected for £1.5bn London estate regeneration*, 29 January 2014 [accessed via: www.insidehousing.co.uk/partner-selected-for-15bn-london-estate-regeneration/7001853.article (22/01/16)]

363 London Assembly Housing Committee, *Knock It Down or Do It Up*, London: London Assembly, February 2015, p24 [accessed via: www.insidehousing.co.uk/journals/2015/02/11/t/u/j/KnockItDownorDoItUp.pdf (10/12/15)]

364 Savills, *Completing London's Streets: How the regeneration and intensification of housing estates could increase London's supply of homes and benefit residents,* London: Savills, 2016 [accessed via: pdf.euro.savills.co.uk/uk/residential---other/completing-london-s-streets-080116.pdf (08/01/16)]

365 Inside Housing, *Viability Concern over Osborne's £2.3bn regen plan*, London: Inside Housing, 4 January 2016 [accessed via: www.insidehousing.co.uk/business/development/viability-concerns-over-osbornes-23bn-regen-plan/7013316.article (08/01/16)]

First, we suggest that regeneration schemes may be able to attract capital from social investors, as well as those investing purely for financial gain. The evidence is particularly strong that improving estate design will lead to a positive reduction of crime and antisocial behaviour, which would provide a robust basis to attract such investors.

Crime reduction and housing design: the social impact of regeneration

In 1989 the Association of Chief Police Offices introduced the 'Secured by Design' standard, which is endorsed by the Home Office and DCLG. This incorporates seven design elements which have been shown to reduce crime:[366]

1. Access and Movement: places with well-defined and well used routes with spaces and entrances that provide for the most convenient movement without compromising security;

2. Structure: places that are structured so that different uses do not conflict;

3. Surveillance: places where all publicly accessible spaces are overlooked;

4. Ownership: places that promote a sense of ownership, respect, territorial responsibility and community;

5. Physical protection: places that include necessary, well-designed security features;

6. Activity: places where the level of human activity is appropriate to the location and creates a reduced risk of crime and a sense of safety at all times;

7. Management and maintenance: places that are designed with management and maintenance in mind, to discourage crime in the present and the future.

A number of estate regenerations which have incorporated the Secured by Design standard have seen a dramatic reduction in crime levels. A Home Office Study found that the regeneration of two Yorkshire Estates according to Secured by Design principles led to a 67 per cent and 54 per cent reduction in crime.[367] What is more, the study evaluated 50 new estates, half of which incorporated Secured by Design principles, half which did not: there were 26 per cent fewer crime events per dwelling in the Secured by Design sample.[368]

It is important to note that these outcomes do not, on the whole, reflect the 'displacement' of crime to other areas. An international review of 55 studies on crime prevention measures found that in 22 no displacement was identified, in 33 there was very limited displacement, and in six there was an actual reduction in crime in other areas as a result of the localised measures.[369]

We believe that crime reduction alone would be a sufficient basis to attract social investors, and we urge the Government to explore this option.

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366 Secured by Design, *New Homes 2014*, London: ACPO Secured by Design, 2014, pp6–7 [accessed via: www.securedbydesign.com/wp-content/uploads/2014/02/SBD-NewHomes14-lowres.pdf (22/01/16)]

367 Home Office, *An Evaluation of Secured by Design Housing within West Yorkshire*, London: Home Office, 2000, p2 [accessed via: www.popcenter.org/library/scp/pdf/04-Armitage.pdf (18/01/16)]

368 Ibid, p2

369 Hesseling RBP, *Displacement: A Review of the Empirical Literature*, Netherlands: RBP Hesseling, 1995, p217 [accessed via: www.popcenter.org/library/crimeprevention/volume_03/07_hesseling.pdf (18/01/16)]

Second, it should be possible to use financial returns from some of the most profitable London regenerations to cross-subsidise the costs of regeneration across the rest of the country. For instance, developers might only be granted the permission to a redevelopment in London on the basis that they also redevelop an estate in a less profitable area.

> The Government must find a way to regenerate the most dysfunctional estates across the country, not just those which would deliver the greatest financial return. We suggest that this could be achieved by attracting social investment and building in an element of cross-subsidy between the most and least profitable redevelopments.

6.1.2 Empowering residents in estate regeneration

Despite the enormous potential of regeneration for social good, it is important that it is done well or it may not serve the needs of the poorest. For decades, regeneration schemes have often ignored residents' wants, needs and concerns.[370] At best, consultation can be superficial. At worst it is actively manipulated with Local Authorities and developers holding back information and presenting plans as a *fait accompli*.[371]

> *'For too long developers have treated consultation as a kind of PR exercise, treating the wishes of the local community as problem to be overcome.'*
>
> Martyn Evans, Creative Director, U+I Group PLC, in evidence to the CSJ

This can make regeneration at least partly counterproductive. Professor Anne Power and her team, in their extensive study of estates throughout the 1990s and 2000s, found regeneration schemes could lead to a profound sense of disempowerment among the very tenants that they were trying to help, who felt under-informed, and without any say in what was happening.[372]

> *'There's been a lot of disruption, it's very unsettling for people. A lot of the changes they see happening, local people don't think they'll benefit from them. The general feeling from the community is that they're not really being considered. Things that are happening are out of their power.'*
>
> East London estate resident[373]

By not involving local people, the process of development is less likely to lead to the homes people want, or the neighbourhoods that actually work for low-income people – such as low-rise streetscapes.[374]

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370 Create Streets, *Pre-Budget Research Paper, Better regeneration*, London: Create Streets, 2014, pp23–24 [accessed via: www.createstreets.com/download/i/mark_dl/u/4012155729/4615118995/Better%20Regeneration%2017%20March%202014.pdf (10/12/15)]

371 Savills, *Completing London's Streets: How the regeneration and intensification of housing estates could increase London's supply of homes and benefit residents,* London: Savills, 2016, p128 [accessed via: pdf.euro.savills.co.uk/uk/residential---other/completing-london-s-streets-080116.pdf (08/01/16)]; Create Streets, *Pre-Budget Research Paper, Better regeneration*, London: Create Streets, 2014, p23 [accessed via: www.createstreets.com/download/i/mark_dl/u/4012155729/4615118995/Better%20Regeneration%2017%20March%202014.pdf (10/12/15)]

372 Power A, et al, *Family Futures: Childhood and poverty in urban neighbourhoods*, Bristol: The Policy Press, 2011, Chapter 8

373 Ibid, p247

374 Create Streets, *Pre-Budget Research Paper, Better regeneration*, London: Create Streets, 2014, pp23–24 [accessed via: www.createstreets.com/download/i/mark_dl/u/4012155729/4615118995/Better%20Regeneration%2017%20March%202014.pdf (10/12/15)]

A particularly notorious example is the regeneration of the Heygate estate, where construction is currently underway.[375] Southwark decided to regenerate the estate in 2004 and began a dialogue with residents.[376] But far from a process in which residents had ongoing, meaningful input, successive promises to tenants by the Local Authority and the developer – such as that no-one would be forced to move out before a replacement home was built and that 50 per cent of the new development would be affordable housing – were reneged upon.[377] A drawn out struggle between residents and the Local Authority and developer ensued. It took until 2013 for the Council to remove residents from the estate, often against their wishes, costing the Council £44 million.[378] What is more, the new site is a high-rise, high-value apartment complex of 2,500 units, with the 500 affordable rent homes not even replacing half the 1,194 previous social rented homes.[379]

Things can be done differently. A completely contrary example is provided by the regeneration of the Packington Estate in Islington.

Case study: regeneration of the Packington Estate[380]

In 2005 the green light was given for Hyde Housing to regenerate the rundown 1960s Packington Estate in Islington. The project is being delivered in several phases. The first phase was completed in 2010, the second in 2012, and the final phases are still ongoing.

Before the start of the regeneration, Hyde, architects and contractors held fortnightly design meetings with a representative board of residents. Each meeting focused on a specific design issue such as the size of new homes, material finishes, and landscaping. Reports of these sessions were distributed to estate residents and the wider neighbourhood through monthly newsletters.

During the consultation process, tenants expressed clear built environment preferences. Residents wanted traditional street patterns, which were introduced along with two new characteristic Islington squares. People also wanted more private open space. As a result, homes now have private gardens or generous terrace or balcony spaces.

With the consent of residents, 538 units on the original estate will become 491 homes for social rent and 300 for private sale at the point of final completion next year. The development is tenure-blind, so that it is not easy to distinguish between homes for social rent or the market. There are new shops, a community centre and a youth centre, setting the tone for a mixed community that works.

375 Southwark Council, *Heygate Estate* [accessed via: www.southwark.gov.uk/info/200183/elephant_and_castle/1124/heygate_estate (10/12/15)]; Heygate Was Home, *Broken Promises* [accessed via: heygatewashome.org/displacement.html (10/12/15)]

376 BBC News, *Heygate Estate residents fight compulsory purchase order*, 29 August 2012 [accessed via: www.bbc.co.uk/news/uk-england-london-19371334 (10/12/15)]

377 BBC News, *Heygate Estate residents fight compulsory purchase order*, 29 August 2012 [accessed via: www.bbc.co.uk/news/uk-england-london-19371334 (10/12/15)]; Heygate Was Home, *Broken Promises* [accessed via: heygatewashome.org/displacement.html (10/12/15)]

378 The Evening Standard, *Residents of the Heygate estate forced to move out*, 2 August 2013 [accessed via: www.standard.co.uk/news/london/residents-of-the-heygate-estate-forced-to-move-out-of-london-8743216.html (22/01/16)]

379 The Guardian, *Revealed: how developers exploit flawed planning system to minimise affordable housing*, 25 June 2015 [accessed via: www.theguardian.com/cities/2015/jun/25/london-developers-viability-planning-affordable-social-housing-regeneration-oliver-wainwright (10/12/15)]

380 Prince's Foundation, *Estate Regeneration: Six Steps to Success*, London: Prince's Foundation, 2015 [accessed via: www.princes-foundation.org/sites/default/files/6steps.pdf (10/12/15)]; The Guardian, *New London homes bridge the divide between rich and poor communities*, 4 December 2012 [accessed via: www.theguardian.com/society/2012/dec/04/london-homes-rich-poor-communities (10/12/15)]

While Packington was developed with a government subsidy which is not available today, the kind of mixed developments that we want to see are still achievable.

> '*It is perfectly possible as a developer to build at a profit the kind of mixed community that works for people of different socio-economic backgrounds – it's what U+I have been doing for the last decade.*
>
> '*But that is rarely at the forefront of the minds of developers when they approach big regeneration projects. Unsympathetic tower blocks are the simplest to build, and the design with which they are most familiar. Minimalisation of affordable housing and non-residential space simply maximises their profits.*
>
> '*Planners often fail to successfully to stand up to these designs. Nor does community consultation provide any kind of check.*'

Martyn Evans, Creative Director, U+I Group PLC, in evidence to the CSJ

If a new wave of regeneration is not to repeat the mistakes of the past, a direct mechanism is needed by which the designs of developers can be challenged and communities empowered *vis a vis* Local Authority planners. The kind of process described in the case of Packington – not so much *consultation* as *co-design* – can provide that: an intensive process of engagement and negotiation between different parties, including residents, Local Authority and developer.

> We recommend all estate redevelopments should be proceeded by an intensive period of co-design involving residents, architects, developers and other stakeholders.
>
> This process could result in a framework with a similar legal status as a neighbourhood plan (see below), so it is embedded in the local Development Plan.
>
> Councils should either require their development partners to fund this process as part of the competitive selection process or fund it themselves before selecting partners.

6.2 Neighbourhood planning

The Government's renewed commitment to build functioning neighbourhoods that work for the disadvantaged must not be confined to its Estate Regeneration Programme. New developments (and redevelopments beyond the scheme's remit) must also reflect the actual needs of low-income people.

This is not happening at the moment.[381] Local plans, and the London Plan, micromanage what can be built in the region while often failing to promote those design elements that people want, such as houses with private gardens rather than flats with communal outside space.[382] Compensation paid by developers for any negative impact on local people goes not to those who will be affected by developments but to the Council, who may spend it in other priorities.[383] Meanwhile, developers often push to maximise profit regardless of social impact, and planning departments sometimes appear unable or unwilling to provide an effective challenge to them.[384]

One solution to this problem is to give people the power to decide what meets the needs of their own communities and neighbourhoods. In 2011 the Government introduced a new system called neighbourhood planning, which is a significant move towards doing just that. So far 1,700 communities, representing over eight million people, have begun the process of neighbourhood planning, and in more than 100 areas voters have approved their neighbourhood plan in local referenda.[385]

Neighbourhood planning[386]

The Government introduced neighbourhood planning in the Localism Act 2011. The aim of the policy was:

■ To push decision making to the lowest level possible;

■ To give local communities a real say in shaping the areas in which they live and work;

■ To encourage local people to accept more housing by having confidence in what is built, and by rewarding local communities with neighbourhood plans with a 25 per cent of the community infrastructure levy arising from development in their areas.

As Rt Hon Greg Clark MP (then Minister of State for Decentralisation) put it: *'this is an opportunity [for people] not to be "consulted then ignored", but to wield real power.'*[387]

Neighbourhood planning is entirely 'opt-in' for communities. It takes place in a series of steps:

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381 See in particular the work of Alex Morton, including Policy Exchange, *Cities for Growth: Solutions to our planning problems*, London: Policy Exchange, 2011 [accessed via: www.policyexchange.org.uk/images/publications/cities%20for%20growth%20-%20nov%202011. pdf (22/10/15)]; Policy Exchange, *Why Aren't We Building Enough Attractive Homes? Myths, misunderstandings and solutions*, London: Policy Exchange, 2012 [accessed via: www.policyexchange.org.uk/images/publications/why%20arent%20we%20building%20enough%20 attractive%20homes.pdf (22/10/15)]; and (co-authored with Nicholas Boys-Smith), Policy Exchange, *Create Streets: Not just multi-storey estates*, London: Policy Exchange, 2013 [accessed via: www.policyexchange.org.uk/images/publications/create%20streets.pdf (22/10/15)]. It should be noted that while we agree with some of this analysis, we do not necessarily agree about the policy implications.

382 Policy Exchange, *Cities for Growth: Solutions to our planning problems*, London: Policy Exchange, 2011, pp49–62 [accessed via: www.policyexchange.org.uk/images/publications/cities%20for%20growth%20-%20nov%202011.pdf (22/10/15)]

383 Ibid, p20

384 FOReTHOUGHT, *The viability attack on social and affordable housing*, The University of Sheffield, Department of Town and Regional Planning Research Blog, 2015 [accessed via: sheffield-planning.org/2015/06/02/the-viability-attack-on-social-and-affordable-housing/ (10/12/15)]

385 Department for Communities and Local Government, *More than 100 neighbourhood planning referendums* [accessed via: social.shorthand. com/CommunitiesUK/3CgOnfQMyf/more-than-100-neighbourhood-planning-referendums (10/12/15)]

386 Department for Communities and Local Government, *Neighbourhood Planning*, London: Department for Communities and Local Government, 2012 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/229749/Neighbourhood_ planning.pdf (10/12/15)]; Locality, *Neighbourhood Plans Roadmap Guide*, London: Locality, 2013 [accessed via: locality.org.uk/wp-content/ uploads/Roadmap-worksheets-map-May-13.pdf (10/12/15)]; House of Commons Library, Briefing Paper, *Neighbourhood Planning*, London: House of Commons Library, 2015 [accessed via: researchbriefings.parliament.uk/ResearchBriefing/Summary/SN05838 (10/12/15)]; Department for Business, Innovation, and Skills, *Making Neighbourhood Planning Work* [accessed via: www.gov.uk/government/speeches/ making-neighbourhood-planning-work (10/12/15)]

387 Department for Business, Innovation, and Skills, *Making Neighbourhood Planning Work* [accessed via: www.gov.uk/government/speeches/ making-neighbourhood-planning-work (10/12/15)]

1. The 'neighbourhood' is defined and representatives are identified.

   If there is a parish or town Council they will take the lead in neighbourhood planning for their area.

   In areas without a Town or Parish Council, local people need to decide who to appoint as the neighbourhood forum to take the lead. There needs to be a minimum of 21 members. Membership should be drawn from different places in the area and different sections of the community (age, gender, sexuality, and financial means). Local Authorities must approve the group and the boundaries which are proposed for the neighbourhood plan.

2. In conjunction with local community engagement, the forum then draw up a neighbourhood plan, setting out local people's vision for the area. It may deal with a wide range of social, economic and environmental issues (such as housing and planning), or just one or two issues.

   They may also issue a Neighbourhood Development Order, by which the community can grant planning permission directly for new building to go ahead.

3. An independent examiner checks that the plan meets all the right basic standards. This includes compatibility with national planning policy, general conformity with strategic policies in the development plan for the local area, and compatibility with EU law.

4. A community referendum takes place to approve the plan.

5. The neighbourhood plan comes into legal force. Decision makers will be obliged, by law, to take what it says into account when they consider proposals for development.

The Government has indicated that it wants to encourage the expansion of neighbourhood planning in this Parliament. It is seeking to introduce measures through the Housing and Planning Bill to make the process more efficient and thus more effective.[388]

The CSJ agrees with the Government that this approach has huge potential to encourage new developments to serve the needs of the people who live in and around them.

Case study: neighbourhood planning in south Lytonstone

Patrick Edwards, Councillor for Cann Hall in Waltham Forest (where nearly a third of residents are in social housing and the rate of unemployment is twice as high as the national average) told the CSJ about why the local community were so keen to get a neighbourhood plan for their local area:[389]

'There was a strong feeling among the local community that there are significant local challenges and opportunities to living in south Leytonstone. They wanted to give a voice to these concerns in a concrete way that would go some way to ensuring that they had flesh in the game for any future development or regeneration. Cann Hall is the southernmost part of Waltham Forest and because of that Walthamstow

388 The Stationery Office Limited, House of Commons, *House and Planning Bill,* London: The Stationery Office Limited, 2015, p38 [accessed via: www.publications.parliament.uk/pa/bills/cbill/2015-2016/0075/16075.pdf (10/12/15)]

389 Cann Hall: Social Rented Sector 28 per cent, Unemployment 12.7 per cent. England: Social Rented Sector 17.3 per cent, Unemployment: 5.25 per cent. Department for Communities and Local Government, *English Housing Survey 2013: Profile of English housing report*, 2015, Annex Table 1.3 [accessed via: www.gov.uk/government/uploads/system/uploads/attachment_data/file/445373/Chapter_1_Tables_ Figures_and_Annex_Tables.xlsx (10/12/15)]; Office for National Statistics, Census 2011, Table DC6107EW – Economic Activity by sex by age [accessed via: www.nomisweb.co.uk/reports/lmp/ward2011/1140858307/report.aspx?town=cann%20hall (10/12/15)]; Office for National Statistics, Census 2011, LC4101EW – Tenure by household composition [accessed via: www.nomisweb.co.uk/query/asv2xls. aspx?Excel2007=yes& (10/12/15)]

can seem a very distant place. Life is seeping out of the high street, with a very high turnover of shop opening up then shutting down. Pubs closures are adding to an already grim picture of threadbare local amenities for families while at the same time we have increasing rental values and acute gaps in the ability of many to afford to rent. There's also considerable population churn.

'There are plans to redevelop one of the four estates in the ward that could be a massive boost for the local economy. Maintaining the levels of social housing and increasing the numbers of shared ownership properties and those for outright sale could bolster the local shops and amenities and bring a new lease of life. Cann Ward has always been something of a mixed community, and people like that. But all that potential could be lost if things aren't done well. So, in part, we want a neighbourhood plan to see the regeneration press ahead, and also to ensure that it is shaped by local people.

'It also makes sense to give people a voice through the neighbourhood planning process. The kind of people I am talking about are not used to being heard, but they have a profound expertise of the local areas problems and what makes it tick. Many of them have also lived through regenerations of the past and can tell you what did and didn't work. There's a huge amount institutional memory in our streets and on our estates that is not being tapped.'

However, the CSJ has heard that there are significant demands that neighbourhood planning puts on communities that may be difficult for disadvantaged communities to meet:

- Informal professional support, drawn from the community, to navigate the complexities and technicalities of the process;[390]
- Financial resources which can run into tens of thousands of pounds;[391]
- A significant commitment in terms of time and energy, over a period of months or even years.[392]

As a result, a poor cross-section of society is involved in neighbourhood planning. One study found that 39 per cent of published neighbourhood plans are for neighbourhoods 'least deprived' quarter of Local Authorities in England, compared with 12 per cent in the 'most deprived' quarter.[393]

Without overcoming these hurdles, there is the risk that neighbourhood planning will fail to ensure that development meets the wants and needs of deprived communities.

We recommend that greater funds be released from Local Authority planning budgets to support neighbourhood forums in disadvantaged areas.

Neighbourhood forums should be empowered to hire in relevant professional support as and when necessary.

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390 London Assembly, *Localism in London: What's the story?*, London: London Assembly, 2014, p18 [accessed via: www.london.gov.uk/moderngov/documents/s43257/15-01-22-Appendix%201-Final-Localism-Report.pdf (09/12/15)]
391 Locality, *Neighbourhood Plans Roadmap Guide*, London: Locality, 2013, p14 [accessed via: locality.org.uk/wp-content/uploads/Roadmap-worksheets-map-May-13.pdf (10/12/15)]
392 Ibid, p13
393 Turley, *Neighbourhood Planning: Plan and Deliver?*, London: Turley, 2014, p13 [accessed via: www.turley.co.uk/sites/default/files/uploads/news/Turley_%20Neighbourhood%20Planning_March_2014.pdf (10/12/15)]

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