

# SOCIAL HOUSING AND EMPLOYMENT

Helping social housing be  
the springboard to a better life

July 2018



## CSJ Housing Commission

Since its inception in 2004 the Centre for Social Justice (CSJ) has worked to identify and reverse the root causes of poverty: worklessness; educational failure; family breakdown; addiction; and serious personal debt. But also vital in tackling poverty is providing the foundation all individuals need to flourish: a safe and secure place to live.

While the full causes and consequences of the tragedy remain unclear, the fire that engulfed Grenfell Tower in 2017 shone a spotlight onto the quality of social and affordable housing provision in this country and the living conditions of the poorest.

The CSJ has established a Commission to address this and has been asked to report its findings back to government. Over the coming year, we will investigate a wide range of housing issues shaping the experiences of society's most disadvantaged.

We will look to put forward politically and financially feasible recommendations that can be enacted during this Parliament to drive change for people living in poverty.

Social Housing and Employment  
Helping social housing be the springboard to a better life  
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# About the Centre for Social Justice

Established in 2004, the Centre for Social Justice (CSJ) is an independent think tank that studies the root causes of Britain's social problems and addresses them by recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst 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 ground-breaking 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. Furthermore, 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 13 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 2018 and beyond, we will continue to advance the cause of social justice in this nation.

“

I previously suffered with depression and mental illness. My confidence was knocked, because I'd not worked for approximately eight years... [But] I've turned a massive corner. I now want to go out to work whereas before I lived in the duvet, in the house. I didn't go out – couldn't even get on a bus. And now I can do all that, through literally someone believing in me.

Plymouth Community Homes resident and Learn for Free trainee, submitted in evidence to the CSJ

# Executive summary

Households living in social housing are over twice as likely to be out of work as private renters, and over four times more likely than owner-occupiers.

The Government has announced its intention to bring forward a social housing Green Paper in 2018 which 'will inform both government policy and the wider debate for many years to come'.<sup>1</sup> The publication of the White Paper, *Fixing our Broken Housing Market* (2017), indicated that the Government would be more 'flexible' with the supply of housing in the social rented sector,<sup>2</sup> departing from prior governments' focus on starter homes and homeownership. In her party conference speech the Prime Minister went further, promising 'a new generation of council homes' in the parts of the country where the need is greatest.<sup>3</sup>

This report, while focusing on the social housing sector in view of the forthcoming Green Paper, sets aside exploring the question of 'supply' as the subject of future CSJ Housing Commission research. Here, having travelled the country to consult with experts across the sector, and utilising a new analysis of Labour Force Survey data and a number of in-depth case studies,<sup>4</sup> we emphasise that the current drive to boost supply must not distract from other important housing policy objectives.

Specifically, it should not come at the cost of decreased support and incentives for housing associations to run life-changing initiatives that help disadvantaged residents enter the labour market and gain greater independence.

Social housing at its best, we believe, should be the springboard to a better life.

We make a number of recommendations which ensure that this ambition is placed at the heart of the social housing agenda. We recommend that the Government should:

- Ensure that the Regulator of Social Housing (RSH) recognises and better utilises social housing providers' potential to run transformative employment programmes;
- Develop a framework for closer partnerships between the Department for Work and Pensions and housing associations, in order to deliver bespoke employment support to social residents distant from the labour market;
- Grow the knowledge base by championing a national body for best practice which builds on existing membership organisations, and develop a rigorous and shareable model for evaluation; and
- Equip housing associations with the means to commission partners that can contribute social value, through a modern digital platform.

1 Ministry of Housing, Communities & Local Government (MHCLG), 'Sajid Javid's speech to the National Housing Federation conference', 19 Sep 17 [[www.gov.uk/government/speeches/sajid-javids-speech-to-the-national-housing-federation-conference-2017](http://www.gov.uk/government/speeches/sajid-javids-speech-to-the-national-housing-federation-conference-2017)]

2 Department for Communities and Local Government, *Fixing our broken housing market*, Feb 17 [[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590464/Fixing\\_our\\_broken\\_housing\\_market\\_-\\_print\\_ready\\_version.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf)]

3 BBC News, 'Theresa May announces £2bn for council homes expansion', 4 Oct 17 [[www.bbc.co.uk/news/uk-politics-41502601](http://www.bbc.co.uk/news/uk-politics-41502601)]

4 In the course of this research, the CSJ consulted with dozens of experts in the housing and employment sector, and received submissions documenting the views of social housing residents with experience of employment and training programmes led by housing associations.

# Acknowledgements

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We would also like to thank the sponsors of this report:

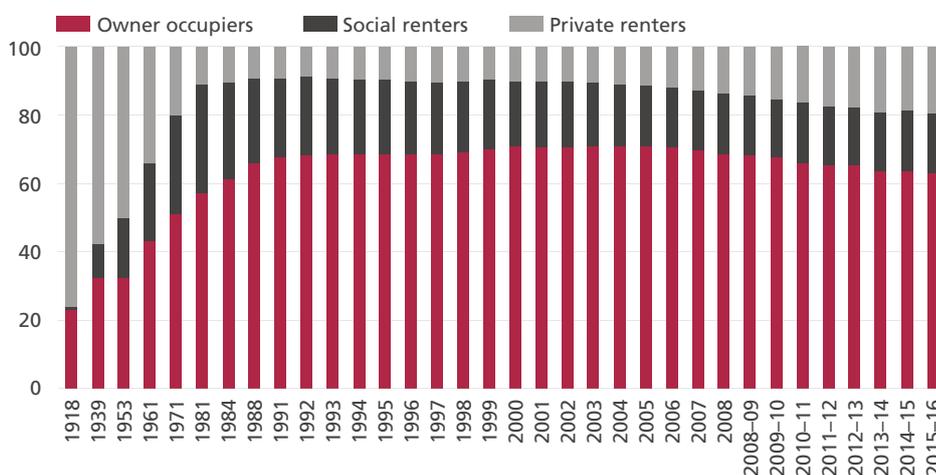


## chapter one

# Social housing, disadvantage and employment

In forty years the social housing sector has evolved amid wider transformations to housing tenure in England. For one, the proportion of households living in social housing has shrunk significantly. At its peak in 1981, nearly a third of all households rented in the social sector.<sup>5</sup> Kickstarted by Margaret Thatcher's policy to provide residents with the Right to Buy their council houses, over 1.5 million households had left the sector by 2016. A notable turning point was marked in 2011 when the number of households living in social housing was overtaken by those in the private rented sector.<sup>6</sup>

Figure 1: Trends in tenure in England, %



Source: MHCLG, Live Table FT1101

Moreover, the proportion of social housing let by housing associations – that is, ‘private registered providers’ (both non-profit and profit-making) as opposed to councils – has risen as associations have simultaneously grown in number and size.<sup>7</sup> One in ten households

5 MHCLG, Live Table FT1101 [[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/680495/FT1101\\_Trends\\_in\\_tenure.xlsx](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/680495/FT1101_Trends_in_tenure.xlsx)]

6 Ibid

7 Ibid

in England now live in homes let by housing associations, compared to seven per cent in council let homes.<sup>8</sup>

Yet the social housing sector continues to account for a significant share of the population's housing, amounting to 17 per cent of all homes and 3.9 million households.<sup>9</sup> Demand for social housing places has remained high. Over 1.1 million households were on local authority waiting lists in April 2017.<sup>10</sup> More than 100,000 people have been on social housing waiting lists for five years, and tens of thousands others for over a decade.<sup>11</sup> Pressure on the national and local system of allocation – as well as policy choices by successive governments – has seen social housing become increasingly allocated to the individuals and families deemed most in need, a process sometimes termed 'residualisation'.

One study found that social housing in 2010 was three times more 'residualised' than in 1970.<sup>12</sup> It is worth noting that, since 2010, powers introduced by the Coalition Government's Localism Act (2011) granted social housing providers greater discretion over their allocation policies, allowing them to deny access to applicants on the basis of their criminal history, existing rent arrears, or 'connection' to the local area.<sup>13</sup> This has led some to argue that the most disadvantaged individuals, including the homeless, have been increasingly squeezed out of the social housing sector by such barriers.<sup>14</sup>

However, while this paper makes no suggestion of *causality* between housing tenure and disadvantage, it is clear that a longer-term process of 'residualisation' has meant that social housing now accommodates individuals who display a range of disadvantages more typically than people living in other tenures. This remains the case even as, since 2011, government guidelines have allowed for less subsidised forms of social housing, such as 'Affordable Rent' (meaning up to 80 per cent of private market rates), to exist within the sector.<sup>15</sup>

For example, the income distribution across housing tenures has shifted substantially. Social housing was once comprised of a variety of different income groups (leading many, including the Coalition Government more recently, to argue that poorer taxpayers had been unfairly 'subsidising' the lives of better off social residents paying below market rate rents).<sup>16</sup> Perhaps demonstrating this most starkly is that, in 1979, a fifth of the *richest ten per cent* of the country lived in social housing.<sup>17</sup> Now, however, over two-thirds of social residents have incomes in the bottom 40 per cent.<sup>18</sup>

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8 Ibid

9 Ibid

10 MHCLG, *Local authority housing statistics: Year ending March 2017, England*, Jan 18 [[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/674337/Local\\_Authority\\_Housing\\_Statistics\\_England\\_year\\_ending\\_March\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/674337/Local_Authority_Housing_Statistics_England_year_ending_March_2017.pdf)]

11 LocalGov, 'Thousands stuck on council house waiting lists for over a decade', 17 Jan 17 [[www.localgov.co.uk/Thousands-stuck-on-council-house-waiting-lists-for-over-a-decade/42366](http://www.localgov.co.uk/Thousands-stuck-on-council-house-waiting-lists-for-over-a-decade/42366)]

12 J Pearce and J J Vine, 'Quantifying residualisation: the changing nature of social housing in the UK', *Housing and the Built Environment*, 29: 657, Nov 14 [<https://link.springer.com/article/10.1007%2Fs10901-013-9372-3>]

13 See, S Rowe and T Wagstaff, *Moving On: Improving access to housing for single homeless people in England*, London: Crisis, Oct 17 [[www.crisis.org.uk/media/237833/moving\\_on\\_2017.pdf](http://www.crisis.org.uk/media/237833/moving_on_2017.pdf)]

14 Ibid

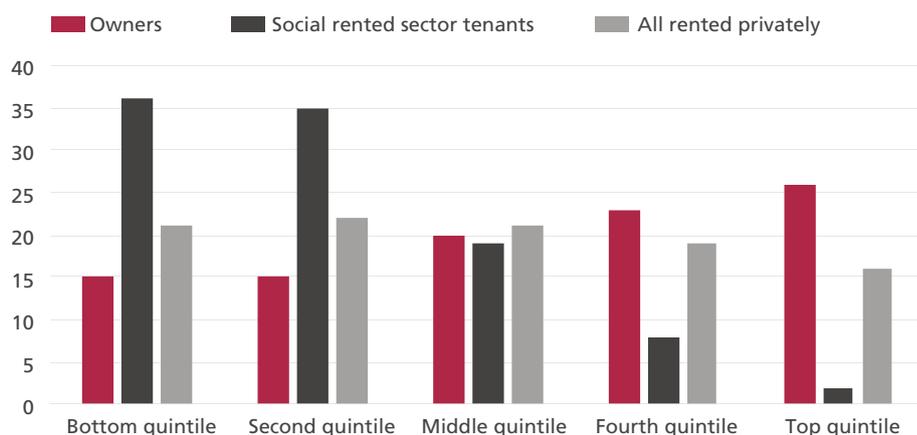
15 See Appendix 3 in MHCLG, *2010 to 2015 government policy: rented housing sector*, May 15 [[www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector#appendix-3-providing-affordable-homes-for-rent](http://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector#appendix-3-providing-affordable-homes-for-rent)]

16 See, for example, the Coalition's housing strategy, *Laying the Foundations: A Housing Strategy for England*, Nov 11 [[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/7532/2033676.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7532/2033676.pdf)]

17 J Hills, *Ends and Means: The Future Roles of Social Housing in England*, Centre for Analysis of Social Exclusion, Feb 07 [[http://eprints.lse.ac.uk/5568/1/Ends\\_and\\_Means\\_The\\_future\\_roles\\_of\\_social\\_housing\\_in\\_England\\_1.pdf](http://eprints.lse.ac.uk/5568/1/Ends_and_Means_The_future_roles_of_social_housing_in_England_1.pdf)]

18 MHCLG, *English Housing Survey 2015 to 2016: social rented sector*, Jul 17, Annex Table 1.6 [[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/626904/Social\\_rented\\_sector\\_report\\_Chapter\\_1.xlsx](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/626904/Social_rented_sector_report_Chapter_1.xlsx)]

Figure 2: Quintile distribution of income for individuals by housing tenure, 2016–17, %

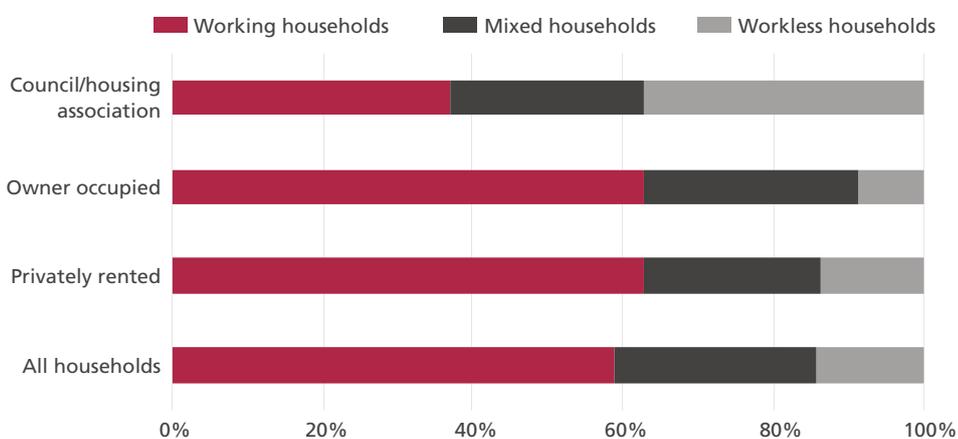


Source: DWP, HBAI, 1994/95 to 2016/17: population data tables, UK<sup>19</sup>

Many people living in social housing are distant from the labour market. Labour Force Survey data of households containing at least one working age member (16–64) reveal sharp disparities in the percentage of working, mixed and workless households across different housing tenures. As shown in Figure 3, households are over four times more likely to be without work if they happen to be living in social housing.

Of 1.1m children living in long-term workless households, 673,000 live in social housing.

Figure 3: Households by housing tenure and combined economic activity status of household members, January–March 2018, %



Source: Labour Force Survey, 2018

The English Housing Survey indicates similar disparities, with over one in five social residents found to be economically inactive, compared to an average of seven per cent for other tenures.<sup>20</sup> The same data suggests there are pockets of unemployment persisting among

<sup>19</sup> DWP, HBAI, 1994/95 to 2016/17: population data, Mar 18, Table 3.2db tables [www.gov.uk/government/uploads/system/uploads/attachment\_data/file/692037/population-hbai-detailed-breakdown-2016-17-tables.ods]

<sup>20</sup> MHCLG, English Housing Survey 2016 to 2017: headline report, Jan 18, Table 1.3 [www.gov.uk/government/uploads/system/uploads/attachment\_data/file/676433/2016-17\_Section\_1\_Households\_Annex\_Tables.xlsx]

people living in social housing, who are shown to be twice as likely to be unemployed than private renters, and over nine times more likely than owner occupiers.<sup>21</sup>

Just 43 per cent of households living in social housing had members in full- or part-time work, compared to 61 per cent of owner-occupiers and 74 per cent in the private rented sector.<sup>22</sup>

Individuals facing complex and multiple disadvantages are also more prevalent in the social housing sector. For example, nearly half of all people living in social housing have a long-term illness or disability – the highest proportion of any tenure.<sup>23</sup>

The Learning and Work Institute have found that 77 per cent of disabled social residents are also not in work.<sup>24</sup> The employment rate for disabled social residents (23 per cent) is thus less than half the national average across all tenures (49.6 per cent).<sup>25</sup>

Of 1.1 million children living in long-term workless households – that is, where all family members over 16 have been out of work for over a year (or have never worked) – 673,000 live in social housing.<sup>26</sup> Children growing up in workless families are almost twice as likely as children in working families to fail at every stage in their education.<sup>27</sup> They are also more likely to suffer from worklessness themselves as adults.<sup>28</sup>

Disadvantage is, of course, not limited to the social housing sector. As the CSJ argued in our 2016 report *Home Improvements*, the rise of households – and increasingly families – living in the private rented sector since 2010 requires new policy thinking to support those at risk of, or living in, poverty. Often, private renters lack the security of tenancy, quality of housing, and ancillary support that many social residents are able to access, which is why we also called for increased government investment in Social Letting Agencies.<sup>29</sup> Trust for London analysis of DWP datasets in 2017 found that the *number* of people living in poverty in the private rented sector began to exceed those living in social housing in 2011.<sup>30</sup>

But despite this, it remains the case that the social sector houses many of the most disadvantaged people in society, and this should be recognised in the forthcoming social housing Green Paper.

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21 Ibid

22 Ibid

23 MHCLG, *English Housing Survey 2015 to 2016: social rented sector*, Jul 17, Annex Table 1.7

24 T Wilson et al, *Worklessness, welfare and social housing A report for the National Housing Federation*, Jul 15, Centre for Economic and Social Inclusion (now Learning and Work Institute) [[www.learningandwork.org/wp-content/uploads/2017/01/NHF-CESI-FULL-Report-FINAL.pdf](http://www.learningandwork.org/wp-content/uploads/2017/01/NHF-CESI-FULL-Report-FINAL.pdf)]

25 Office for National Statistics (ONS), *Economic activity of people with disabilities*, Aug 17, Table A08 [[www.ons.gov.uk/file?uri=/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusofdisabledpeoplea08/current/a08aug2017.xls](http://www.ons.gov.uk/file?uri=/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusofdisabledpeoplea08/current/a08aug2017.xls)]

26 ONS, *Number and percentage of children living in long-term workless households*, Nov 17 [[www.ons.gov.uk/file?uri=/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/ichildrenlivinginlongtermworklesshouseholdsandworklesshouseholdsbyhousingtenure/2016/cilwhi.xls](http://www.ons.gov.uk/file?uri=/employmentandlabourmarket/peoplenotinwork/unemployment/datasets/ichildrenlivinginlongtermworklesshouseholdsandworklesshouseholdsbyhousingtenure/2016/cilwhi.xls)]

27 DWP, *Improving Lives: Helping Workless Families*, Apr 17 [[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/621364/improving-lives-helping-workless-families-web-version.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/621364/improving-lives-helping-workless-families-web-version.pdf)]

28 Ibid

29 In forthcoming research, the CSJ Housing Commission will explore ways vulnerable renters in the private sector can be better supported in the journey out of poverty.

30 See Trust for London, *Poverty and housing tenure* [[www.trustforlondon.org.uk/data/poverty-and-housing-tenure/](http://www.trustforlondon.org.uk/data/poverty-and-housing-tenure/)]

As shown in chapter 2, many social housing providers present unique opportunities to not only supply homes for disadvantaged tenants, but provide employment and skills support to some of the individuals and communities hardest to reach. Even as we maintain record levels of employment overall, the Government should be actively exploring ways to better support those who continue to be disproportionately blocked from the advantages of work.

Indeed, for individuals distant from the labour market, it is vital that these opportunities are utilised. For as the CSJ have long argued – and as is now well recognised by government – work can provide a key route out of poverty.<sup>31</sup>

A Department for Work and Pensions (DWP) study tracing out-of-work families found that just under three quarters of families (74 per cent) who gained full-time employment were found to have ‘exited’ relative poverty a year on.<sup>32</sup>

Those most likely to have ‘exited’ poverty by this (admittedly imperfect) measure were children in families that had increased their earnings by moving from part employment to full employment (75 per cent).<sup>33</sup> Much other research highlights the importance of progression in work and upskilling in the longer-term fight against poverty.<sup>34</sup>

In recent years close attention has, rightly, been given to the issue of in-work poverty and wage stagnation. The DWP’s income statistics show that 57 per cent of all working-age adults with ‘relative low income’ – that is, where their annual earnings fall below 60 per cent of the weekly median income – were in fact in employment.<sup>35</sup> Work should not therefore be construed as the silver bullet to solving poverty.

But nor should the aggregate figures disguise the fact that individuals are *much more likely* to be in poverty if they are out of work.

In 2016/17, one in ten working-age adults in working families had ‘relative low income’.<sup>36</sup> This compares to over one in three (38 per cent) in workless families.<sup>37</sup> In the same period, 15 per cent of children in working families were in the ‘relative low income’ bracket, compared to 50 per cent in workless families.<sup>38</sup>

31 See DWP, ‘One million people lifted out of absolute poverty’, Press Release, Mar 18 [[www.gov.uk/government/news/one-million-people-lifted-out-of-absolute-poverty](http://www.gov.uk/government/news/one-million-people-lifted-out-of-absolute-poverty)]

32 DWP, *Child poverty transitions: Exploring the routes into and out of child poverty, 2009–2012*, Jun 15 [[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/436482/rr900-child-poverty-transitions.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/436482/rr900-child-poverty-transitions.pdf)]

33 With ‘full employment’ defined as lone parents working 30 or more hours per week, or couples where both parents are working and at least one of them is working 30 or more hours per week; and ‘part employment’ defined as lone parents working fewer than 30 hours per week, couples both working fewer than 30 hours per week, or couples with one parent working the other workless.

34 K Lawton, *Nice Work if You Can Get It: Achieving a Sustainable Solution to Low Pay and In-work Poverty*, London: IPPR, 14 [[www.ippr.org/files/images/media/files/publication/2011/05/nice%20work%20if%20you%20can%20get%20it\\_1671.pdf](http://www.ippr.org/files/images/media/files/publication/2011/05/nice%20work%20if%20you%20can%20get%20it_1671.pdf)]; P Spencer, *The Great British Breakthrough: Driving productivity growth in the UK*, London: Centre for Social Justice, Sep 17 [[www.centreforsocialjustice.org.uk/core/wp-content/uploads/2017/09/CSJJ5710\\_Productivity\\_report\\_WEB-170918.pdf](http://www.centreforsocialjustice.org.uk/core/wp-content/uploads/2017/09/CSJJ5710_Productivity_report_WEB-170918.pdf)]

35 DWP, *Households Below Average Income: An analysis of the UK income distribution: 1994/95–2016/17*, Mar 18 [[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/691917/households-below-average-income-1994-1995-2016-2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/691917/households-below-average-income-1994-1995-2016-2017.pdf)]

36 Ibid

37 Ibid

38 Ibid

As also long argued by the CSJ, tackling the root causes of poverty requires much more than simply raising earnings above an arbitrary income line. Family breakdown, addiction, educational failure and serious personal debt are all equally capable of holding individuals, and whole families, back.<sup>39</sup>

Yet the role of appropriate work in alleviating poverty – and its potential not just to increase earnings but to improve physical and mental health and wellbeing<sup>40</sup> – is now strongly established.

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39 See CSJ, *Breakthrough Britain 2015: An overview*, London: CSJ, Sep 14 [[www.centreforsocialjustice.org.uk/library/breakthrough-britain-2015-overview](http://www.centreforsocialjustice.org.uk/library/breakthrough-britain-2015-overview)]

40 One of the most influential studies on this was the independent review published by DWP in 2006: Waddell G, Burton AK., *Is Work Good for your Health and Well-being?*, London: TSO, 06 [[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/214326/hwwwb-is-work-good-for-you.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214326/hwwwb-is-work-good-for-you.pdf)]

## chapter two

# Housing associations and employment programmes

While the primary function of housing associations<sup>41</sup> is to provide housing, in practice their role can extend well beyond this. Second to the Jobcentre Plus, they are often the institution with the ability to work most closely with individuals facing barriers to the workplace. Indeed, many housing associations already commit significant funds towards supporting their residents with skills and employment. Clarion Housing Group, for example, spend £10 million annually aiming to improve the lives of their tenants, with much of this devoted to training and work programmes.<sup>42</sup>

Housing associations are well placed to make positive interventions in the lives of those seeking employment because of the key characteristics they often share, as outlined by the National Housing Federation. They:

- have uniquely personal relationships with their residents;
- operate in some of the country's most deprived areas;
- typically take a long-term approach to working with their residents and the communities in which their homes are based; and
- can be major employers in their own right, with established supply chains which can provide further employment opportunities.<sup>44</sup>

Housing associations' access to disadvantaged members of society has in some places increased as the sector has 'residualised'. As demonstrated by the Centre for Cities, high proportions of people with no qualifications are clustered in areas that have an above average number of social housing tenancies.<sup>45</sup> Given the disproportionately high rates of unemployment and shortage of skills in these areas, many social housing providers maintain relationships with a key target group of skills and employment policy.

In 2014, over a third (39%) of housing associations offered employment and skills support.<sup>43</sup>

41 While this paper places particular emphasis on the role of housing associations, many of its recommendations are applicable to other forms of social housing, including that managed by local authorities and/or ALMOs.

42 Clarion Housing Group, *Annual Report and Accounts 2016/2017* [[www.clarionhg.com/media/6298720/clarion-annual-report-201617.pdf](http://www.clarionhg.com/media/6298720/clarion-annual-report-201617.pdf)]

43 National Housing Federation, *A Home, A Job, A Future*, Oct 17 [[www.clarionhg.com/media/6408113/a-home-a-job-a-future-nhf-report.pdf](http://www.clarionhg.com/media/6408113/a-home-a-job-a-future-nhf-report.pdf)]

44 Ibid

45 M William, *Delivering change: What Housing Associations can tell us about employment and skills*, Centre for Cities, Jun 15 [[www.centreforcities.org/reader/delivering-change-housing-associations-can-tell-us-employment-skills/skills-unemployment-challenge-within-cities](http://www.centreforcities.org/reader/delivering-change-housing-associations-can-tell-us-employment-skills/skills-unemployment-challenge-within-cities)]

This includes not only individuals who are unemployed, but also people in low-skilled work who may find themselves stuck on low pay – a key target group for boosting overall productivity and wages.<sup>46</sup> Moreover, with the often strong understanding they have of the circumstances and needs of the individuals in their lets, many housing associations are well suited to engaging those most distant from the labour market – including the long-term economically inactive, disabled people who are seeking work, and the ‘digitally excluded’ – with the care and sensitivity required to do so effectively.

Indeed, it is in their interests to. There is evidence to suggest that improving the health, employability and financial capability of their residents not only empowers those individuals, but it helps secure stable rents for housing associations.

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 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

In 2010/11, housing associations ran 1,000 projects designed to create jobs and help people into work, with around 270,000 people taking part.<sup>49</sup>

It is for this reason, among others, that a third of housing associations see supporting their residents, and the wider community, into employment, education or training as a top priority for their organisation.<sup>47</sup>

Many housing associations are also large employers, with sprawling supply chains and a range of commercial partnerships. Housing associations can therefore offer genuine employment experiences and opportunities not only in-house, but within their wider networks across a variety of workplaces. It has been noted by others that housing associations’ active role in local communities, and the relationships they build in doing this, enables them to identify employment and training opportunities beyond those within their own organisation and supply chains.<sup>48</sup>

46 CSJ, *The Great British Breakthrough: Driving productivity growth in the UK*, Sep 17 [www.centreforsocialjustice.org.uk/core/wp-content/uploads/2017/09/CSJJ5710\_Productivity\_report\_WEB-170918.pdf]

47 National Housing Federation, *A Home, A Job, A Future*, Oct 17 [www.clarionhg.com/media/6408113/a-home-a-job-a-future-nhf-report.pdf]

48 See above, note 45

49 ERSa and GUAC, *The Housing and Work Manifesto 2015: Releasing the potential of social housing in employment support*, 2015 [http://ersa.org.uk/system/files\_force/Housing%20Manifesto%20final%20draft\_0.pdf?download=1]

The continued importance of this aspect of housing associations' role in supporting residents with employment should not be understated.

Nor should the savings to the taxpayer through engagement and employment programmes. Effective support, although notoriously difficult to assess with complete confidence, can limit the need for costly government expenditure beyond solely the welfare bill; for example, in health, criminal justice, and other demands upon the public purse.<sup>50</sup> Yarlington Housing Group, whose subsidiary Inspired2Achieve programme has helped 779 people into work since 2015, found these employment outcomes to have not only saved the Department for Work and Pensions £9,800 per JSA claimant and £8,632 per ESA claimant annually, but also to have benefitted the local economy by £4,810 and £5,068 respectively.<sup>51</sup>

Our research, however, finds that some housing associations do not feel fully supported to carry out this often unrecognised role. And nor are housing associations fully utilised by government to help foster independence and boost the incomes of some of the most disadvantaged people in society.

We have identified key ways for both the Government and housing associations themselves to maximise the life-changing potential of the social housing sector. These are set out in the following chapters.

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50 See, for example, the Housing Associations' Charitable Trust (HACT) Wellbeing Calculator, which determines Social Return on Investment: [www.hact.org.uk/value-calculator](http://www.hact.org.uk/value-calculator)

51 See: [www.inspired2achieve.net/success](http://www.inspired2achieve.net/success)

## chapter three

# The regulation of social housing should incentivise employment initiatives

A strong consensus has emerged that there is a serious shortage of housing in England. And, as pointed out by the Prime Minister, the 'shortage of housing in this country reinforces inequality' by impacting the poorest most acutely.<sup>52</sup> Recent research has shown that housing costs for people earning around £16,000 a year increased by 45 per cent between 2010 and 2016 in the UK, compared to an average rise of 10 per cent for the lowest earners across Europe.<sup>53</sup>

The Government is understandably exerting greater pressure upon local authorities, private developers and other housing providers to increase the supply of housing.<sup>54</sup>

The growing size and building capacity of housing associations is increasingly recognised as an important weapon in this arsenal. Five registered housing providers owned more than 50,000 units of social housing stock each in 2017, with these five providers alone accounting for over 10 per cent of all stock within the sector.<sup>55</sup> Demonstrating their ability to deliver a not insubstantial number of houses, housing associations completed over 38,000 homes in 2016/17.<sup>56</sup>

Government has therefore set increases to social housing rents to Consumer Price Index (CPI) plus one per cent for five years from 2020, with the aim of providing both councils and housing associations with the financial stability they need to enable more building.

52 No10, 'PM speech on making housing fairer: 5 March', 5 March 18 [[www.gov.uk/government/speeches/pm-speech-on-making-housing-fairer-5-march](http://www.gov.uk/government/speeches/pm-speech-on-making-housing-fairer-5-march)]

53 *Guardian*, 'UK surge in housing costs for poorest 'worst in western Europe'', 21 Mar 18 [[www.theguardian.com/society/2018/mar/21/uk-europe-housing-cost-rise-lowest-earners-report](http://www.theguardian.com/society/2018/mar/21/uk-europe-housing-cost-rise-lowest-earners-report)]

54 See No10, 'PM speech on making housing fairer', Press Release, 5 Mar 18 [[www.gov.uk/government/speeches/pm-speech-on-making-housing-fairer-5-march](http://www.gov.uk/government/speeches/pm-speech-on-making-housing-fairer-5-march)]

55 Homes and Communities Agency (HCA), *Private registered provider social housing stock in England 2016–2017*, Mar 17 [[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/693693/SDR\\_Statistical\\_Release\\_2017\\_Full\\_v1.1.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693693/SDR_Statistical_Release_2017_Full_v1.1.pdf)]

56 National Housing Federation, *How many homes did housing associations build in 2016/17?*, May 17 [[http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/How\\_many\\_homes\\_did\\_housing\\_associations\\_build\\_in\\_2016-17.pdf](http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/How_many_homes_did_housing_associations_build_in_2016-17.pdf)]

This is a welcome response to the current housing crisis of affordability. However, during the course of this research we have heard loudly from housing association leaders and staff that the drive to increase supply risked coming at the cost of the 'social role' many providers play. This included the wider forms of employment and skills support available to disadvantaged tenants.

Reforms to welfare have successfully pushed the need to support tenants with employment, skills, and financial capability up the agenda. Universal Credit (UC) brings to an end the payment of Housing Benefit to social landlords – instead, in most cases UC is paid directly into a claimant's account.<sup>57</sup> This means that housing providers have a greater incentive to ensure that their tenants have the capability to pay their rent themselves. In direct response to the introduction of UC, 61 per cent of housing associations said their employment and skills support would increase.<sup>58</sup>

This is a welcome outcome in light of the welfare reforms' aims to better equip individuals with the financial skills expected of those living in other housing tenures, and, ultimately, the independence needed to thrive.

But to fulfil this ambition the Government should go further.

This could be achieved through changes to the way social housing is regulated. The objectives of the Regulator of Social Housing (RSH) are summarised in the statutory guidance as follows; to:

- protect social housing assets;
- ensure providers are financially viable and properly governed;
- maintain confidence of lenders to invest into the sector;
- encourage and support supply of social housing;
- ensure residents are protected and have opportunities to be involved in the management of their housing; and
- ensure value for money in service delivery.

In line with the focus on increasing supply, and following a statutory consultation, a new Value for Money Standard came into effect in April 2018, which requires housing associations, 'through their strategic objectives, [to] articulate their strategy for delivering homes that meet a range of needs'.<sup>59</sup> The regulation sets out value for money metrics which are applicable to all private registered providers, but emphasises that, while these 'are financially focused, providers will be able to also set performance targets themselves to reflect social outcomes, appropriate to their objectives'.<sup>60</sup>

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57 HM Government, *Universal Credit and rented housing – frequently asked questions*, London: HM Government, 2016, [www.gov.uk/government/uploads/system/uploads/attachment\_data/file/491047/uc-rented-housing-faq-Jan16.pdf]

58 NHF, *A Job, A Home, A Future*

59 Regulator of Social Housing (RSH), *Value for Money Standard*, Apr 18 [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/694821/VfM\_Standard\_April\_2018.pdf]

60 See HCA, 'Regulator publishes a response to the Value for Money consultation', Press Release, 9 Mar 18 [www.gov.uk/government/news/regulator-publishes-a-response-to-the-value-for-money-consultation]

Elsewhere in the regulations, a set of Tenant Involvement and Empowerment Standards are incumbent upon housing providers. These include measures aiming to ensure that social landlords give tenants a range of opportunities to be involved in ‘the formulation of their landlord’s housing-related policies and strategic priorities’.<sup>61</sup>

Within the Tenant Involvement and Empowerment Standards, however, there is no clause which recognises the importance of ‘empowerment’ beyond residents’ ability to participate in the management of their homes. It was also noted by 20 respondents (over 11 per cent) to the Government’s consultation on the Value for Money Standards that these ‘did not address social value/charitable objectives as much as they felt it should’.<sup>62</sup>

In response, the Government accepted in its Decision Statement that there would be a greater recognition of how the social outcomes housing associations often pursue interact with their wider financial strategies, acknowledging that they may also ‘at times opt not to receive maximum return from an asset instead taking the decision to accept a lower return in furtherance of their social objectives’.<sup>63</sup>

This nuance is welcome. But good practice, such as that seen in Case study 1 below, continues – we are told – to be insufficiently recognised by the regulatory framework and carried out ‘in spite’ of, rather than underpinned by, it. With only 39 per cent offering employment support at the most recent count,<sup>64</sup> housing associations are arguably not being fully incentivised to maximise their transformative potential. Given housing associations’ capacity to offer support with the inclusivity and sensitivity needed to engage those furthest from the labour market, this represents a significant missed opportunity.

### Case study 1: Plymouth Community Homes, Learn for Free

Plymouth Community Homes (PCH) is a housing association that provides around 14,000 homes for families in Plymouth.<sup>65</sup> It houses around one fifth (45,000) of the city’s population, in areas with high levels of health inequality, low incomes, and worklessness. Nearly two thirds of its residents are benefit recipients.

In one neighbourhood, North Prospect, a major regeneration programme is underway. This, PCH told the CSJ, has been a cause of anxiety to some residents, and so the associations Communities Team wanted to better engage tenants in the process of regeneration – and use the opportunity to reduce worklessness, improve skills and confidence, and help tenants get online.

To this end, PCH initiated the Learn for Free training programme. Its effectiveness, PCH argue, is rooted in successfully engaging tenants through the relationship it maintains and builds with its residents. This enables the association to serve as the bridge to formal training and work-programme provision, helping tenants meet their Claimant Commitment (the contract style welfare agreement claimants sign at the Jobcentre Plus) based on a different relationship than the one they may have with formal provision/agencies.

61 HCA, *Tenant Involvement and Empowerment Standard*, Jul 17 [[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/628396/Tenant\\_Involvement\\_and\\_Empowerment\\_Standard.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/628396/Tenant_Involvement_and_Empowerment_Standard.pdf)]

62 RSH, *Consultation on a revised Value for Money Standard and new Code of Practice: Decision Statement*, Mar 18 [[www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/686959/VfM\\_consultation\\_Decision\\_statement.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/686959/VfM_consultation_Decision_statement.pdf)]

63 Ibid

64 See above, note 43

65 Case study submitted in evidence to the CSJ

PCH developed a three-pronged approach in order to widen accessibility to the programme, set out as follows:

1. Financial inclusion: all training was offered free to the tenant, with an expenses policy that reimbursed the cost of travel and care. Work clubs were held as locally as possible to reduce the cost of travelling, and arrangements put in place to provide free printing, photocopying and a USB stick for job-seekers. Free wifi and use of IT equipment was made available at the courses and work clubs.
2. Social inclusion: all training and work clubs were designed to be as friendly, welcoming and as informal as possible. PCH ensured to build relationships on the basis of trust to provide opportunities to build confidence. The association also ensured that external partners were selected who shared the same inclusive values.
3. Accessibility: PCH's detailed profiling information enabled it to recognise that around half of its tenants have a self-declared disability or long term limiting health condition. Level access and disability friendly facilities were made available at its headquarters building Plumer House, where much of the training was held. PCH also maintained a hearing loop on site, providing information in different languages and formats, as well as extra staff to support tenants with low literacy to engage with training.

Learn for Free delivered a total of 685 sessions of support at work clubs helping vulnerable residents develop essential skills for work-readiness, including 1,514 hours of IT help attended by 119 people at computer clubs and 18 pop-ups attended by 67 residents. Two cohorts were admitted onto its North Prospect Skills Training Academy, where a total of 23 students were involved directly in the regeneration of the area.

Some 750 training spaces were taken up on the programme overall, leading to:

- 56 receiving an Emergency First Aid certificate;
- 62 receiving a Food Hygiene Level 1 certificate; and
- 27 receiving a Food Hygiene level 2 certificate.

One resident demonstrated how this had assisted in her work progression:

*I'm a waitress in a chip shop. I was just a member of staff really – just going in, doing my job and going [home]. Whereas now I've got my food and hygiene and first aid, which has made me into a supervisor.*

The programme also enabled tenants distant from the labour market to make the initial, arguably most difficult, steps into the workplace – with 26 confirmed job outcomes secured for previously workless residents. One tenant who had undertaken a four-day Employment Skills course said:

*This course has been very helpful. Having found myself unemployed after working for 30 years, job hunting is very new for me. I now have more confidence when applying for jobs and when I get an interview. Thank you.*

For its commitment to inclusivity and success at engaging excluded tenants facing multiple disadvantages, the Learn for Free training programme won the 2017 National 'Excellence in Employment Skills and Training' Award presented by Tpas, the expert tenant engagement body.<sup>66</sup>

66 Tpas, 'Tpas National Final Shortlist & Winners', Press Release, 17 Jul 17 [<http://www.tpas.org.uk/tpas-news/tpas-national-final-shortlist-winners-2017>]

## Recommendation 1

The formation of Homes England (HE) and a separate Regulator of Social Housing (RSH) out of the Home and Communities Agency (HCA) is a welcome division that will support the respective focuses on investment and delivery. While the Government's original consultation concerning this development explicitly chose not to consider changes to the substance of the regulations, this reorganisation presents ample opportunity to reconsider the remit of the Regulation Committee.

The CSJ believes that, in any future changes to the RSH, **the Government should consider ways to incentivise and encourage appropriate housing associations to run employment and skills programmes as part of their duty to 'empower' their residents.** Many housing associations, as noted, already do this. However, some housing associations report that regulatory pressure to increase supply is overriding their ability to provide employment support. The Government should renew its commitment to extending independence among residents of social housing by amending the remit of the RSH. The Government should also consider how Homes England could provide 'carrot' incentives and rewards for the most transformative schemes, working in parallel with the stronger recognition of 'empowerment' by the RSH.

## chapter four

# Strengthening partnerships between housing associations and the Department for Work and Pensions

A second way to ensure that housing associations are able to maximise their impact in helping tenants into employment is to work in cooperation with the Department for Work and Pensions. However, there is evidence indicating that this is not taking place widely. Research by the National Housing Federation found that:

- only 27 per cent of the housing associations who support their tenants with employment and skills work with Jobcentre Plus (JCP);
- only 21 per cent work with DWP contractors like those who delivered the Work Programme; and
- only 26 per cent work with local authorities.<sup>67</sup>

In recent years government has increasingly recognised the interplay of health, disability and work, demonstrated most clearly by the replacement of the Work Programme with the Work and Health Programme. This focus, as well as the alarmingly low disability employment rate in the social housing sector compared to other tenures, provides even greater impetus for productive partnerships between housing associations and the DWP.

The Work Programme (the Government's flagship welfare-to-work initiative from 2010–15) and Work Choice (a secondary, and effective,<sup>69</sup> scheme designed primarily to help disabled people with work) were compressed into the much leaner Work and Health Programme in

Just 27% of housing associations who support their tenants with employment and skills work with their local Jobcentre Plus.<sup>68</sup>

<sup>67</sup> NHF, *A Job, A Home, A Future*

<sup>68</sup> Ibid

<sup>69</sup> See CSJ, *Rethinking Disability at Work*, Mar 17 [www.centreforsocialjustice.org.uk/core/wp-content/uploads/2017/03/CSJJ5158\_Disability\_report\_220317\_WEB.pdf]

2017.<sup>70</sup> Very few housing associations managed to deliver the Work Programme for their residents,<sup>71</sup> and a large number that began to deliver it subsequently withdrew.<sup>72</sup>

No housing associations were among the service providers who won regional contracts for the Work and Health Programme; however, some contractors indicate that they will utilise housing associations as local delivery partners.<sup>73</sup>

This perhaps owes both to the smaller size of the new scheme, as well as difficulties some housing associations faced delivering the prior Work Programme. Social landlords previously consulted by the CSJ raised, for example, the lack of control over whether they were able to target 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

It is estimated that a little over half the number of disabled people who previously participated in contracted-out employment support will be able to do so between 2017–2020.<sup>75</sup>

However, as the new Work and Health Programme is significantly smaller than the two programmes it replaced, JCP advisors will need to be able to access alternative sources of employment support if the government continues ‘to strive for full employment’ and success in its aim to get one million more people with disabilities into employment over the next ten years.<sup>74</sup>

Housing associations could, in many areas, fulfil this role. Indeed, evidence from other countries suggests that devolving support locally can lead to positive employment outcomes.<sup>76</sup> As we have seen, the nature of housing associations, with their typically strong roots to their local area, places them well to provide this additional support outside the national and devolved Work and Health Programme contractors.

Indeed, although partnerships between JCPs and housing associations are far from ubiquitous, there are examples of innovation and highly effective collaboration (see Case study 2).

70 Funding for the Work and Health Programme will be at least £130 million a year by 2019/20, including funding to be devolved to Scotland – much lower than the combined expenditure for the Work Programme and Work Choice in 2015/16, which was £540.8 million.

71 A successful exception being the work of Affinity Sutton, which merged into Clarion Housing Group in 2017.

72 Inside Housing, ‘Notice to quit the Work Programme’, 19 Sep 2014 [[www.insidehousing.co.uk/insight/insight/notice-to-quit-the-work-programme-41175](http://www.insidehousing.co.uk/insight/insight/notice-to-quit-the-work-programme-41175)]

73 See, for example, Maximus in East London: [www.redbridge.gov.uk/news/march/local-london-work-and-health-programme](http://www.redbridge.gov.uk/news/march/local-london-work-and-health-programme)

74 *The Conservative and Unionist Party Manifesto 2017* [<https://s3-eu-west-1.amazonaws.com/2017-manifestos/Conservative+Manifesto+2017.pdf>]

75 ERSAs, *More than Words: Rethinking Employment Support for Disabled Jobseekers*, London: WPI Economics Limited, 2016 [<http://ersa.org.uk/documents/more-words-rethinking-employment-support-disabled-jobseekers>]

76 JRF, *Welfare to Work Devolution in England*, London: JRF, 2015 [accessed via: [www.jrf.org.uk/report/welfare-work-devolution-england](http://www.jrf.org.uk/report/welfare-work-devolution-england)]

## Case study 2: The Aspect Project

In the lead up to the rollout of Universal Credit (UC), there was a desire in the Department for Work and Pensions and a large social landlord in the south of England, Aster Group, to develop a better working relationship.<sup>77</sup> They had partnered on small projects previously but it was clear that there was an opportunity to improve the way they worked if they were in a position to share data. While developing a Service Level Agreement (SLA) it was discussed that this would be an ideal opportunity to maximise the potential of new ways of joint working, and both DWP and Aster Group invited Spectrum Housing to join the partnership.

Spectrum Housing's Employment and Skills Team had developed a programme of a six-month paid work placement with local employers. Spectrum was keen to fill these places with unemployed tenants but did not have the means of identifying potentially suitable candidates. Following approval from DWP management, a partnership agreement was reached in which the two housing providers would fund a secondment from DWP. The project was named 'Aspect', an amalgamation of Aster and Spectrum.

The secondee role was designed to support the partnership by identifying the needs of tenants claiming unemployment benefits. This included providing administration support to the sharing of data and providing identification of claimants in order to develop employment initiatives with key partners, in accordance with policies and procedures.

Key to the partnership, and important in the success of the secondment, was a Data Handling Protocol (DHP), which was completed to navigate the pre-existing rules, policies and legislation pertaining to the use of data within DWP. The DHP enabled the housing providers to share information relating to their tenants with DWP. A Data Movement Template was completed to enable the housing providers to send information relating to their tenants electronically as per the DHP. And the SLA outlined the roles and responsibilities of both the housing providers and DWP while working together on the project. Critically, the secondee also gained claimant consent to share information between the housing associations.

This level of data-sharing allowed the Project to go beyond offering 'off the shelf' programmes and enabled it to develop 'needs-led programmes'. In these, customers were included in the programmes' design, and so these were delivered at a pace preferred, producing higher rates of retention than had been achieved in past programmes and a number of other successful outcomes. From April 2015–17, the Project ran a number of courses and engaged over 508 customers, leading to:

- 158 customers finding full time work;
- 32 found customers finding part time work;
- 6 moving into apprenticeships;
- 142 work placement/volunteer opportunities being completed at Aster Group or in its supply chain;
- 140 having receiving training to prepare them for work;
- Rent arrears for those who have returned to work have decreasing by 74.4 per cent (as of January 2018);
- Over 20 information sessions being delivered to 182 customers.

In April 2017, Reuben Beauchamp, the DWP partnership officer most closely involved in the project was nominated by his peers for a DWP excellence award in the social justice category, and received this award for his outstanding work on the project. The scheme was also shortlisted for Tpas south regional final award for Employment, Training and Skills.

<sup>77</sup> Case study submitted in evidence to the CSJ

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## Recommendation 2

**The Government should provide a framework for closer partnerships between housing associations and JCPs.** This should build on the model developed during the initiation of the Aspect Project, which has achieved a number of successful employment outcomes using a 'needs-led' approach to delivery. The expanded role of the Work Coach and the discretionary ability for them to tailor employment support on an individual basis provides scope for further creative partnerships, including seconded officers, between the Department for Work and Pensions and housing associations.

In a pilot running from 2015–17, the Government extended 'Trusted Partner' status to a selected 33 social landlords, allowing them to identify tenants (collaboratively with the DWP) who required additional support paying rent.<sup>78</sup> The Government should use the success of this pilot, which was cited by then welfare minister Lord Freud as 'an example of how we're creating a more holistic approach to welfare in this country',<sup>79</sup> as a platform to think more ambitiously about how housing associations and the department can partner to support disadvantaged tenants with employment and skills.

In future welfare-to-work programmes, **the Government should also consider whether housing associations with concentrations of the most vulnerable residents should be able to bid for contracts targeting support to their tenants.**

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78 DWP, *Universal Credit and Social Landlords: Review of the Trusted Partner Pilot*, Sep 17 [www.gov.uk/government/uploads/system/uploads/attachment\_data/file/644104/research-into-trusted-partner-scheme-universal-credit-social-housing.pdf]

79 Inside Housing, 'Our Trusted Partner Pilot is an example of how the government is creating a more holistic approach to welfare, says Lord David Freud', 03 Dec 15 [www.insidehousing.co.uk/comment/comment/trusted-partners-45510]

## chapter five

# Creating a more knowledgeable sector

A 2012 study investigating employment programmes in the social housing sector found that very few housing associations were ‘approaching worklessness in isolation’.<sup>80</sup> But despite some housing associations taking an increasingly strategic and cooperative approach to supporting residents with work, we heard evidence that some associations continue to rely on their own experiences (and sometimes limited knowledge base) in designing employment programmes – or in choosing not to run them at all.

The same report argued that ‘building the knowledge base’ would be critical to the future success of employment programmes in the sector.<sup>81</sup> Commendable attempts have since been made and are ongoing to ensure that housing associations are able to learn from best practice. For example, the Housing Plus Academy ‘Think Tank’ sessions led by the London School of Economics, as well as through ERSA – the trade body for employment related services – who have recently championed the role of housing providers.<sup>82</sup>

A national body of social landlords, Give us a Chance, represents the leading forum where housing associations can learn from one another (see Case study 3).

### Case study 3: Give us a Chance

Give us a Chance (GUAC) is the leading national body of social landlords who are rising to the challenge of helping people into work. Its membership of 45 housing associations own and manage over one million homes in England and south Wales.

GUAC’s mission is to transform lives by enabling housing providers to support people into employment. Noting that around half of working-age social housing residents are currently out of work, GUAC argues that creating long-term and genuinely sustainable employment opportunities for social housing residents is vital in order to help residents sustain their own tenancies, whilst also making a crucial contribution to cutting the welfare bill.

80 L Gardiner and D Simmons, *Housing providers’ approaches to tackling worklessness Assessing value and impact*, May 12, London: HACT and Inclusion [www.hact.org.uk/sites/default/files/uploads/Archives/2012/05/CESI\_housing\_providers\_tackling\_worklessness.pdf]

81 Ibid

82 See <http://ersa.org.uk/liveworklearn>

GUAC identifies itself as the only national body of social landlords with ongoing dialogue between the current and shadow governments in relation to housing, employment and skills services. Working in formal partnership with ERSA, it has developed a unique, joint plan between the employment services sector and the social housing sector. GUAC members access all ERSA membership services.

Members are automatically enrolled as ERSA members shortly after joining GUAC and the cost of ERSA membership is included in their GUAC subscription. GUAC works in close collaboration with the Learning & Work Institute (LWI), being the only national body of social housing landlords named in the 'Jobs Plus' pilot led by the LWI – a scheme taking inspiration from successful employment support programmes for public housing residents in the United States.<sup>83</sup>

In addition, GUAC manage a formal working partnership with the Association of Employment and Learning Providers, a national membership body of some 800 members, who deliver the majority of adult skills learning and apprenticeships.

From its launch in 2011, GUAC has worked in partnership with Work Programme prime contractors to develop innovative employment solutions for residents and the wider communities in which its members are based. GUAC developed 'Proving Talent' which helps young unemployed residents onto the first rung of the employment ladder. The Centre for Economic and Social Inclusion (CESI) independently reviewed five of the Proving Talent pilots in:

- Birmingham – Castle Vale Community Housing Association working with EOS
- Southampton/Eastleigh – Radian Group working with Action for Employment (A4e)
- Newcastle and Manchester – Guinness Housing Partnership working with Avanta
- South West London – Richmond Housing Partnership (RHP) working with Careers Development Group
- London and the South East – Amicus Horizon working with G4S CESI recommended that Proving Talent is continued and expanded as part of housing providers' wider worklessness and access to work strategies.

As one of the housing associations stated:

We have always invested in developing the skills of young people. We recognise that lots of young people in our communities are seriously disadvantaged and that they need opportunities. We see our business as providing a platform for some of those opportunities.

GUAC's current core aims, building on this foundation knowledge and experience, is:

- To support sustainable tenancies and livelihoods, through the provision of high quality employment services, and increase the number of working age residents in work;
- To have employment services delivered with, and by, social housing landlords, as they are best placed to understand, reach and support local communities;
- To support its membership to work in partnership with other sectors to help deliver the best employment services to our communities.

While these forums have proved effective knowledge sharing centres for the housing associations they have engaged, overall participation is limited. It should be noted that of the 45 members of GUAC, many are very large housing associations – providing a significant proportion of the overall social housing stock, housing over three million people in England and Wales.<sup>84</sup> However, there are 1,479 not-for-profit registered

83 For more information on Jobs-Plus, see here: [www.mdr.org/project/jobs-plus-community-revitalization-initiative-public-housing-families#overview](http://www.mdr.org/project/jobs-plus-community-revitalization-initiative-public-housing-families#overview)

84 GUAC, *Annual Report 2016–17* [[www.giveusachance.co.uk/about/our-annual-report/](http://www.giveusachance.co.uk/about/our-annual-report/)]

housing providers.<sup>85</sup> That not more are members of GUAC indicates a lack of widespread commitment in the sector to shared learning.

Compounding gaps in knowledge is what has been described as ‘the wide disparity in how housing providers measure and communicate their impact and effectiveness in tackling worklessness.’<sup>86</sup>

Although many housing association staff have developed close personal relationships with their residents, less than half of all housing providers in England (42 per cent) have been found to maintain fully reliable data about levels of employment among their tenants.<sup>87</sup> Research published in 2017 found that three quarters of housing association employees surveyed do not think their organisation is capable of effectively using the information it *does* store; a fifth believed their current data storage and management capabilities would ‘need a refresh’ within the next year, a quarter in two years, and a third in three years.<sup>88</sup>

Without accurate, well managed data, housing associations are unable to effectively target programmes to those who would most benefit, stopping them from making the most of the unique position they occupy.

Others have highlighted how inadequate or lacking data can also lead to irritation – and even disengagement – from unemployed or inactive residents who have to repeat answers to the same questions with different organisations they are referred to.<sup>89</sup> Housing associations collect extremely sensitive data about their tenants – and it is legitimate that protections are in place to keep these secure. However, as noted by GUAC in its *Housing and Work Manifesto 2015*, barriers which prevent data from being shared also prevent the ‘co-ordination and integration’ of services, notably between housing associations the Department for Work and Pensions.<sup>90</sup>

Key, also, to learning from best practice is the rigorous evaluation of outcomes. This too can suffer from imperfect data. But it is further limited by insufficiently sophisticated measurement. It is important that the evaluation of schemes looks beyond, for example, merely the *number* of individuals who have been supported into work. Just as important is taking into account the sustainability of this outcome; if training was completed; which qualifications have been gained; and what *type* of job outcomes are reached.

“ We recognise that lots of young people in our communities are seriously disadvantaged and that they need opportunities. We see our business as providing a platform for some of those opportunities.<sup>91</sup> ”

85 MHCLG, *List of registered providers*, Apr 17 [www.gov.uk/government/uploads/system/uploads/attachment\_data/file/697661/List\_of\_Registered\_Providers\_1\_April\_2018.xlsx]

86 See above, note 80

87 M Rallings and J Coburn, *Strategic approaches to employment: Responding to change in the sector. Lessons from an action-learning programme*, London: HACT, 2014 [www.voced.edu.au/content/ngv%3A65082]

88 National Housing Federation, ‘How housing associations can make better use of data’, 19 Oct 17 [www.housing.org.uk/blog/how-housing-associations-can-make-better-use-of-data/]

89 Centre for Cities, *Delivering change What Housing Associations can tell us about employment and skills*

90 ERSAs and GUAC, *The Housing and Work Manifesto 2015*

91 Housing association staff member, in evidence submitted to the CSJ

### Recommendation 3

Looking to outstanding examples of existing membership organisations like Give us a Chance, **the Government should champion a national body where best practice can be shared** and should consider ways to encourage participation for appropriate housing associations. This would clearly signal an appreciation of the role of social housing in fostering independence and help to improve overall practice.

The Government should also consider whether housing associations could be encouraged to participate by making Trusted Partner status (see above, p23) conditional on membership.

### Recommendation 4

Housing associations build strong relationships with their residents through trust.<sup>92</sup> However, where it is an impediment to designing the most effective (and sustainable) employment programmes for individual tenants, **the Government should seek to improve data sharing**. This would allow for more effective partnerships between housing providers themselves, as well as other institutions such as the Jobcentre Plus, local authorities and the NHS.

### Recommendation 5

Learning from current best practice in Tpas and HACT, **the Government should establish a sector specific evaluation model in order to help housing associations measure outcomes**. This would allow social housing providers to better compare results and improve the rigour of the employment programmes they run, providing greater certainty for future payment-by-results agreements. Research into the impact of employment support delivered outside the mainstream welfare system – and, in particular, via housing associations – is being carried out for GUAC by the University of Salford's Sustainable Housing & Urban Studies Unit. The Government should await their findings with interest.

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92 Per evidence submitted to the CSJ

## chapter six

# Unlocking social value: a modern platform for commissioning

As well as through partnerships with local businesses, the Department for Work and Pensions and other housing providers, a range of other collaborators help housing associations contribute to successful employment programmes. While many large housing associations identify as social enterprises themselves, the smaller, most innovative, social enterprises are able to play a role – either by acting within their supply chains or providing bespoke employment initiatives. See, for example, the case of CSJ Award winner Cracked It below.

### Case study 4: CSJ Alliance member, Cracked It

Cracked It delivered a five-day phone repair enterprise course – the Cracked It Bootcamp – on a deprived estate undergoing regeneration in East London.<sup>93</sup> This was commissioned by the housing association coordinating the development on the estate.

The programme involved teaching young people the art of smartphone repair, which they would then showcase, market and sell to the public on the final day of the programme. Alongside hard skill development, The Academy supported participants to develop the soft skills they would need to sell their services, including customer service, money management, empathy, sensitive communication and team working.

The aims of the programme were to support at-risk youth to improve their motivations to access employment and help them to realise that they were ways to generate an income beyond crime and anti-social behaviour. Cracked It's second aim was to equip young people with some of the skills they needed to search for, secure, and sustain work.

The housing association client had historically struggled to engage local young people in programmes it ran, and commissioned Cracked It to overcome this.

Cracked It was introduced to the housing association through a mutual contact and commissioning occurred after a series of meetings and negotiations where the client's needs – and Cracked It's capacity to meet them – were discussed.

93 Case study submitted in evidence to the CSJ

Cracked It was tasked to recruit up to eight young people who were at risk of offending and/or unemployment to the programme. Cracked It undertook 34 hours of street outreach to meet and recruit young people on the estate, engaged with a notorious ex-gang member from the estate and engaged with 41 local providers to secure referrals.

The Cracked It Academy programme was oversubscribed, with a 100 per cent attendance rate.

Results included:

- 83 per cent of young people reported improved team working skills
- 67 per cent of young people reported improved communication skills
- 33 per cent of young people reported improved independent working skills
- 40 per cent of young people said that they were less tempted to do negative things to make money
- 75 per cent began a meaningful search for employment (or prerequisite education or training opportunities) within 1 month of completing the programme

The commissioning housing association said:

We recognised that the local area was home to groups of disengaged young people who could be at risk of offending, and decided to take an early intervention approach. We knew that the immediate training and apprenticeship opportunities on site would not benefit this hard to reach group, so engaged Cracked It as they offered a proactive approach to the recruitment of young people into their programme, and an attractive alternative to more formal employment and training initiatives.

Cracked It enabled us to be incredibly targeted as they recruit participants primarily through street outreach (physically approaching young people where they congregate), and by working with informed organisations and individuals such as the Trident Gangs Unit, the Council's Safer Neighbourhood Team and former local gang members.

As well as giving participants a monetisable skill and necessary equipment, the course also introduced young people to team working and leadership. The Cracked It team continue to work with graduates through regular 'alumni' events, and offer the opportunity to work on their regular repair clinic at Spitalfields Market. All of the young people who took part indicated that they felt more confident in their own abilities having completed the programme, and 40% said that they were less tempted to do negative things to make money.

The Public Services (Social Value) Act in 2012 places an obligation on public service commissioners in England to consider how wider social, environmental and economic benefits can be secured through the commissioning of public services.<sup>94</sup> This includes local authorities, government departments, NHS Trusts, fire and rescue services, and housing associations.<sup>95</sup>

Some local authorities have already successfully helped long-term unemployed individuals to benefit from job creation through public contracts. For example, in 2014 Birmingham City Council tendered a £193 million contract to build a new library, which included requirements to provide local jobs.<sup>96</sup> As a result, 54 per cent of the new 306 jobs generated by the project were filled by unemployed residents who resided in the council's priority areas.

94 Cabinet Office, *Social Value Act: information and resources*, 2016 [accessed via: [www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources](http://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources)]

95 Social Enterprise UK (SEUK), *The Social Value Guide: Implementing the Public Services (Social Value) Act*, 2012 [[www.socialenterprise.org.uk/uploads/files/2012/12/social\\_value\\_guide.pdf](http://www.socialenterprise.org.uk/uploads/files/2012/12/social_value_guide.pdf)]

96 Joseph Rowntree Foundation, *Tackling poverty through public procurement*, 14 [[www.jrf.org.uk/report/tackling-poverty-through-public-procurement](http://www.jrf.org.uk/report/tackling-poverty-through-public-procurement)]

Given their growing size and financial leverage, many housing associations have also contributed social value in this way, while also offering employment opportunities for their residents. Circle Housing, London (which merged with Affinity Sutton to become Clarion Housing Group in 2016), has been cited in an influential study as an example of best practice. The association's Sustainable Communities Team worked closely with the procurement team to 'pioneer social value integration', delivering employment and training opportunities within the association's repairs and maintenance service as well as generating 500 apprenticeships in its supply chain.<sup>97</sup>

However, there is evidence that smaller social enterprises are being blocked from housing associations' procurement processes.<sup>98</sup> As highlighted in Case study 4, above, the initiation of this partnership relied (fortuitously for both partners) on a mutual contact. Models less reliant on such luck for the commissioning of life changing employment programmes that generate social value across the supply chains of housing associations have been recently proposed (see Case study 5).

### Case study 5: Year Here, Supply Change

Year Here were commissioned by Orbit Housing in March 2018 to seek ways of increasing the procurement of social enterprises by housing associations to generate social value.

They performed in-depth interviews with over 60 industry experts from major housing associations, founders of social enterprises and intermediary bodies.

What they found highlights the blockages preventing social enterprises from engaging with housing associations. Procurement professionals consulted were found to prioritise value for money over social impact when evaluating tenders. Indeed, just under half of social enterprises operating in public sector markets say they are yet to see the Social Value Act arrive in tender documents, which prevents mission driven enterprises from having the competitive edge they deserve.<sup>100</sup>

One Head of Procurement at a major housing association said:

We send out tenders on best quality, best delivery and best price. We like seeing efforts on community investment, but the main aim is to minimize risk.

Additionally, public procurement procedures for large contracts are complex and take time. According to a NCVO survey, 70 per cent of respondents state that procurement procedures and paperwork has prevented their organisation from bidding for work as doing so requires time and resources that many social enterprises do not have.

A large driver of winning contracts, Year Here found, was through having a close or existing relationship with housing associations. This meant that contracts would often be awarded to suppliers that already knew procurement managers personally. Beyond this method of contact, the industry currently works with a dozen major digital procurement portals. Yet social enterprises reported that they either are not aware of these portals or find it hard to use them. The challenge of its usability is often confirmed by procurement professionals.

“

We knew that the immediate training and apprenticeship opportunities on site would not benefit this hard to reach group, so engaged Cracked It as they offered a proactive approach to the recruitment of young people into their programme, and an attractive alternative to more formal employment and training initiatives.<sup>99</sup>

97 SEUK, *Communities Count: The Four Steps to Unlocking Social Value*, Feb 17 [[www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=e1b5399d-3e59-4724-bc97-e989ce9a3d6a](http://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=e1b5399d-3e59-4724-bc97-e989ce9a3d6a)]

98 Year Here, forthcoming report submitted in evidence to the CSJ

99 Housing association staff member, submitted in evidence to the CSJ

100 SEUK, *The State of Social Enterprise Report 2015* [[www.bigsocietycapital.com/sites/default/files/attachments/State%20of%20Social%20Enterprise%20Report%202015.pdf](http://www.bigsocietycapital.com/sites/default/files/attachments/State%20of%20Social%20Enterprise%20Report%202015.pdf)]

Compounding the problem is that smaller contracts, which are often those more suited to the work of social enterprises, were tendered without being advertised on procurement platforms, giving an additional advantage to organisations already known to housing associations.

A team from Year Here have now founded Supply Change, a new venture launching a more sophisticated digital platform:

We consider one of the largest possibilities to be focused on simplifying procurement processes and centralising them on a digital platform through smart matching. This platform can act as an intermediary between smaller contracts and social enterprises, matching them based on their social mission and locality.

The platform will contain an online profile for the supplier, displaying their work, capacity and social mission which will enable them to deliver their story and increase visibility. Further, it will have a de-risking process, checking the accounts, insurances and finances of social enterprises in an efficient, compliant on-boarding process. The platform will partner with social impact measurement organisations to help housing associations and social enterprises to track the social impact.

To date, this product has been prototyped and tested in a workshop with 50 participants. We will take the project forward to the last phase of our fellowship to test its market fit. We are keen to speak to players who are interested to join us on our journey to make procurement a force for good.

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## Recommendation 6

Social enterprises, such as Cracked It, have much to offer in terms of helping social residents into employment. Yet they are often shut out of the market through labyrinthine procurement processes and the lack of existing relationships with a housing provider.

Learning from Supply Change's 'smart match' approach, **the Government should consider whether a centralised, digital platform could better support collaborations between housing associations and the most innovative social enterprises.**

## chapter seven

# Conclusion

It is admirable that the Prime Minister has pledged to take ‘personal charge’ of fixing the housing crisis in England.<sup>101</sup> But in order to make the most of housing policy we must also look beyond fixing the housing market. The Government should take the opportunity of the forthcoming Green Paper to place social justice at the heart of its social housing agenda.

This paper has highlighted disproportionate levels of disadvantage that exist within the social housing sector. However, we also argue that there is immense potential for social landlords – in their unique position – to help transform the lives of their tenants. Key to this is providing individuals with the tools they need to thrive in the labour market.

We recommend a number of measures to help realise this:

- First, the Government should be much bolder in integrating support for independence and employment into the regulation of social housing.
- Second, it should provide greater opportunities for housing associations to collaborate with local JCPs, making full use of the modernisations introduced by Universal Credit.
- Third, it should help radically expand the knowledge base and champion a properly resourced body for best practice in housing-led employment support.
- Finally, it should help remove any barriers stopping the best, and most nimble, social enterprises who can add social value to housing association’s supply chains and bring innovative thinking to the sector.

We believe that these proposals, taken together, will ensure that social housing offers some of the most disadvantaged members of society the springboard to a better life.

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101 No10, ‘PM: We must get back to building the homes this country needs’, Press Release, Nov 17 [[www.gov.uk/government/news/pm-we-must-get-back-to-building-the-homes-this-country-needs](http://www.gov.uk/government/news/pm-we-must-get-back-to-building-the-homes-this-country-needs)]

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