

Written evidence submission from the Centre for Household Assets and Savings Management (CHASM) at the University of Birmingham.

Consultation question - How can the Government ensure the sustainable delivery of social and affordable rented housing to meet long-term need and contribute to the Government's overall housebuilding targets.

In our response we advocate that MHCLG -

1. Provide greater support for local authority and housing associations as well regulated, usually very well run, social rent landlords to enable them to grow their housing stock towards addressing a larger part of the housing provision planned than they are currently able to address.
2. Provide greater support to such providers to develop the communities in which they operate to enable them to be key providers of good homes to their tenants.
3. Support the collection of more specific data on the role of social homes particularly in respect to self-reported wellbeing and 'experience of the home' indicators that can be used to better illustrate the extent to which social homes can and should provide suitable and stable homes for tenants.
4. Provide more public and visible support for the role of social rented accommodation as a home of choice not just of necessity, helping to reduce the stigma so often attached to those living in socially rented property that has developed in the last 40 years in the UK, but that is not widely experienced elsewhere in Europe linked with social housing provision.

Who are we?

The Centre for Household Assets and Savings Management (CHASM) (<http://www.bham.ac.uk/chasm>) is a research centre at the University of Birmingham exploring all aspects of personal financial wellbeing from pensions to housing to savings. We have operated for the last 10 years as a research centre providing research and consulting services to those engaged in all specs of personal finance and have a number of projects related to housing and tenure currently ongoing.

A sub-group operates under CHASM oversight entitled the Housing and Communities Research Group (HCRG – see <https://www.birmingham.ac.uk/research/chasm/research/housing-communities/index.aspx>) that provides the focus for much of our housing work.

Our comments are drawn from our recent, relevant experience and research addressing the questions raised that we believe we have something useful to contribute.

We would be pleased to provide further details on any of these issues if so required.

Specific Questions:

1. What the role of (a) local authorities – as enablers and providers, (b) Homes England (c) housing associations and (d) other providers should be in that long-term delivery.

1.1 We would strongly advocate a mixed approach to housing provision, but to include a much stronger role for social housing provision than is currently expected without further Government intervention (3% of planned 300,000 new homes).

1.2 This requires (a) a mix of providers, primarily local authorities and housing associations and (b) a more 'hybrid' approach to the role of social housing providers (see, Social Housing and the Good Society, 2016¹). Since 2010 housing associations have increasingly used private development (in particular shared-ownership) to cross-subsidise social housing development. This can and should be taken as an opportunity for social landlords to act as reputable and trusted private landlords and to also become trusted developers of all forms of tenure – including owner-occupied housing. A cohesive housing provider that offers products across all tenures will be better able to promote the social as well as the financial benefits of mixed tenure communities for social tenants.

1.3 Our recent work with East Devon District Council, LiveWest Housing Association (both operating in Exmouth, Sidmouth and surrounding areas) and Vivid housing (operating in the Basingstoke and wider South East area), have illustrated how such landlords, providing a mix of tenure and supporting wider community development as a part of their oversight of areas in which they operate, provide a strong platform for tenants of all types, and those in other tenures in the same area, to enable the development of strong personal wellbeing. This included clear demonstrations of the relative benefits of trusted and well managed landlord provision over the situation faced by so many on waiting lists for social homes. For example, in our work with Vivid Housing in 2017/18 we illustrated how being a social tenant reduced levels of self-reported anxiety by 7 percentage points compared to our average respondent. Even higher levels of lower anxiety at 16 percentage points were reported in our study in Exmouth with East Devon District Council and LiveWest in comparing their tenants with respondents on the local housing register. This clearly indicates the needs for social landlord provision for a percentage of the UK population. With such low levels of social house building however, such support is becoming much harder to achieve for many who could benefit from this provision and for whom home ownership is not a near future, if ever, likely opportunity.

Further details on this work can be found at:

-) Full report for Vivid Homes – 'Housing and wellbeing - Breaking down housing stereotypes' - <https://www.vividhomes.co.uk/media/516/homes-and-wellbeing-full-report.pdf>
 - o An animated summary of the findings of this work - https://www.youtube.com/watch?time_continue=8&v=Oe4TueEMHvw
-) Year one results infographic – East Devon District Council and LiveWest Homes - <https://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/CHASM/2019/Housing-and-Wellbeing-Infographic-Research-Retold.pdf>

¹ <https://tinyurl.com/y6dfcb4s>

-How does the Government ensure long-term provision (a) meets the needs of tenants and (b) is adequately regulated.

Government needs to develop broader approaches to measuring the social and individual value of social housing to those who live in it. The dominant approach for the last two decades has been based on life-chances and issues such as the relationship between social housing and long-term unemployment and low levels of education amongst tenants. It is important to continue to monitor such characteristics. But the approach risks treating social housing instrumentally, as a behavioural policy lever or intervention.

CHASM advocates instead a wellbeing approach to meeting the needs of social tenants. Landlords and the Regulator of Social Housing should regularly survey the psychological wellbeing of a sample of social tenants, at the very least using the four wellbeing metrics developed by the Office for National Statistics and employed in the Annual Population Survey² to ensure direct comparison to wider levels of wellbeing data across the wider population.

Additionally, CHASM advocates the use of six 'experience of the home' indicators (see its research indicated above with EDDC, LiveWest and Vivid), which draws out tenant perceptions of social housing stigma as well, as responses to feelings about the role and value of social housing as a particular 'home'.

These wellbeing and 'experience of the home' items should also be incorporated as a continuous section in the English Housing Survey. This will encourage a view of social housing regulation that focusses more on the most fundamental question of whether or not people are happy living in social housing (over above issues of quality, price and landlord satisfaction).

What lessons can be learned from alternative approaches to social and affordable rented housing delivery in other countries and jurisdictions.

The most important lesson to be learnt from other countries is that strong social housing sectors have developed side by side with strong private rental and owner occupier sectors. This is the case in, for example, Austria and Germany, where historically housing development for the private rental market has been helped by capital subsidy from central and local government. This continues to be the case in Austria, where 80 percent of all construction is supported by direct or indirect subsidy, most of which is federally funded but distributed by regional government. This is funded by a hypothecated proportion of income tax, by corporation tax, and by employer 'housing contributions'.

The lesson from this kind of system is that households have more choice in their housing options, and there is a thriving social sector, alongside a strong and popular private rental sector, and with less of a push into owner-occupation as the tenure of choice. Austria and other countries with similar systems have largely avoided the concentrated, mono-tenure social housing that has been a significant feature of social housing across the UK.

² <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing>

Yours sincerely

Professor Andy Lymer - Director of CHASM

Dr James Gregory – CHASM Senior Research Fellow