Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

The Fundamentals of Social Housing
Day 1
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Trawsnewid Addysg; Trawsnewid Bywydau
Transforming Education; Transforming Lives

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Croeso / Welcome

Theme for the day

Critically appraising the current role of social housing within Welsh communities and the wider legislative context in which the social housing sector operates

Housing by tenure type in the UK

- Owner occupied – 70%
- Private rented – 13%
- HA and LA rented – 17%
  - Housing Association rented – 9%
  - Local authority rented – 8%

Wales

- More than 70 not-for-profit housing associations and community mutual in Wales.
- Housing Associations provide 158,000 affordable homes and house around 10% of the Welsh population.
- Regulated by the Welsh Government's housing regulation team (overseen by the Regulatory Board for Wales).

The current role

- What is a Housing Association?
- What does a Housing Association do?

What is a housing association / community mutual?

- Housing associations are not-for-profit companies set up to provide affordable homes for people in housing need. Most of these homes are rented at affordable rates while a small amount are sold through low-cost home ownership schemes.
- Some housing associations also offer specialist support for people with a range of needs including older and disabled people and people with learning difficulties, and people who have been homeless.
- Many housing associations are involved in community initiatives such as employment training, regeneration and projects with children and young people. Housing associations are managed by a board of unpaid volunteers.
- Community mutuals are not-for-profit organisations set up as a result of stock transfer.

Economic Impact of Housing Associations in Wales

- In 2015/2016 housing associations directly spent £1,055m and contributed £1,970m to the economy with 89% remaining in Wales.
- The sector directly employed 9,109 people and supported over 23,000 full time equivalent jobs in Wales.
- Multiplier effect - For every one full time person employed by a housing association, one and a half jobs are supported elsewhere in the Welsh economy

Economic Impact continued

- The sector spent £35m on community regeneration and employment and training, up £7m on last year.
- Just under £5 billion has been spent on building and maintaining homes.
- The total spend by housing associations has gone up from £473m in 2008 to £1,055m in 2016
- In 2015/2016 a further 2,322 homes were built/acquired by Welsh Housing Associations, 551 without Social Housing Grant.
- Since the Socio-Economic impact report began in 2008, housing associations have built/acquired 17,924 additional homes, with 5,299 without Social Housing Grant.

Housing policy – A brief history

- Poor housing recognised as problematic because regarded as threat to social order and the nation's moral and physical health.
- Homeownership and council housing developed rapidly in the interwar period.
- Between 1945 and 1977, housing policy dictated by a 'numbers game' with political parties attempting to outbid each other.
- Labour – promoted 'general needs' housing in planned new towns and LA estates.
- Conservatives – initially robust general needs council house programme but then switched to meet requirements arising from 'slum' clearance. Big promotion of owner-occupation and revived private landlordism by relaxing rent controls.
- Both parties promoted housing associations from the early 1960s.
- In 1980s and 90s the Conservatives attempted to apply market forces to housing supply and consumption.
- New Labour, Coalition and current government all attempting to stimulate housing supply but somewhat derailed by credit crunch, planning constraints and dominance of large housebuilders.

What is social housing?

Market Distortion – The problem rather than the cure?

- ‘The wobbly pillar under the welfare state’ (Torgerson, 1987) – unlike health and education, state does not see its role as the main provider.
- Not straightforward – Hayek (1960) stated that subsidised social housing promotes the movement of poor people into areas where they cannot afford to live without subsidy.
- Hayek argues that once new social housing has been provided more people move to an area to try to take advantage of new’ low-cost housing thereby promoting faster urban growth and increased pressures for further subsidised housing.

Perceptions of social housing

- UK has high aspiration/rates of owner occupation.
- From 1920s to the early 1970s being a council tenant carried a mark of respectability – being a council tenant was desired above the private landlord alternative (Rogaly and Taylor, 2009)
- ‘A prize hard to come by’ (Crossman, 1966)
- Thatcher (1979) – ‘It may well be that your council accommodation is unsatisfactory but considering the fact that you have been unable to buy your own accommodation, you are lucky to have been given something which the rest of us are paying for out of our taxes’.
- Presentation in the media – e.g. Shameless, Benefits Street.
- Recent political changes – lurch to the right?

Why is housing ‘special’?

- Expensive relative to incomes – requirement comes at ‘inconvenient’ times of life.
- Property is durable and therefore has a value for future generations – therefore a ‘consumer good’ and an ‘investment good’.
- Housing supply is inelastic – the best year for UK housebuilding (1968) added only 2% to the housing supply.
- Housing stock is immobile – also means security for lenders.
- Built on a scarce resource – land – made even scarcer by planning controls. In 1995-2007 housing boom the price of residential land rose by 260% but its supply fell by 19% (Aldred, 2010)
- Housing is a necessity – you can’t effectively opt out of consumption and difficult to vary consumption.

Group activity 1

- What do HA's look like (size, focus, structure etc)?
- What *should* HA's do from the perspective of their:
  - Tenants
  - Staff
  - Government
  - Other community members

The legislative context

- What is the legislative context?
- What is happening politically?
- How is the world changing?

Wales vs UK

- Devolved government for Wales in 1999 (with strengthened powers for the Welsh Government and the National Assembly in 2006 and again in 2011)
- 2014 saw the first Housing (Wales) Act leading to a compulsory registration and licensing scheme for private sector landlords and agents, stronger homelessness duties requiring prevention work and enhancing entitlements of single applicants who previously got only advice and assistance
- Legislation in the pipeline includes the controversial Renting Homes (Wales) Bill, built around the 2006 Renting Homes report, along with further planning and local government reform (halving the number of councils in Wales)
- The Welsh Government also proposes to reduce right to buy discounts and then abolish RTB altogether, and to introduce a land transaction tax in April 2018 to replace the current stamp duty regime

Changing Legislation

- What factors are influencing changing legislation in Wales?
- What is the perception of legislative changes within your organisation?

Housing pact between Welsh Government, CHC and WLGA

- ‘’The housing sector in Wales has been one of the most successful partnerships of public, private and third sectors across the UK in recent years. We aim to continue to deliver on the objectives we share – by creating and investing in communities meeting people’s housing needs, making a positive difference to their lives and helping to give children the best possible start in life. Increasing the supply of rural and urban affordable housing is a vital part of this, as is meeting and maintaining Welsh Housing Quality Standards. To achieve our mutual goals, the Welsh Government, housing associations and local authorities must continue to work in partnership and ensure we encourage an environment in which we can thrive and deliver.’’

The Housing Pact

- Deliver 13,500 additional units of affordable housing in this Assembly term which contribute to the target of 20,000 affordable homes.
- To help tackle fuel poverty and reduce carbon emissions in homes.
- Work together to support the innovative development and delivery of new models of affordable housing that meet current demands and also the needs of the future.
- Create up to 12,500 training and employment opportunities, including jobs and apprenticeships and offer skills development and support to 25,000 tenants.
- Continue to mitigate the impact of ongoing welfare reforms, and invest further to prepare tenants for Universal Credit.
- Effective co-operation with key partners to prevent homelessness, and reduced use of B&B accommodation for 16 and 17 year olds and care leavers.
- Work together to create safe and resilient communities and improve help for victims of anti social behaviour and domestic abuse.
- Contributing to the preventative health agenda through developing housing, support and social care solutions.

CHC Consultation #TheNextChapter

- What do people think they know about housing associations?
- What will the social housing sector look like in 2036?
- How can we influence policy within Welsh and UK Government?

Influencing the future

- **People:**
  Who will we house in 2036?
- **Services:**
  What services will we provide?
- **Community:**
  What is our offer to the communities in which we operate?
- **Workforce:**
  What will the workforce look like and what skills will they need?
- **Leadership:**
  What will the leadership look and behave like?
- **State:**
  What will our relationships be like with Welsh and UK Government?

Group Activity 2

- How will you ‘influence the future’?
- Focus on the areas of:
  - People, Services, Community, Workforce, Leadership & State.

Questions

- **People:**
  Who will we house in 2036?
- **Services:**
  What services will we provide?
- **Community:**
  What is our offer to the communities in which we operate?
- **Workforce:**
  What will the workforce look like and what skills will they need?
- **Leadership:**
  What will the leadership look and behave like?
- **State:**
  What will our relationships be like with Welsh and UK Government?

The future

How are things changing?

- Blurring of lines between public and private provision in the delivery of social housing
- Vagaries of the market economy – large fluctuations in demand and the types of tenant
- Government focus on choice, empowerment and efficiency yet huge spending cuts.

Tenant, Consumer, Citizen

- Are tenants customers?
- Choice, Welfare, Efficiency, Transaction, Political Ideology, Resources, Personal Values, Prejudice, Access to services, Supply & Demand etc etc.
- Public Service Ethos vs Customer Service Ethos – Mutually exclusive?

A quasi-market

- Independent agents competing with one another for the custom of purchasers, but a quasi-market in that, unlike in a normal market, purchasing power comes not directly from consumer but from state (Le Grand, 2001)
- Quasi-market in that:
  - Suppliers compete for ‘customers’ on common basis that market rents would be charged.
  - Low-income households having housing costs subsidised by housing benefit meaning that housing available on equal terms to all types of tenant with all types of landlord.

What is service quality for the customer?

- Product – ‘Fit for purpose’ i.e. a housing repair is completed so that it functions satisfactorily.
- Process – The service is carried out in a customer-friendly way e.g. choice of appointment for a repair.
- Perception – Service carried out in a way which leaves the customer with a favourable impression of the organisation.
- TQM (Total Quality Management) – a product or service is only good or high quality if all 3 elements are achieved.

Things to consider

- Choice, empowerment and personalisation now key terms in public service but often used in interchangeable way.
- Choice based lettings.
- Is co-production the future?
- Key relationship between customer satisfaction and management performance
- Value Chain Analysis and Lean Systems

Why does this matter?

- Will you be able to better understand the impact of new policy initiatives and legislation on your organisation?

Homework

- Paragraph on each:
- How essential is social housing in today's society?
- What impact does government have on social housing in Wales?

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Thankyou for listening

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