

Social Housing Green Paper: A 'new deal' for social housing



Submission from St Mungo's

November 2018

About St Mungo's

St Mungo's vision is that everyone has a place to call home and can fulfil their hopes and ambitions.

As a homelessness charity and housing association our clients are at the heart of what we do.

We provide a bed and support to more than 2,700 people a night who are either homeless or at risk, and work to prevent homelessness.

We support men and women through more than 300 projects including emergency, hostel and supportive housing projects, advice services and specialist physical health, mental health, skills and work services.

We work across London and the south of England, as well as managing major homelessness sector partnership projects such as StreetLink and the Combined Homelessness and Information Network (CHAIN).

We influence and campaign nationally to help people to rebuild their lives.

For any questions about this submission, please contact publicaffairs@mungos.org

This response primarily focuses on Chapter 5 of the Green Paper, on the theme of expanding supply. It also addresses some of the issues raised within chapter 2, on the effective resolution of complaints, and chapter 3, on regulation.

Expanding supply and supporting home ownership

St Mungo's welcome the government's recognition that social housing has a vital role to play in ensuring that everyone has a safe, secure and affordable place to call their own. However, we do not feel that the Green Paper is ambitious enough when it comes to increasing supply in order to achieve this.

- Question 45: *Recognising the need for fiscal responsibility, this Green Paper seeks views on whether the government's current arrangements strike the right balance between providing grant funding for housing associations and Housing Revenue Account borrowing for Local Authorities*

No - they don't strike the right balance.

Since the social housing Green Paper was published, the Prime Minister has announced that the borrowing cap on councils will be lifted to allow them to build more homes. St Mungo's welcome this announcement, which we hope will help increase the supply of much-needed

social housing, including for those with a history of rough sleeping. However, lifting the borrowing cap for councils must be just the first step of reform, not the last. The government will need to provide significantly more funding to build new social housing, including through grant funding for housing associations, in order to help build the 90,000 homes for social rent every year for 15 years that are needed to meet demand.¹

Background

The number of people sleeping rough in England has more than doubled since revised rough sleeping measures were introduced in 2010. In 2017, more than 4,700 people slept rough on any one night² and a far larger number experienced rough sleeping during the course of the year.

Worryingly, more people are returning to the streets than ever before. Since 2015, London has seen a 27% rise in the number of people returning to rough sleeping after spending a year off the streets. Spiralling housing costs, increasing insecurity for private renters and cuts to homelessness services have made it harder for people to escape rough sleeping for good.

This is why St Mungo's has launched its new Home for Good campaign, calling on the government to guarantee long-term funding for homelessness services, build more social housing ring-fenced for rough sleepers and improve the affordability and stability of the private rented sector.

Specifically, to end rough sleeping and ensure that everybody has a home for good, the government must:

- **Increase investment in social housing to help build 90,000 homes for social rent every year for 15 years**
- **Reserve some social housing for people with a history of rough sleeping and make these homes available through housing-led programmes, including Housing First**
- **Stop excluding people who have experienced homelessness from social housing**

Why social housing

Chapter 5 of the Green Paper acknowledges that “social housing supports some of the most vulnerable in our society.” People with a history of sleeping rough are likely to have a range of support and accommodation needs, and an assortment of different housing and support options are required to help them recover.

Evidence suggests that social housing has a particularly powerful role to play in ensuring that people with a history of rough sleeping never return to the streets, by providing stable and

¹ Bramley, G. (forthcoming) Housing supply requirements across Great Britain for low income households and homeless people. London: Crisis and the National Housing Federation.

² Department for Communities and Local Government (DCLG) (2017) *Rough sleeping in England: autumn 2016* https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/682001/Rough_Sleeping_Autumn_2017_Statistical_Release_-_revised.pdf

affordable homes. A comprehensive study³ which followed hundreds of people for five years after homelessness found that:

- People were much less likely to become homeless again if they moved into social housing rather than private rented housing
- People living in social housing were more likely than those living in private rented housing to have received support after moving out of homelessness
- People who moved into private rented housing were three times more likely than those in social housing to have moved at least four times over the five year period

Social housing offers more stability

Social housing offers people with a history of homeless the security and stability they need to move off the streets permanently. Tenants in social housing are traditionally offered secure, long-term tenancies which can make the difference between someone keeping their home or being forced to return to the streets.

It is welcome that there is a commitment in the Green Paper to not implement the provisions in the Housing and Planning Act 2016 to make fixed term tenancies mandatory for local authorities. This means that local authorities will be able to continue offer assured, secure tenancies, which can be incredibly valuable for people with a history of rough sleeping, rather than fixed term tenancies of between two and 10 years.

Unlike private landlords, social housing providers are also highly likely to offer some support to prevent their tenants becoming homeless, or returning to homelessness. In a recent survey, the National Housing Federation found that 79% of housing associations offered tenancy sustainment advice and support.⁴

Social housing is more affordable

Social housing rents are linked to local earnings and are often far more affordable than private sector tenancies – particularly to those on low incomes. The Homelessness Monitor: England 2018 shows that the ability of people on low incomes to afford private rented accommodation has decreased. In areas of housing pressure – like London – low income tenants simply cannot compete with higher income renters.

Any rent increases for social housing tenants are limited by the government. Since April 2016, the Welfare Reform and Work Act 2016 has required social landlords to reduce their rents by 1% each year for four years. It is welcome that the government has now set out a new rent settlement until 2025, limiting rent increases to Consumer Price Index +1 per cent. This provides some certainty to social landlords, and also provides long-term stability to tenants, allowing them to budget and plan for the future more effectively, and protecting them from unexpectedly high rent increases which can occur in the private rented sector.

Furthermore, unlike more expensive private sector rents, the rent in social housing is usually fully covered by Housing Benefit or Universal Credit if required, reducing the risk of people being made homeless because they can't afford to pay their rent. This is significant given that the leading cause of homelessness is the ending of a private rented sector tenancy.⁵

³ Kings College London (2016) *Rebuilding Lives: Formerly homeless people's experiences of independent living and their longer term outcomes* <https://www.kcl.ac.uk/sspp/policy-institute/scwru/pubs/2016/reports/RebuildingLives2016Report.pdf>

⁴ National Housing Federation (2018) *Homelessness survey: discussion paper* http://s3-eu-west-1.amazonaws.com/pub.housing.org.uk/Homelessness_discussion_paper.pdf

⁵ National Audit Office (2017) *Homelessness* <https://www.nao.org.uk/wp-content/uploads/2017/09/Homelessness.pdf>

Social housing is needed to support new approaches to ending rough sleeping

Innovative new services to end rough sleeping are increasingly 'housing-led', meaning they provide support to people living in ordinary housing rather than homeless hostels. One model is Housing First, which provides intensive support to people who have a long history of homelessness and high support needs after they have been given a home.

St Mungo's is one of the largest providers of Housing First services in England. Our experience shows that short-term tenancies, which are common in private rented housing, are disruptive to the delivery of support. Housing First works better in social housing because tenants have the stability they need to focus on rebuilding their lives away from the street.

St Mungo's recommendations

The government has pledged to halve rough sleeping by 2022 and end it altogether by 2027. If this aim is to be achieved, access to social housing must be greatly increased for people with a history of rough sleeping.

To ensure that the people who need them can access social homes, the government in England should:

- **Increase investment in social housing to help build 90,000 homes for social rent every year for 15 years**

Despite the huge benefits offered by social housing for people with a history of rough sleeping, the availability of this type of housing has dramatically reduced in recent years.

Research from the Chartered Institute for Housing found that around 150,000 social homes for social rent were lost between 2012 and 2017, due to Right to Buy properties not being replaced, demolitions and conversions from 'social rents' to more expensive 'affordable rents'.⁶

Properties are being lost from the social housing market at an alarming rate, and this shows no sign of slowing down as the CIH predicts that the loss will reach 230,000 by 2020.

Competition for social homes has also become fierce. There were over 1.2 million families and individuals on social housing waiting lists last year, but only 290,000 social homes were made available in 2016/17.⁷

The Green Paper recognises that the government has a "responsibility to maintain and increase the stock of social housing for those who need it". In order to meet this responsibility, the government should also stop the conversion of social rents to affordable rents. Social rent tends to sit at around 30-40 per cent cheaper than market rent, whilst homes for 'affordable rent' can be up to 80 per cent of market rents. The National Audit Office calculated that, over 30 years, funding new homes at social rents offered better value for money for the taxpayer than higher affordable rents. This is mainly because the Housing Benefit savings outweigh the upfront investment cost.⁸

⁶ Chartered Institute for Housing (2018). More than 150,000 homes for social rent lost
[http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/More than 150000 homes for social rent lost in just five years new analysis reveals](http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/More+than+150000+homes+for+social+rent+lost+in+just+five+years+new+analysis+reveals)

⁷ Shelter (2018). One year on from Grenfell, millions still stuck on housing waiting lists
https://england.shelter.org.uk/media/press_releases/articles/one_year_on_from_grenfell_millions_still_stuck_on_housing_waiting_lists

⁸ National Audit Office (2012) Financial Viability of the social housing sector: introducing the Affordable Homes Programme London: National Audit Office

Whilst we recognise the government's ambition to extend the opportunity of home ownership to as many as possible, increasing levels of homelessness must be recognised as the most pressing issue. The Right to Buy policy should be suspended to prevent immediate further erosion of social housing stock, whilst policies are implemented to increase supply.

Recent, comprehensive research from Heriot-Watt University suggests that 91,000 new units of social housing will be needed per year in England for the next 15 years to address the housing crisis.⁹ The lifting of the housing revenue account borrowing cap, as of 29 October, should help towards this aim. However, to achieve this the government will need to provide significantly more funding to build new social housing, including through grant funding for housing associations.

Investment to increase the supply of new, social rent homes and stopping the loss of social rent homes would increase the supply of housing for people with a history of rough sleeping.

- **Reserve some social housing for people with a history of rough sleeping and make these homes available through housing-led programmes, including Housing First**

Additional investment in social housing must include investment in homes designated for use by people who have a history of rough sleeping and ongoing support needs. These units should be used to expand Housing First services, and to provide safe accommodation and support for homeless women with experiences of violence and abuse.

Since 1991, nearly 4,000 social homes have been ring-fenced for former rough sleepers in London through the Clearing House programme. This programme should be expanded and replicated around the country to match rough sleepers to social housing and tenancy support.

⁹ Bramley, G. (forthcoming) Housing supply requirements across Great Britain for low income households and homeless people.(All figures rounded to the nearest thousand)

The Clearing House model

Clearing House is one of the legacies of the Rough Sleepers Initiative (RSI) launched by central government in 1991. Between them, over 40 housing associations have more than 3,750 flats across London ring-fenced for rough sleepers with support needs, known as RSI or Clearing House properties. Originally, there were around 4,000 flats but over the years some have been lost to the programme.

A central team, funded by the GLA and currently run by St Mungo's, receives referrals from hostels and other agencies and matches these to available Clearing House properties. The Clearing House team acts as a central point of liaison between housing providers and other partners and works hard to ensure properties are not withdrawn from the Clearing House scheme by housing providers and used for purposes other than housing former rough sleepers.

Access to social housing is very limited for single individuals with a history of rough sleeping, and St Mungo's clients have expressed frustration at the criteria for access to social housing and extremely long waiting lists. This could be tackled by increasing access to Clearing House properties for people with a history of rough sleeping.

Clearing House caters for people with a range of support needs and is aimed at people currently sleeping rough, as well as former rough sleepers in homelessness accommodation services such as hostels. Around 8 in 10 people accepted for Clearing House properties need support with drugs, alcohol or mental health. Since 2000, Tenancy Sustainment Teams (TSTs) have supported Clearing House tenants to learn crucial living skills such as budgeting and cooking, achieve financial independence and access training and employment.

Clearing House homes are currently only available to individuals who have been verified as sleeping rough by a commissioned outreach service in the capital and have a record on the CHAIN database of rough sleeping in London. Typically around 25 per cent of individuals referred to the Clearing House scheme are still sleeping rough, the rest are referred from hostel accommodation.

However, the current provision is not enough to tackle rough sleeping and new Clearing House units and related support will be required both within and outside of London. While there is very little data on the support needs of people sleeping rough available at the national level, according to CHAIN 4,051 people sleeping rough in London during 2016/17 had at least one support need for drugs, alcohol or mental health (73% of those who had their needs assessed).¹ The 3,750 units in London are wholly insufficient to meet demand from the large number of people with support needs in hostels and sleeping rough who could benefit from the Clearing House.

Housing market pressures also mean London's ability to meet the accommodation needs of people sleeping rough is much lower than most other parts of the country and the flow of people onto the streets is much greater in the capital. The proportion of those in accommodation services and ready to move on are higher in London - the survey of accommodation projects that informed Homeless Link's *Support for single homeless people in England: Annual Review 2015* showed that 36 per cent of residents in London were ready to move on, compared with 25 per cent of those in the rest of England. Residents in the capital wait longer to move on: 31 per cent had been waiting less than three months, compared to 42 per cent across England, and 51 per cent more than six months, compared to 27 per cent across England.¹

This has been recognised by MHCLG in the allocation of the £100m funding for move-on accommodation from hostels and refuges, as London was allocated half of this funding. We welcome this funding for move-on accommodation and urge the Government to consider further programmes of this kind to as part of its investment in genuinely affordable housing, to ensure social housing is available to people with a history of rough sleeping.

- **Stop excluding people who have experienced homelessness from social housing**

St Mungo's is pleased to see that the Green Paper recognises the need to review local allocations policies to "better understand how the system is playing out in local areas in order to understand if it is striking the right balance between fairness, support and aspiration."

People with a history of rough sleeping often struggle to even access local authority waiting lists for social housing. Local authorities have the ability, under the Localism Act (2011), to restrict access to waiting lists for groups of people whom they deem to be 'non-qualifying'. In practice this means that people with a history of rent arrears, previous convictions or no local connection often face exclusion. For example, in 2016/17, 190 out of 326 reporting councils (42%) reported that they disqualified households with a history of rent arrears from social housing waiting lists.¹⁰

Furthermore, many single homeless people are unlikely to be deemed in 'priority need' which means that local authorities have no duty to provide them settled accommodation.

These restrictions mean that a single person with a history of rough sleeping is extremely unlikely to access social housing. Research by Crisis found that the number of new social housing lets to single homeless households of working age has fallen continuously from 19,000 in 2007-8 to 13,000 in 2015-16. The fall as a proportion of all new lets is similar, from 12% to 8%.

Individuals with a history of homelessness, including rough sleeping, should not be excluded from waiting lists for social housing, regardless of their local connection, offending history, or rent arrears (so long as they are engaged in a repayment plan). To achieve this the government should update the statutory guidance on social housing allocations for local authorities in England.

Housing associations must also play their part in preventing and reducing homelessness and should make every effort to provide housing for homeless people. All housing associations should sign up to the Homes for Cathy commitments on homelessness, which include a commitment to be flexible about their own allocation and eligibility policies so individuals are not excluded unnecessarily.¹¹

¹⁰ Local Authority Housing Statistics Data returns 2016 to 2017. Available at <https://www.gov.uk/government/statistical-data-sets/local-authority-housing-statistics-data-returns-for-2016-to-2017>

¹¹ <https://homesforcathy.org.uk/our-commitments/>

Effective resolution of complaints

Residents in supported housing are often more vulnerable than tenants in general needs properties, and support is always provided alongside accommodation in these services. As a result, supported housing is likely to require different methods of complaint resolution in order to best meet the needs of its residents. Below we have outlined how we endeavour to support clients who wish to make a complaint, and resolve any concerns.

St Mungo's actively welcomes feedback and is committed to ensuring that complaints and suggestions are handled fairly, that issues are put right and that the organisation records and learns from feedback received.

- *Questions 8: How can we ensure that residents understand how best to escalate a complaint and seek redress?*

St Mungo's works with a vulnerable client group, including those with complex needs such as mental health or substance use issues, whom may typically find it difficult to make complaints. As such we have a robust complaints procedure in place to ensure that residents of St Mungo's services understand how to make a complaint, as well as understanding of how to escalate a complaint and seek redress.

St Mungo's consulted with the Housing Ombudsman in the drafting of our complaints procedure, as well as with our residents and clients, staff and diversity groups. Seeking feedback from residents in the development of the complaints procedure helps to ensure that it is fair and comprehensible.

It is key that information is widely available and in clear and accessible language. All residents in St Mungo's services are provided with a complaints leaflet upon entering a residential service, and the complaints procedure is publicised through posters on display and leaflets and forms which should be made readily available in communal areas.

Furthermore, it is important that housing associations are proactive in seeking feedback rather than waiting for clients to complain. For instance, we have recently created 'feedback cards', which have been provided to all St Mungo's services for clients to use. The feedback cards enable residents to provide anonymous written feedback, discreetly via a feedback box, which can then be discussed as a group at resident meetings. The aim of this is to encourage clients to provide feedback to staff on an ongoing basis, empowering them to have more of a say in their environment and the running of the service.

- *Questions 9: How can we ensure that residents can access the right advice and support when making a complaint?*

Some of our clients, especially those with complex needs, require additional support to raise complaints. St Mungo's support staff, such as key workers in our supported housing projects, can provide advice and assist residents in making a complaint. If residents are not comfortable speaking to staff they interact with on a regular basis about a complaint, they can contact the central Quality and Compliance team, who can provide advice and support at any time, and this can be anonymous if the resident chooses.

Some of our residents have difficulties with reading and writing, so St Mungo's has a policy to take verbal complaints and suggestions as seriously as written ones. Residents can also be supported to write up a complaint by their key worker or the Quality and Compliance team, or they can have an advocate put forward a complaint on their behalf.

Empowering residents and strengthening the Regulator

As a large registered provider of supported housing, St Mungo's has strong processes in place to track and report on its performance.

- *Question 12: Do the proposed key performance indicators cover the right areas? Are there any other areas that should be covered?*

Supported housing, which provides specialised housing and support to some of the most vulnerable people in society, is a vital form of social housing. The MHCLG and DWP are currently working together and with providers, local authorities, membership bodies and resident representatives to "put together a sound and robust oversight regime" for supported housing. This coincides with the proposed review of performance standards and the role of the regulator set out in the Green Paper.

Oversight of supported housing should leverage off existing arrangements and not be burdensome on providers. Any reform to the regulatory system for social housing should be undertaken with awareness of the simultaneous review of the oversight of supported housing. There is a substantial amount of crossover between providers of the two, so we recommend that officials across departments work together to review existing arrangements, and work with the sector to ensure the most effective and appropriate regulation and oversight is in place for both social housing and supported housing.

- *Question 15: What more can be done to encourage landlords to be more transparent with their residents?*

All social housing providers should make a clear commitment to protecting individuals experiencing domestic abuse. Domestic abuse is a common experience for St Mungo's clients and a large number remain at ongoing risk, which is why we are a member of the Domestic Abuse Housing Alliance, and have committed to sign the Make a Stand pledge. Providing information and undertaking awareness raising activities are an essential part of this.

Make a Stand is a domestic abuse pledge from the Chartered Institute of Housing, the professional body for the housing sector, developed in collaboration with Domestic Abuse Housing Alliance (DAHA) and Women's Aid. The Make a Stand pledge was launched in June 2018.

Signatories commit to:

1. Put in place and embed a policy to support residents who are affected by domestic abuse
2. Make information about local and national domestic abuse support services available on your website and in other appropriate places so that they are easily accessible to residents and staff
3. Put in place a HR policy, or amend an existing policy, to support members of staff who may be experiencing domestic abuse
4. Appoint a champion at a senior level in your organisation to own the activity you are doing to support people experiencing domestic abuse

St Mungo's also support the Domestic Abuse Housing Alliance's joint response to the Social Housing Green Paper.