

Submission from the Understanding Inequalities Project to the All-Party Parliamentary Group on Housing and Social Mobility

Overview

Understanding Inequalities (UI) is a three-year project, funded by the Economic and Social Research Council (ESRC Grant Reference ES/P009301/1), which aims to explore the causes and consequences of inequalities in Scottish society and beyond. As part of the project, Sheffield University has led a work-stream looking at the relationship between housing and inequality. Linked to the UI project are also several PhD studentships funded through the ESRC Centre for Doctoral Training in Data Analytics and Society.

We summarise evidence from the following aspects of this body of research:

- The changing spatial distribution of poverty (inclusive of social renters) and its relationship with inequality (Pryce and Zhang 2018; Zhang and Pryce 2019).
- The causal impact of economic spending (e.g. urban regeneration) and Housing Associations in improving the employment of social renters from a major Scottish social housing intervention (Zhang, Manley, and Pryce Under submission);
- Whether increasing new refugees' access to social housing can reduce homelessness (Zhang, Cheung, and Phillimore 2019);
- How the Covid-19 lockdown impacts on the risks of households having difficulties with meeting housing costs and how this risk varies across regions and groups (Williams, in progress).

We relate this research to the 5 research questions posed by the APPGHSM, particularly research questions

1: What is the relationship between social housing and employment? and

4: What can Government do to support the social housing sector and tenants, and to reduce the social housing employment and earnings gap?

RQ1: What is the relationship between social housing and employment?

Poverty is becoming increasingly dispersed away from city centres in medium to large urban areas

Key findings and implications

- Poverty has to some extent been 'decentralising'—i.e. moving to the suburbs—in UK cities. The larger the city, the stronger the effect.
- This has implications for access to employment and services which tend to be concentrated near city centres.
- The impact on access to employment is likely to be amplified by a lower incidence of car ownership amongst poorer residents.
- Note, however, that the trend towards decentralisation is slow and gradual—poorer residents are still much more likely to live near city centres than other groups. Nevertheless, if this trend towards decentralisation of poverty continues, it could have long-term implications for employment access of poorer households.
- Future social housing policy needs to take into account the implications of decentralisation of poverty on the impacts on employment access.

Further details

Recent studies in Europe and the USA have shown that poverty is decentralising—moving from the inner cities to the suburbs (for UK examples see Kavanagh et al. 2016; Bailey and Minton 2017; Bailey, L. Stewart, and Minton 2019; Zhang and Pryce 2019).

Using 2001 – 2011 data from the indices of multi-deprivation and mid-year census estimates, we studied (i) the extent to which poorer residents—including social renters—have moved away from urban centres and (ii) the relationship between decentralisation and factors such as access to employment (Zhang, Manley, and Pryce Under submission; Zhang and Pryce 2019).

We found that:

- Poorer residents are still more likely to be clustered near city centres than other residents.
- Poorer residents started to become relatively more dispersed from city centres (i.e. during that period a decentralisation of poverty).
- Decentralisation tended to occur in medium to large English and Welsh travel to work areas (TTWAs).
- The decentralisation of poverty coincides with falling relative access to amenities and employment opportunities for poorer city residents (based on distance and availability of opportunities in a TTWA).

Covid-19 lockdown impacts on employment and housing risks

Key findings and implications

As the impact of the Covid-19 lockdown unfolds, some sections of the population are more at risk of employment insecurity and housing insecurity. Our model estimates the likely impacts of the lockdown on housing and employment insecurity across local authorities in England, employment sectors, and housing tenure types. The model draws on OBR sector loss projections (April 2019), the Annual Population Survey employment data (December 2019), and DWP and MHCLG local economic data.

We found that:

- Higher increases in employment insecurity are frequently forecast in areas with a higher proportion of the population living in social housing.
- Across all England local authorities, the proportion of the population experiencing employment insecurity is forecast to increase by between 22% and 49%.
- Across all England local authorities, the proportion of the population experiencing housing insecurity is forecast to increase by between 0.4% and 8%.
- Local authorities with many people employed in retail and hospitality are likely to experience the largest increases in economic insecurity.

Further details

This is ongoing work as part of a CDT PhD undertaken by Rhiannon Williams.

RQ4: What can governments do?

Impact on large-scale urban regeneration on social renter employment rates:

Evidence from the Glasgow Large Scale Voluntary Transfer (LSVT)

Key findings and implications

- The Glasgow LSVT is an example of an intervention that could have affected the employment of social renters. In particular, the intervention involved:
 - » A strong boost to demand for labour as a result of private and government and spending.
 - » A change to housing association (HA) ownership with large amounts of expenditure by HA on staff costs (Fraser of Allander 2019).
 - » The intervention involved extensive work on the improvement of the transferred stock—almost all of which required corrective repairs. Previous research has highlighted the potential for poor quality homes to demotivate some people.
- In the event, we found no impact of the Glasgow LSVT on the employment of social renters who lived in former council-owned housing.
- Several factors could explain why the intervention was not as effective for social renters (see below). Nevertheless, there remains the question of whether the LSVT was a missed opportunity and whether there were alternative policy designs that could have had a more positive effect on the employment prospects of social renters.

Further details

The UI project evaluated the effects of a large-scale Scottish intervention—the Glasgow large scale voluntary transfers (LSVT)—which started in 2003. The LSVT involved the transfer of roughly 80,000 homes from Glasgow City council to Housing Associations and more than £1 billion of investing in housing in the first ten years (Fraser of Allander 2019). To evaluate the intervention, we used data from the Scottish Longitudinal Study.¹

1 The Scottish Longitudinal Study (SLS) is a large-scale linkage study created using data from administrative and statistical sources, it is a 5.3% representative sample based on the Scottish censuses (<https://sls.lscs.ac.uk/>)

Using a research design that included quasi-experiments based on the changing administrative geography of Glasgow City, we find that in the first 8 years of the intervention:

1. The combined effects of new HA ownership, urban regeneration, and large capital expenditure had no impact on the employment of social renters who lived in former council-owned housing.
2. The intervention did have a positive employment effect on all other tenure groups with a major caveat.
3. An exploratory analysis finds that the positive effects of the intervention were limited to only certain sub-groups. We found NO effect for women, those living with dependent children and those with lower educational qualifications.
4. The employment effects of the intervention were almost solely down to the large amounts of spending. We did not find any evidence that the combination of HA governance or urban regeneration had an effect on employment rates for social renters.

Several factors could explain why the intervention was not as effective for social renters:

- Despite the demand for labour, the lack of effect on employment suggests that in Glasgow supply-side problems are the main obstacle for changing employment rates. Supply-side problems amongst social renters—such as lack of childcare—already feature in the AAPG evidence review as potential explanations.
- The LSVT challenges Judge 2019's conclusion regarding the effect of having more job opportunities near social housing. HAs created new offices close to the social housing they owned and this did not seem to have an effect on employment rates for social renters. We base this upon the policies of Glasgow Housing Associations—the majority holder of transferred housing stock (>40%).
- We do know that the intervention initially had strong and optimistic ambitions to improve the quality of life for social renters with HAs playing a key role (Daly et al. 2005). However, we are not certain about whether individual HAs undertook employment and training to support their tenants as in Wilding et al (2019).

Housing policy can aid the problem of homelessness amongst new refugees

Key findings and implications

- Refugees are potential clients of social landlords and represent a particularly vulnerable sub-group of social renters. Before even entering social housing, refugees with a recent grant of leave to remain are disproportionately likely to become homeless. Reducing the instances of early homelessness amongst new refugees will improve the social mobility of social renters.
- We believe Scotland's policy of housing all refugees at risk of homelessness represents an intervention that could be adapted for the rest of the UK. For example, new refugees can be considered a priority group for social housing (superseding priority needs) or UKVI's 28-day eviction period could be extended giving refugees longer to find alternative housing.

Further details

In the UK, asylum seekers (AS) are eligible for state-provided accommodation from UK Visas and Immigration (UKVI) whilst awaiting their asylum decision. The providers of AS housing are a mix of local authorities, private and third sector organisations—including social landlords. At the point of being granted permission to stay former AS—now new refugees—must vacate any UKVI provided accommodation within 28 days. In this transition period, new refugees are particularly vulnerable to destitution since they do not have a national insurance number so cannot claim state benefits or access employment.

In 2003 Scotland—unlike the rest of the UK—gradually abolished priority needs restrictions on access to social housing for the homeless. The Housing (Scotland) Act 2003 explicitly mentions former asylum seekers as beneficiaries of these changes.

What effectively happened was that new refugees in Scotland, who would have been at risk of being homeless, could remain within their state-provided accommodation—transferring from a (then) National Asylum Support Service housing contract directly to a social housing contract. We exploited the Home Office’s policy of allocating asylum seekers randomly across the UK to create a quasi-experiment. We use non-response rates in the Survey of New Refugees (SNR)—a longitudinal survey commissioned by the Home Office—to infer the rate of homelessness 8 months after asylum decision (for full details, see Zhang, Cheung, and Phillimore 2020).

The key findings are:

- Former asylum seekers who were dispersed to Scotland were far less likely to have experienced homelessness after 8 months.
- The *absolute* minimum effect of Scotland’s policies is a 9.6% reduction in homelessness amongst new refugees. Since we inferred the effect of homelessness through survey nonresponse (e.g. homeless refugees are less likely to respond to a postal survey), the true effect is likely to be much higher.
- A potential contribution to the effectiveness of Scotland’s intervention is the involvement of ethnic or national organisation in combination with faith groups in helping implement the policy (e.g. by directly informing asylum seekers of their eligibility for housing). We found new refugees in Scotland were more likely to have made contact with these groups before the end of the 28 day eviction period.

Acknowledgements

The help provided by staff of the Longitudinal Studies Centre – Scotland (LSCS) is acknowledged. The LSCS is supported by the ESRC/JISC, the Scottish Funding Council, the Chief Scientist’s Office and the Scottish Government. The authors alone are responsible for the interpretation of the data. Census output is Crown copyright and is reproduced with the permission of the Controller of HMSO and the Queen’s Printer for Scotland

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