

# Housing homeless people in 'Strong and Prosperous Communities': Exploring a Tension in English Housing and Welfare Policy

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## Abstract

Third sector housing associations are major providers of social rented housing in England which are expected to undertake a significant role in providing settled homes for homeless people. Housing associations are also being expected to be at the forefront of promoting cohesive, socioeconomically diverse neighbourhoods in order to counter the 'zones' of 'worklessness' that are perceived to exist in English social housing. National level research in England has demonstrated that there are inconsistencies in the responses of the housing association sector to homelessness that are not explained by variations in either levels of homelessness, or the relative scale of housing association activity within different areas. In seeking to understand this variation, the research found an inherent tension between the housing associations in developing 'cohesive' neighbourhoods and the housing of homeless households, who were often perceived as likely to be permanently socioeconomically inactive, or as 'risk-laden' in other respects.

## Introduction

Welfare policy is increasingly posited on the assumption, which has some evidence behind it, that social and economic exclusion in England is, in part, *spatially* determined (Fitzpatrick, 2005). 'Excluded' spaces are seen as having a 'culture' of worklessness, with the perception being that the problem is particularly pronounced within social housing (Fletcher *et al*, 2008; Hills, 2007; Ritchie *et al*, 2005; Cole *et al*, 2006; SEU, 2004).

In line with policy in the US and Western Europe (Galster, 2007), the English response has been to try to break up these 'concentrations' of worklessness through promoting socioeconomically diverse neighbourhoods, with the goal of reducing concentrations of disadvantage, criminality and anti-social behaviour. The most

recent incarnation of this policy response is in the 2006 White Paper, *Strong and Prosperous Communities*, which lists among its aims:

*...the promotion of socially cohesive neighbourhoods, coupling economic success with strong, mutually supportive and self-reinforcing communities.*

Social landlords are increasingly expected to actively promote socioeconomically mixed, socially cohesive communities within their housing, but are at the same time also expected to house households that are widely perceived as being characterised by high needs, disruptive behaviour and economic inactivity. One group which contains such households are statutorily homeless households.

This paper draws on government funded national level research conducted in England to explore the operational tensions that housing associations experienced in trying to meet these two potentially competing demands. The paper contends that, based on the evidence from this research, that the housing association sector is quite often unable to reconcile the expectation that it will create and sustain socioeconomically mixed communities with the expectation that it will house significant numbers of homeless households. It is argued that some housing associations pursue the former goal by seeking to control the numbers and types of statutorily homeless households that they house. The paper begins by briefly examining the policy background, before reviewing and discussing the research results.

## **Policy Background**

*From warehousing to prevention and social inclusion: changes in homelessness policy in England*

A household found to be statutorily homeless in England has to not be 'intentionally' homeless, usually had to have a local connection and be within certain "priority need" groups, but if they satisfy those criteria, they are effectively housed for life by the State. The legislation makes provision for priority needs groups that included households containing, or about to contain a dependent child, women escaping domestic violence and a household or individual that was 'vulnerable' in a way that meant they could not realistically be expected to secure housing on their own. These vulnerable groups included people with mental health problems, learning disabilities and frail older people. Authorities could also re-house someone who was homeless and not in priority need at their own discretion.

During the 1970s to mid 1990s, a household that was found to be statutorily homeless by a local authority in England was most often rehoused in council housing. Sometimes, statutorily homeless households were referred or nominated to a local housing association, third sector agencies providing affordable social housing and supported housing in the UK, which are eligible for state subsidy. However, the housing association sector was relatively small when the legislation first appeared, representing only a fraction of the size of the council house sector.

After 1979, Britain experienced a forced move away from housing provision by the State and, a sustained attack on its welfare systems from a series of Neo-Liberal governments. Council housing was seen as an expression of an outdated and outmoded form of collectivism (Malpass and Murie, 1990). Large parts of the council housing stock were sold to those tenants who could afford to buy their homes at heavily subsidized prices, under the 'Right to Buy'. New building by councils was effectively stopped and while new social housing for rent continued to be developed, activity was almost entirely confined to third sector housing associations and was on a much smaller scale. There were also widespread cuts to welfare benefits, social care and health services. Cumulatively, these events, coupled with a major rise in unemployment, were widely interpreted as causing significant rises in statutory homelessness (Anderson, 1993). Levels of statutory homelessness rose steadily, peaking in 1991 at 265% of the level that they had been in 1979, when Thatcherism began, with some 151,720 households being found statutorily homeless and in priority need (Department of the Environment, 1992).

The Thatcherite reaction to rises in statutory homelessness was summarised in one of the most memorable quotes from a British Prime Minister, widely seen as epitomising the end of post-war consensus in the UK and as encapsulating the deep seated hostility of the new Neo-Liberal Right to social collectivism in general and the welfare state in particular:

*I think we've been through a period where too many people have been given to understand that if they have a problem, it's the government's job to cope with it. 'I have a problem, I'll get a grant.' 'I'm homeless, the government must house me.' They're casting their problem on society. And, you know, there is no such thing as society. There are individual men and women, and there are families. And no government can do anything except through people, and people must look to themselves first.* (Prime Minister Thatcher, talking to *Women's Own* magazine, 3<sup>rd</sup> October 1987).

Government was widely criticised for a refusal to see how its policies were 'causing' homelessness and as portraying the problem as one of individual pathology, the idea of "benefit dependent" people, who were reluctant to work and who expected to be housed by the State and for refusing to see how its own policies "caused" increases in homelessness (Anderson, 1993; Pleace, 1998). The homelessness legislation was even revised to make application as homeless more difficult and to remove the priority access to settled social housing for rent that had been given to statutorily homeless households in the original 1977 legislation (Lowe, 1997). When Thatcherism came to an end, there had been falls in the level of statutorily homelessness, but in 1996 the number of households found homeless was still 213% of the 1979 level, at some 121,990 households (Department of the Environment, 1997).

Homelessness had become deeply politicised by the late 1980s. For the Left, rough sleeping or street homelessness and images of homeless families crammed into cheap, substandard hotel accommodation for months on end, showed the harshness of Thatcherism, the tendency to treat the poor as consciously "deviant" people who had placed themselves in that position, to essentially punish the vulnerable (Carlen,

1996). At the same time, on the Right, homelessness was seen as exemplifying the problem of welfare dependency, of an unwillingness to work and take responsibility, of a society whose economic malaise was a product of a failed collectivism that had undermined individual initiative, entrepreneurial spirit and personal responsibility.

In 1997, with the election of a 'New' Labour government, the attitude of the State towards homeless people changed. Homelessness was now regarded as part of a problem of 'social exclusion', the idea that groups in society faced compound disadvantage that prevented, or at least greatly inhibited, some people from taking part in normal economic and social life (Deacon, 2000 and 2003). The definition of 'social exclusion' that was still in use by the Cabinet Office in 2008 encapsulates this concept:

*Social exclusion is about more than income poverty. It is a short-hand term for what can happen when people or areas have a combination of linked problems, such as unemployment, discrimination, poor skills, low incomes, poor housing, high crime and family breakdown. These problems are linked and mutually reinforcing. Social exclusion is an extreme consequence of what happens when people don't get a fair deal throughout their lives, often because of disadvantage they face at birth, and this disadvantage can be transmitted from one generation to the next (Social Exclusion Task Force, 2008)*

If homeless people were socially excluded, they had to be given help to reach a level playing field with the rest of society, to get access to education, training, employment and stable housing, all of which would allow them to escape their position through paid work (Pleace, 1998). This approach accepts the idea that homelessness may not be solely the result of individual action, indeed it may not result from individual action at all, but may instead be the result of this supposed form of compound socioeconomic disadvantage. Homelessness was not seen as a result of housing market failure, or housing supply, or labour market change, instead homeless was to be addressed by helping some individuals, who because of their support needs or because they had not had a fair start in life, could not manage well in society. The policy focus is on ensuring an individual or household has access to the opportunities to escape social exclusion with whatever support is necessary, but if those opportunities are refused, sanctions can be employed (Pleace, 2000).

The government liberalised the homelessness legislation and created a new duty for local authorities to produce homelessness strategies. A strategic planning mechanism and dedicated budget, called the Supporting People programme, which could be used to commission tenancy sustainment and resettlement services, supported housing and homelessness prevention services, as also introduced. Homelessness, as a manifestation, indeed perhaps the ultimate example of 'social exclusion' was the focus of a series of major policy initiatives.

Within this approach, there was a new emphasis on homelessness prevention. The logic is simple. If certain sets of characteristics are linked to a heightened risk of homelessness then people who have not yet been homeless can be intercepted with appropriate support to prevent homelessness from occurring. The 1999 strategy to counteract rough sleeping spelled out the approach:

*In the long term, we can only make a lasting difference on the streets by stopping people from arriving there in the first place. That is why prevention is a key part of this strategy, and why more will be done to address the reasons why particular groups such as careleavers, ex-servicemen and ex-offenders are disproportionately likely to end up on the streets. The strategy also sets out support for new temporary and permanent beds, better help in finding jobs and a more focused approach to helping people off the streets.* (Prime Minister Blair's Introduction to *In from the Cold: The Government's Strategy on Rough Sleeping*, Rough Sleepers Unit, December 1999).

The use of preventative services has seen levels of statutory homelessness acceptances plummet in recent years. However, some argue that this apparent success might, at least in part, be a result of a reclassification of this social problem (Pawson, 2007). Nevertheless, homelessness acceptances fell to 134% of their 1977 level in 2006 and to 114% of the 1977 level in 2007, the lowest recorded level since 1980 (Communities and Local Government, 2008). It must also be borne in mind that these falls have occurred in a context in which the criteria under which households can be found homeless, the 'priority need' groups, have been expanded, to include a clear duty to lone 16-17-year-olds and to some other vulnerable groups. There have been widespread falls in street homelessness as well, though this was a trend that began under the Conservatives.

*From housing for the workers to housing the workless: changes in the role of social housing in England*

In 1979, the social rented sector represented around 30% of the national housing stock of England (Malpass and Murie, 1990). Over the next 15 years, Thatcherism did not quite create a nation of home owners, but it did come quite close to it. The Right to Buy, coupled with large scale cutbacks in new social housing development, had reduced the social rented sector to 22% of the national stock in 1995, a fall of 8% in just 15 years, with the sector shrinking to 18.5% of the national stock in 2004 (Hills, 2007, p.43).

Increasingly, the social rented sector, through the effects of employed households changing tenures through the Right to Buy and through more and more poor and often workless people seeking social housing, began to be referred to as 'residualised', a tenure of the socioeconomically excluded (Malpass and Murie, 1990; Burrows, 1999; Hills, 2007). In 1977/78, 55% of heads of household in social housing were employed, by 1991 it was 30% (Hills, 2007, p.100). In 2006, the level of employment among heads of household in social housing rose again slightly at 32%, though this was still far lower than in other tenures (Hills, 2007, p.100).

Demand for social housing remained high, but only from some household types. In some areas, especially in London and the South West, East and South East of England, the numbers of households being found statutorily homeless began to significantly outstrip supply of social housing for rent, blocking access to other groups, and creating pools of homeless families and other statutorily homeless households in temporary accommodation (Pleace *et al*, 2007). The private rented

sector remained quite small, and only certain sectors of it were affordable, as it provided the second option for employed households unable to stretch to the increasingly unaffordable owner occupation. This meant that low income households had the option of living in the private rented sector, though only a part of this sector catered to people eligible for Housing Benefit, or could enter the social rented sector.

The social rented tenure had high rates of unemployment, concentrations of anti-social behaviour and substance misuse and sometimes an inherent instability, caused by rapid 'churn' of households (Burrows, 1999; Pawson and Bramley, 2000; Cole *et al*, 2006; Hills, 2007). New Labour politicians began to openly express the idea of social housing as a 'problem' tenure :

*Originally, council housing brought together people from different social backgrounds and professions but this has declined. We need to think radically and start a national debate about how we can reverse this trend, to build strong, diverse estates. Social housing will always have a strong role in supporting the most vulnerable - the elderly, those with disabilities. And with my experience from my previous posts, I don't underestimate for one minute the challenges that some people face in their lives. But there are also many who are currently unemployed who could find work with the right training and support. Many social tenants have a real appetite for change and self-improvement. Most say they'd like to own their own home. And if we don't work together to unlock their potential, then we are failing to live up to our responsibilities. (Caroline Flint, Minister for Housing, Address to the Fabian Society on 5<sup>th</sup> February 2008).*

The idea that social housing *undermines* life chances, i.e. living within the tenure raises the risk of social exclusion, is firmly on the policy agenda at the time of writing. As Hills notes:

*By Spring 2006 more than half of those of working age living in social housing were without paid work, twice the national rate. Some of this is unsurprising given the labour market disadvantages of many social tenants, such as lack of qualifications or disability. However, this does not appear to be the only explanation: employment rates of those living in social housing with particular disadvantages or with multiple disadvantages are substantially lower than those of people with similar disadvantages but living in other tenures. Even controlling for a very wide range of personal characteristics, the likelihood of someone in social housing being employed appears significantly lower than those in other tenures (Hills, 2007, p. 111).*

As Hills argues remaining social rented stock tends to quite often be relatively concentrated in less affluent areas with fewer jobs, i.e. worklessness may be more about place than tenure. However, recent research by Fletcher *et al* (2008, p.21) found some evidence that large social rented estates can have a 'culture' of worklessness, with social norms and peer pressure generating a lifestyle that resist paid work. However, the same study did not suggest this 'culture' was something found across all social housing and it also reported that personal disadvantage in labour markets, such as poor qualifications or lack of experience, or personal situations, such as having to care for young children, appeared to be much bigger obstacles to paid work.

The conditions of personal and area social exclusion might be mutually reinforcing in some respects (Burrows, 1999). 'Socially excluded' people are more likely to move into social rented housing, a tenure that itself heightens the risk of 'social exclusion' because they are so concentrated within it. This is not the same thing as cause and effect, it is more a case of *individual characteristics* reinforcing and being reinforced by *tenure characteristics*. Of course, deprived areas with the same mutual reinforcement between individual and area characteristics need not be in the social rented sector. "Excluded" households can also be found in the lower end of the private rented and owner occupied sectors and indeed in mixed tenure, socioeconomically deprived, areas (Fletcher *et al*, 2008).

Policy from central government has now become focused on promoting a greater socioeconomic mixture within 'workless' areas to counteract concentrations of worklessness and 'cultures of worklessness'. The 2006 White Paper, a statement of policy intent, *Strong and Prosperous Communities*, reported that a key objective of wider government policy was to create supportive, self-reinforcing, socioeconomically mixed communities (Communities and Local Government, 2006). The Housing Corporation, which at the time of writing was the body responsible for overseeing the third sector housing associations, follows this line within its *Neighbourhoods and Communities Strategy* (The Housing Corporation, 2006).

## **About the research**

The natural instinct of the Thatcherites had been to privatise the council housing that was left towards the end of their reign, to improve efficiency and reduce costs, through a process called Compulsory Competitive Tendering (Bines *et al*, 1993). This failed, largely because the potentially profitable elements of the social rented sector, which might have attracted private companies, had already been bought up by former tenants. Large Scale Voluntary Transfers (LSVT) arrangements were therefore introduced in the early 1990s, as an alternative to simple privatisation. LSVT arrangements gave incentives to councils to 'transfer' the ownership and management of their social rented housing to the third sector housing associations. Housing associations were seen as more efficient, innovative and business orientated than councils and had been encouraged in this direction by a requirement that they had to use private capital to part-finance their new developments (which meant higher rents to meet debt repayments). At first, only a handful of councils transferred their housing stock, but a series of incentives made the prospect more attractive and by 2006, around 45% of councils had transferred their stock to one or more housing associations (Pleace *et al*, 2007). This created a new situation in which housing associations had moved from a minority role in social housing management and development in the 1970s to becoming the sole developers of new social housing and are now, through LSVT, managing much of the social rented housing in England.

Government began to have concerns that housing associations were not always playing a consistent role in housing statutorily homeless households. There was patchy, sometimes anecdotal, evidence that housing associations were sometimes

deliberately avoiding housing statutorily homeless households which were referred to them by local authorities (Pawson and Mullins, 2003).

Rather than rely solely on external programmes designed to counteract social exclusion, social landlords can also adjust the social balance in their housing using allocations mechanisms. Allocations systems in England are in the process of being replaced by Choice Based Lettings (CBL). CBL creates a quasi-market in available social rented lets, often involving several, or all, of the social landlords in an area. There is some evidence that homeless people tend to be housed in a wider range of stock, and in more dispersed patterns, when they are given choices through CBL system, in comparison with earlier allocation systems (Pawson *et al*, 2006). However, the parameters of these systems and whether or not individual bids for social rented lets are accepted, ultimately lie within the control of the social landlords that operate them, potential tenants do not exercise unconstrained choice.

Both CBL and traditional allocation systems could be used to give preference to some household types, i.e. those containing someone in paid work, while reducing allocations to other households, such as statutorily homeless households. There was a concern within government that this was, in fact, occurring.

The research was designed to explore the interrelationships between housing associations and local authorities in the housing of statutorily homeless households. There was a specific concern with exploring the extent to which housing associations might be resisting providing housing to statutorily homeless households. The research methods employed were:

1. A statistical analysis of the role of housing associations in providing settled housing to statutorily homeless households. This was based largely on analysis of five data sets: the Regulatory and Statistical Returns Survey (RSR), the Continuous Recording System (CORE), local authority P1E (quarterly homelessness) returns, and the Housing Strategy Statistical Appendix (HSSA) returns submitted by local authorities.
2. An online survey of housing associations, which was confined to housing associations that had made at least one let to a homeless household (either statutorily or non-statutorily homeless), and/or which had provided housing support services to homeless people, during 2005/6. The response rate was 41% (144 housing associations).
3. An online survey of local authority homelessness services which refer statutorily homeless households to housing associations (the survey went to local authority housing strategy officers within the very small number of areas in which housing associations were running the homelessness assessment process under contract to a local authority). The response rate was 60% (212 of the local authorities with housing responsibilities in England).
4. Detailed fieldwork in London, Birmingham, Bristol, Liverpool, Norfolk and Hertfordshire, involving a series of interviews and focus groups with housing associations and local authorities that dealt with all aspects of partnership working. Fieldwork was also conducted among national or regional level

housing associations. In total, 22 focus groups and interviews were conducted involving staff from 31 housing associations and 16 local authorities.

## Findings

During 2005/6, 21,470 housing association “general needs lets” were made to statutorily homeless households, these general needs lets included all houses and flats/apartments that were ordinary housing without any support services. In 2006/7, this figure rose to 23,223 lets. This represented the equivalent of around one third of all the households accepted as statutorily homeless in England (Pleace *et al*, 2007).

Housing associations rejected some 2,490 nominations and bids from statutorily homeless households during 2005/6. This was equivalent to around 3% of households accepted as homeless and about 10% of the statutorily homeless households that were housed by housing associations (source: HSSA returns, 2005/6).

The anecdotally reported variation in housing association activity in providing homes to statutorily homeless households, which had prompted the research, was confirmed by an analysis of national statistics (see Table 1). Housing associations were not behaving consistently and some were providing housing to only low numbers of statutorily homeless households.

Housing associations were most active in LSVT areas, in which former council housing was under their management, and less active in areas where at least some council housing still existed. On one level, this was simply because most of the housing association stock in England is former council housing, taken over by associations in LSVT areas. In all, 75% of housing associations lets to statutorily homeless households occurred in LSVT areas, but then again, 70% of all housing association stock was within these same areas (Pleace *et al*, 2007).

However, the research found marked variation in the *proportion* of available lets that these associations were giving to statutorily homeless households. Within LSVT areas, the housing association sector varied between making less than 10% to more than 50% of its available lets to statutorily homeless households. A similarly wide range was found among housing associations working within areas in which council housing still existed (Table 1).

**Table 1:** Proportion of all housing association general needs lets going to statutorily homeless households (banded) by transfer status of local housing authorities (England)

<i>Proportion of all HA general needs lets going to statutorily homeless households</i>	Areas with council housing and housing associations	LSVT areas in which former council housing was managed by housing associations	All areas
Less than 10%	14%	3%	9%
10-19%	37%	25%	32%
20-29%	29%	31%	30%
30-39%	15%	20%	18%
40-49%	4%	15%	9%
50%+	1%	6%	3%
<b>All</b>	100%	100%	100%
<b>Base (housing associations)</b>	<b>195</b>	<b>159</b>	<b>354</b>

**Source:** CORE returns 2005/6 ([www.core.ac.uk](http://www.core.ac.uk)). \* Full or partial LSVT

This variation was not explained by or significantly associated with levels of statutorily homelessness. Housing association activity was not consistently low in areas where statutorily homelessness acceptances were low, nor was it consistently high in areas where statutorily homelessness was high.

Another possibility was that variation in housing association activity was explained by temporary accommodation use for statutorily homeless households. In some areas of England, essentially London, the South and the East, there has been a significant shortfall of available social housing lets relative to the levels of homelessness acceptances. This has led to the creation of 'pools' of households awaiting settled social rented housing in temporary accommodation. In London, for example, in 2005/6, there were an average 2.7 statutorily homeless households already in temporary accommodation for every new household accepted as homeless during 2005/6 (Pleace *et al*, 2007). In some areas in the Midlands and the North, by contrast, at least some statutorily homeless households could be rehoused in social rented housing more or less immediately, because there was not the same shortage of social rented stock relative to statutorily homeless households (Pleace *et al*, 2008). However, the level of temporary accommodation use was not significantly associated with housing association activity, associations were not consistently more active where there were 'pools' of statutorily homeless households in temporary accommodation, nor were they always less active where these pools did not exist (Pleace *et al*, 2007).

A high degree of variation was also found at the level of individual housing associations. LSVT associations, managing former council housing, were generally devoting more of their available social housing lets to statutorily homeless households (an average of 23%) but the range between the least active, devoting 3% of its lets and the most active, with 56% of its lets, was considerable. Among

traditional housing associations, the range was between 1% and 42%, with an average of 18% (during 2005/6, Pleace *et al*, 2007).

Other factors, such as whether there was any mismatch between available housing association stock and the type of households becoming homeless (i.e. the available housing association housing did not correspond well with the types of households becoming homeless) or the roles that CBL systems might be playing, were also explored. Neither offered a consistent explanation as to why some individual housing associations were more active than others, or why similarly sized housing association sectors, in comparable areas, behaved so differently towards statutorily homeless households.

The survey results showed differing perceptions between housing associations and local authorities. Most housing associations reported that they housed 'about the right number' of statutorily homeless households (89%). Local authorities in areas in which LSVT arrangements had transferred council stock to housing associations generally agreed with this (76%), though it was notable that around one quarter (24%) did not.

Within areas where there was a mix of council and housing association housing, local authorities were less positive, only 54% reported that housing associations were taking their 'fair share'. Overall, 37% of local authorities reported that 'housing associations prefer not to prioritise the housing of statutorily homeless households compared to other households in housing need' and 29% reported that housing associations were 'more likely to refuse to house statutorily homeless households than other households'.

The survey results indicated that a minority of local authorities reported that housing associations were rejecting statutorily homeless households because they were workless (7%). On the face of it, this finding suggested that any anxiety that housing associations were not housing statutorily homeless households on the basis that they were workless, to maintain mixed communities in their housing, was unfounded. However, some local authorities also reported that people with the following characteristics were also unlikely to receive housing association tenancies:

- a history of anti-social behaviour (54% of local authorities);
- previous tenancy record (including arrears, 57%);
- unmet support needs (31%);
- a criminal record (10%).

These groups were all likely to be characterised by worklessness and by general social and economic marginalisation (H.M. Government, 2006), there are also broad associations between these characteristics and homelessness (McNaughton, 2008). Similarly, the housing associations that responded to the survey emphasized these factors, reporting that the following factors made them less likely to provide housing to a given household:

- a history of anti-social behaviour (27% of housing associations);
- previous tenancy record (including arrears, 25%);

- unmet support needs (17%)
- a criminal record (10%)
- employment status (7%).

Forty-five per cent of housing associations responding to the survey reported having rejected one or more nominations, or CBL bids, from statutorily homeless households.

The qualitative interviewing showed that housing associations were sometimes reluctant to house statutorily homeless households because of fears that statutorily homeless households would present significant management problems. There was also evidence of poor communication and difficulties in joint working (Pleace *et al*, 2007).

However, the overwhelming finding was an anxiety and a concern that specific household types would disrupt and undermine community cohesion. There were also general concerns about housing households that would have a negative effect on the social mix, by pushing up numbers of the economically inactive, either within neighbourhoods or individual developments.

*Single people households, especially male, as there is almost always a problem – there must be for them to be accepted as homeless in the first place (housing association respondent)*

*If you keep putting vulnerable people with support needs, keep putting them into the same area, you are not going to sustain that area. That area is going to be a problem. And what you need, where we have been most successful, is where we have been able, rather than pepper-potting rented in development terms, actually, is where we are able to pepper-pot those people with support needs...(housing association respondent)*

Particular problems included housing associations trying to generate mixed communities in new housing schemes (for example new mixed tenure blocks of flats or apartments, see Bretherton and Pleace, 2008), by trying to control what types of household entered those new schemes to maintain a balanced community. Housing associations themselves sometimes saw a fundamental tension in housing what they saw as a highly 'socially excluded' and potentially disruptive group in significant numbers, if they were to maintain a 'mixed and sustainable' community of tenants in their housing.

*One RSL [Housing Association] was asking for 45% employed on new schemes –we just can't sign up to something like that (local authority respondent).*

*I know that the politics are with a big and small 'p' here, but if you start putting people in one area because they're hard to let then that is not the way to deal with homeless people. It's a case then of disturbing the community, you need a balanced community. ...If we are getting homelessness applicants all the time through the nominations and if we have only a small estate in an area, it will gradually fill up with*

*those people and become difficult to manage, difficult and expensive to maintain and in effect it's not what social housing is about. It's about giving people decent homes not just pushing them into places where they don't want to go and don't want to stay (housing association respondent).*

According to some housing associations, local authorities were not releasing full information on some statutorily homeless households. Some thought this included deliberate attempts to conceal information that might deter a housing association from re-housing a statutorily homeless household.

*This is the biggest issue, the lack of information about nominations, you might be doing the viewing and only then discover that someone has learning difficulties and will need support and that is a bit too far down the road, really, to start trying to find appropriate support. That doesn't help people sustain their tenancies (housing association respondent).*

Some respondents reported that problems in information sharing reflected a general lack of dialogue. It was sometimes reported that, if housing associations and local authorities communicated with one another more effectively, there would not be as many difficulties in housing statutorily homeless households.

*It's about breaking down that mistrust where the council thinks we are going to cherry pick or going to exclude certain people. We are getting over that barrier now, we are not trying to exclude, we are trying to include –so give us that information initially so we can identify what support they need, make it a success, we are not trying to exclude them, not trying to cherry-pick, not trying to have the best, let's be open and honest with each other and transparent (housing association respondent).*

It is important to note that there were working examples in which coordination and joint working between housing associations and local authorities seemed wholly or largely unproblematic. In many areas, housing associations were felt to be taking on their fair share of statutorily homeless households by local authorities and nominations and referrals procedures were working well. One housing association respondent described an excellent working relationship in one area:

*A social landlord needs to be working in the community and many of these [statutorily Homeless] people are within in the community where we've got the properties. We don't need to be forced or encouraged to participate in things like that, it's part of our general ethos to be involved.*

## **Conclusions**

Housing associations are expected to fulfil both a role as developers of mixed and sustainable communities and function as a major source of housing for statutorily homeless households. *Tackling Homelessness*, the 2006 strategy produced by the Housing Corporation, the former regulator of housing associations in England notes

the potential for tension, but also explains how housing associations are being expected to tackle it.

*Tackling homelessness can and should go hand in hand with building sustainable, mixed and balanced communities. The Housing Corporation sees transparent and inclusive local lettings policies as a primary tool to achieve sustainable communities. We understand that these policies must balance competing demands. These will differ from area to area, but our objective remains the same: in order to achieve balanced communities, there is a need to avoid the concentration of poverty and social exclusion and create a balance of economically active households. Lettings policies that promote the achievement of balanced, mixed tenure communities, coupled with employment and training initiatives and support for vulnerable households, can underpin that ambition (The Housing Corporation, 2006, p.10).*

The research showed that housing associations were often resisting housing statutorily homeless households on the basis that these households would undermine their capacity to build and sustain cohesive and socio-economically mixed communities. Mixed and balanced communities were not always being developed 'hand-in-hand' with housing statutorily homeless households.

This information can be interpreted in various ways. On one level, it could simply be a failure of existing services, or evidence that more services were needed to make paid work a more realistic option for statutorily homeless households. On another level, it could be interpreted as indicating that there was no expectation, at least among social landlords, that these households would ever enter paid work, or be able to live without support.

The attempt to manage socioeconomic balance within housing association's housing through the use of allocations systems could be interpreted in the same way. Rather than expecting services, such as the Working Neighbourhoods Fund, or a dozen other services designed to enable and encourage, and increasingly, compel people into paid work to be successful, the strategic imperative to have mixed and sustainable communities in social housing is instead being pursued by exercising control over who moves in. It shows a certain lack of confidence on the part of housing associations that services designed to bring either formerly homeless people or their existing workless tenants into paid employment will work.

This piece of work was not intended to be, nor should it be read as, an attempt to critically assess the interventions that are designed to minimise worklessness through support for individuals and through balancing communities. What can be reported on is a tension between housing one excluded group and a wider objective to promote mixed communities within social housing, a view among social landlords that housing one 'socially excluded' group interfered with their pursuit of less social exclusion in their housing.

The capacity of some homeless people to work and the willingness of most employers to employ formerly homeless individuals is questionable. Homeless

people often have poor skill levels, low self esteem and can sometimes have behavioural and health problems, which when combined with a lack of recent work experience and the likelihood of employer discrimination, can create significant obstacles to employment (Singh, 2005; Kemp and Neale, 2005; Lownsborough, 2005; Pleace and Bretherton, 2006). Social rented tenants tend to share some of these characteristics, such as poor levels of qualification, and people living at some addresses and postcodes are avoided by some potential employers. Some areas also have poor and limited labour markets, deprived places tend not to have many jobs and no matter how much you train and prepare people, there needs to be somewhere for them to work. This can apply to the quality of available work, which has to exceed or at least match the standard of living people can have on benefit (Hills, 2007; Fletcher *et al*, 2008).

The typical response to any criticism of services posited on counteracting social exclusion is that service interventions need to be more finely targeted, specifically tailored, more comprehensive and better coordinated. It is arguable that there is something of a refusal to see that, for example, labour markets and local economic conditions may be at least as important, indeed more important, than labour supply side interventions in individual skills, motivation and willingness to work (see Fletcher *et al*, 2008 for a discussion of these issues).

Services that presume that unemployment and social marginalisation is *primarily*, or indeed solely, linked to individual's capacity to exploit opportunities, that are posited on the idea that the problem is one of spatially concentrated 'social exclusion' and that the main route out of poverty is paid work, may be flawed. In the current policy context, this amounts to something akin to heresy, but if the mutually reinforcing negative relationships between individual and area exclusion are to be overcome the answer may lay, at least partly, outside the many policies posited on countering 'social exclusion' and 'cultures of worklessness'.

This links to the wider questions about what social housing is and what it is for. Essentially, if the various interventions to overcome individual and area social exclusion are limited in effectiveness or have little or no effectiveness, then the mutually reinforcing relationship between individual and area exclusion will persist. If one is frank about it, the 'risk' that social housing in England will become a container for poor, marginalised and politically excluded populations ceased to be a mere 'risk' years ago, we have long since arrived at that point where this anxiety was manifested (Burrows, 1999; Hills, 2007). Trying to reduce the residualisation of the tenure through exclusion of the long term unemployed, the sick and the poor, may not be sustainable or desirable strategy. This is for two reasons.

First, there is the question around whether or not socioeconomic mix, in itself, produces the desired effects in decreasing worklessness and cultures of worklessness in social housing. In their study of worklessness in social housing, talking about the utility of promoting more diverse neighbourhoods, Fletcher *et al* (2008, p.24) note:

The research findings underline the uncertainty about the extent to which such approaches can tackle social polarisation and concentrations of worklessness in

areas of social housing. Certainly, what our findings suggest is that without taking effective steps to improve the incomes and to promote the livelihoods of existing tenants, such approaches are bound to fail. Only in one case study neighbourhood did respondents readily identify anything particular about where they live that serves to disadvantage them in the labour market. Rather, disengagement from the labour market was typically related to personal disadvantages, which were often severe and multiple in nature, individual identities and associated roles and responsibilities that were often not compatible with work (for example parenting and caring), and concerns about the viability of what work was available locally (low paid and insecure).

There are questions around the extent to which social housing can function as an agent of economic change, around how far it can enter into employment, education and training policy and regeneration. International research does tend to suggest that mixed neighbourhoods seem to have an effect on life chances, but the tipping point between what constitutes a desirable and undesirable 'mix' is unclear (Andersson *et al*, 2007). This, if anything, raises further concerns about what social landlords may be doing in blocking allocations to statutorily homeless households, because their goal, the 'balance' they are aiming for, is imprecise. Galster (2007, p. 35) notes:

...precisely *how and why* neighbourhoods matter must be unpacked carefully before one can leap to any policy implications regarding neighbourhood mixing (emphasis in original).

Although this paper is not a review of the literature on the interrelationships between poverty and place, some would argue that the jury is still out on whether or not spatial concentration is really the heart of the problem, or a destructive symptom of it (Forest and Kearns, 2001; Atkinson and Kintrea, 2001; Fitzpatrick, 2005).

In the meantime, there is the question of what is happening to the households who are being excluded from social housing in order to try to promote mixed communities. The housing association sector has been the developer of new, innovative, better standard social housing in England for almost two decades; it has the bulk of the better modern social housing stock. Rejection of statutorily homeless households by housing associations either places them in council stock, which while it varies greatly in standard and location, is essentially composed of the rump that remained after the Right to Buy (Bines *et al*, 1993; Burrows, 1999), or it means that they resort to the lower end of the private rented sector, in which there is evidence of poor standards and insecurity (Rugg, 2008). It is also the case that both private rented sector landlords and councils that still manage their own stock may be reluctant to house these households on precisely the same basis that housing associations are. Might the processes of exclusion from the housing association sector eventually lead to increases in rapid movement between insecure settings, hidden homelessness, squatting, unregulated private renting, perhaps even street homelessness, among the most marginalised and vulnerable, the most chaotic and difficult to manage, individuals and households?

Reorientation of social housing to its former landlord role is not possible. The fact the tenants and some of those, like statutorily homeless people, seeking to enter the sector, tend to have support needs, personal care and health care needs at a higher rate, and that they tend to be characterised by sustained, indeed by *permanent* worklessness, cannot be ignored. Social housing has adopted some of the functions of other welfare services and has to work alongside health, care and other support services because it now cannot function if it does not have access to those services for its tenants. There are, whatever the merits or demerits of a policy approach based on the concept of 'social exclusion', strong moral and political arguments in favour of the Communitarian and New Labour approaches to maximise individual life chances. Yet perhaps there is also a need to admit to and to recognise something else, that social housing in England *is* the tenure of the poor and marginalised, it is a tenure that serves those who depend on the welfare state and is, more than ever now, part of that welfare state.

**Note:** The views expressed in this paper are not necessarily those of the Housing Corporation or Communities and Local Government or any other government department.

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