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The gentrification problem

With the capital facing a complex list of housing challenges, the recent London Housing Conference brought the public and private sectors together to share perspectives and work towards solutions. How did they get on? **Ann McGauran** reports



In London, the housing crisis is right up there alongside Brexit in the list of issues making residents most anxious. High rents stand out as a key concern, and housing benefit rates have failed to keep pace. There is also a growing perception that a process of neighbourhood 'gentrification' is pricing residents out of communities. Nearly 7,500 people sleep rough on the city's streets, and the system of council-provided temporary accommodation is at breaking point. Buying any London home is completely out of reach for more and more people in the capital. Last year, only 6,463 new social homes were delivered. Published after the Grenfell Tower fire, housing charity Shelter's commission on the future of social housing recommended a historic renewal of social housing in the form of a 20-year programme to deliver 3.1 million more social homes. It is in this context that the councillors, council executives, developers and housing association leaders who attended the first London Housing Conference at The Guildhall searched towards solutions. Could they clear even a tentative path through such difficult terrain? Cllr Darren Rodwell is London Councils executive member for housing and planning and leader of Barking and Dagenham LBC. He said that when elected his party's pledge was 'very clear – we would build 2,000 truly affordable homes'.

He added: 'We are doing it and we can prove we are doing it. Eighty percent of people on shared ownership that we've just put forward are local people. I don't believe in gentrification. I think that's a real problem in communities across London.' He gave some examples: 'On the Isle of Dogs there are the haves and the have nots and neither of the two intertwine. It's the gated community scenario. If you look at Stratford we all paid between us £12bn for the Olympics. It was supposed to be a legacy – but for whom?' Minister Kit Malthouse this month called on councils to revive housing revenue account (HRA) building in preference to creating property companies. Cllr Rodwell said he does not think the Government 'has gone far enough with HRA'. He has already said the Government should give councils the solid funding base he believes is needed for house-building at significant scale. On Right to Buy, Cllr Rodwell said: 'We asked for Right to Buy to be stopped. Why are we allowing the Government to destroy our communities, because that's basically what they've done?' Chairman of the Berkeley Group plc Tony Pidgley underlined the message that communities are 'all about local authorities, political leadership and local people coming together'. He added: 'When we work with social landlords the maintenance of that estate is the responsibility of both of

us. We don't build social housing and say to the social landlord "thank you very much, it's your problem". We are in a partnership. We are building a community.' Director of development management company Be First Pat Hayes said that for London to develop as a city it is 'absolutely critical there is an increasing supply of good quality rented housing'. He added: 'There is an issue about getting real involvement from organisations like ourselves in producing rental accommodation that can be held at a reasonable price so that people can afford to live there.' What is a truly affordable rent level in London? 'It's got to be about the price per month. We ought to be thinking much more about actual rent levels as a percentage of salary and not as a percentage of market rent – fixing rent levels as a blended mix within accommodation.' Will anything emerge from this event? Cllr Rodwell said setting up a board with a memorandum of understanding between the different sectors – including the public sector through London Councils, the private sector and registered social landlords – 'has to be the key'. He concluded: 'We will have an understanding that we will meet every quarter to make sure we are solving these issues. Because that's the only way Londoners will believe in any of this again – when they see action.' ■

A four-point plan

Tens of thousands of families are desperately worried about their continuing ability to pay high rents, says **Paul Wheeler**.

It seems that some things don't change. The average household salary in the UK is currently £284,00 and the average house price is now £243,000. For those without access to substantial savings or generous parents that means they need approximately eight times their income to access a mortgage. So home ownership is not going to happen for the average family and no amount of shared ownership and help to buy displacement activity will change that.

We need to accept that housing policy needs to be geared towards building homes the average family can afford.

The terminology of affordable housing and 'market rents' is deeply misleading. It's fair to say that for most families in most parts of the country the rents and house prices on offer are simply unaffordable.

So how many homes for social rent were built in 2017? Just 6,463. Contrast that with more than 80,000 families whose lives are being blighted in poor quality temporary accommodation and the tens of thousands more desperately worried about their continuing ability to pay high rents.

It's a problem that has been finally recognised. The most recent report from an influential commission supported by Shelter indicated that three million new homes at social rent would need to be built over the next 20 years to begin to repair the damage. More fundamentally it calls for a

change of attitude that sees social housing as a national asset and a recognition that millions of young people in insecure employment will never have the resources to buy accommodation.

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Sadly, long experience tells us social need and well researched reports on their own will not change much in UK housing policy and generate the impetus to see rapid change. So here is a four-point plan for a future government to get its teeth into.

A pre-fab moment

Just as in the period after the Second World War we face a national housing emergency and we should respond appropriately. Our modern version of the pre-fabricated home should be well designed modular homes that can be erected quickly on the



increasing number of stalled development schemes and with powerful support at a national and local level. We need housing

associations to commit to devoting all their efforts to building homes for social rent in a hurry. If they won't or are too wedded to

The beginning of the end of homelessness in Scotland?

Housing First has become the default approach to taking on homelessness in Glasgow. **Ann McGauran** talks to Douglas Gibson about how this city along with four others in Scotland are ramping up delivery of the programme, and their plans for evaluating its impact

Housing First has gained traction as a way of tackling homelessness in Scotland. Why is the country using the approach as a first response – and how will outcomes in the five cities that have become early adopters be evaluated?

The Homeless Network (GHN) is the host organisation for Housing First Scotland. The approach turns the traditional tiered model or 'staircase' model for dealing with homelessness on its head, said business innovation manager for the Homeless Network (GHN) Douglas Gibson.

He told *The MJ* people who are homeless have traditionally been put in the position of having to prove

over time that they are 'ready' to have a home. This gives them every opportunity to fail and return to being homeless – hence adding to the cycle of homelessness rather than ending it.

Instead, Housing First focuses on getting people into a long-term tenancy that is safe and secure and 'providing support that is open-ended – and that, in a nutshell is Housing First'.

He said Housing First is moving up the public policy agenda in Scotland, after becoming established in North America in the 1990s. 'One of the directors of Turning Point Scotland went across there and said there was something here for Scotland. They then set up a housing



pilot in Glasgow – and that has a sustainment rate in its tenancies of 90%.'

That pilot started in 2010 and is still running, and Glasgow is the first city in Scotland to commit to Housing First as the default approach to people who are homeless

for social housing

Here, he outlines a plan for creating homes for social rent that a future government can start to progress after Brexit.



their income targets they need to move out of the way and let local councils resume their historic role of housing the nation.

Building a movement

Despite the obvious need for more homes, building them isn't popular – and

especially so for social housing. Well organised residents' groups can stall proposed developments for years. We need to recognise that the permanently changed housing market needs a fundamental change in our local politics. We need a shift towards councillors and interest groups who favour housing development.

Families are not the only people in need of social housing. Demand will be much wider than that. There is the potential to create powerful political constituencies amongst the retired and young adults. Social housing can come in many forms and we should learn the lessons from Europe where housing co-operatives, owned and managed by their tenants, are a significant element in social housing.

It's all about the land

It's an astonishing fact (courtesy of the Office of National Statistics) that land accounts for more than half of the nation's wealth – £5 trillion of a total of £9.8 trillion. As well as its obvious impact on equality, in the UK high land values are a huge issue in building affordable homes – of any tenure.

Needless to say rich and powerful landlords won't give up their wealth easily. However we could make a start by the simple expedient of amending the 1961

Land Compensation Act. This allows land owners to argue that their land is not worth what they paid for it, but is worth the value of its highest possible land use. Needless to say, such 'greed values' allows massive inflation in land values.

The sensible alternative is the policy that existed before 1961 when local authorities could purchase land at existing use value and build housing accordingly. Apart from anything else it would stop the lunatic approach of the NHS and other public sector organisations insisting that all their surplus land has to be developed for luxury housing and offices.

Design matters

The last thing we need are poorly built social homes isolated from social facilities. So as part of our endeavours let's mount a high-profile design competition with world class architects to build the next generation of social housing.

Much of the latest private sector housing is characterised by poor quality and low space standards – the slums of the future. We need a confident and ambitious public sector to improve housing quality for all. It's a critical moment. Let's hope that this or a future government is ready to act. ■

Paul Wheeler is director of the Political Skills Forum and writes on local politics



and who have multiple and complex needs.

In 2016 Housing First Scotland was set up in partnership between GHN, Turning Point Scotland and Heriot Watt University.

Then in 2018 social enterprise Social Bite announced

the first batch of funding to start the programme across five locations through money it raised during its Sleep in the Park campaign to end homelessness in Scotland.

It invested £3.5m into a Housing First Scotland Pathfinder Programme that has seen Glasgow, Edinburgh, Stirling, Dundee and Aberdeen become early adopters of Housing First. Mr Gibson said: 'The aim here is that those five cities ramp up how we deliver Housing First.' The goal is to move from providing homes for the 50 people in Glasgow to 'broadly 1,000'.

In 2017/18 the Scottish Government also set up the Homelessness and Rough Sleeping Action Group (HRSAG) – a group of sector leaders tasked with setting out recommendations to reduce and end homelessness in Scotland.

Mr Gibson said: 'This group met 12 times over six months and spoke to 425 people across Scotland. They laid out 70 recommendations, including a core one that every local authority would draw up a five-year plan (to 2023) for moving to rapid rehousing for those who need it.' All of HRSAG's recommendations were accepted by the Scottish Government.

Merchants House of Glasgow joined as co-funders, and the Scottish Government committed a further £6.5m over three years to the programme, with Wheatley Group and housing providers across the pathfinder cities pledging 830 properties to the programme. In each city a consortium of organisations is commissioned to deliver

the crucial support element to tenants.

What potential barriers could hold back progress with the shift to a default rapid rehousing approach? 'There is the question about local budgets funding the costs to set this up. You need the tenancies and the support costs. We have worked out that the support costs are in the region of £6,000 per person per year.'

Housing First is targeted at people who can cost the public purse quite a lot to support. But Mr Gibson points out international evidence is that the Housing First approach saves public services £3,000-£18,000 per person per year.

How will the programme in Scotland be assessed? 'We will have a large-scale evaluation to establish does this work, how is it working and what is the cost benefit. He expects this to run from now until spring 2021, with an interim report due in spring 2020.

What is the added ingredient he believes is the distinguishing quality of the approach? 'In Housing First the support is completely separate from housing. The support workers have no more than seven clients and this allows them to be more intensive with their work. They can make sure the person has everything they need.'

Since its launch in North America, Housing First has also been implemented across Europe – although typically at a local level. The question is will the programme support those first 1,000 or so people in Scotland out of homelessness for good? ■



Fighting back against homelessness

A year ago the Local Government Homelessness Commission (LGHC) was launched by the Local Government Information Unit (LGIU) to look at how councils can help prevent homelessness. **Ann McGauran** looks at what evidence it uncovered and what recommendations are likely to emerge from the report

The Local Government Homelessness Commission began its work last summer hard on the heels of the Government's Homelessness Reduction Act.

Co-chaired by leader of Sevenoaks DC Peter Fleming and leader of Blackpool Council Simon Blackburn, its aim was to focus local government minds on ways to urgently reverse the trend of escalating homelessness in England.

Which aspects of homelessness were examined, and what key recommendations will make their way into the final report?

LGIU policy officer Andrew Walker told *The MJ*: 'The evidence-gathering work of the commission is done. We've had our sessions looking at data, and at work that's being done to support vulnerable groups and high needs groups. That's about making sure that people don't fall between the cracks. It's about connecting up services in different ways.'

'We had a session on securing accommodation, which is where we talked about temporary accommodation, but also the Housing First model to tackling homelessness and the various other models. We looked at the housing market and then the final session looked at financing.'

'We talked there about the welfare system. We also drew the wider lessons from the commission together and the need for a housing strategy at a national level which is properly funded and has a narrative beyond just talking about rough sleeping.'

The commission is due to produce its report at the end of May. Robert Pollock is a board member of the New Local Government Network and was on the commission. He told *The MJ* the evidence revealed a lack of a strategy that considers housing and homelessness at a national level. Instead there was 'lots of focus on the visible signs – rough sleeping – rather than on the fundamental drivers'.

He said resources are both inadequate and inflexible in relation to the scale of problem, with some Government policy – including universal credit – increasing the risk of homelessness.

On a positive front, he said there was good practice around using data to identify those at risk and interventions that work with young people at risk. He highlighted Social Impact Bonds; and Housing First as two worthwhile approaches, 'but the UK tends to take a piecemeal approach and action is patchy across the local government sector'.

Too much taxpayer money is going on private landlords, he believes, 'a transfer that is not value for money and we need more public capital invested in housing stock as this is the cheaper and better long term option'.

Bob Jordan from the Dublin Region Homeless Executive gave evidence to the commission on its response to Ireland's homelessness crisis. In Mr Pollock's view there are some lessons to learn from Ireland where housing benefit now administered by housing ministry.

In a blog for the LGiU Mr Jordan said

Ireland's homelessness problems were due to a 'housing supply crisis'. Following the 2008 economic crash, both public and private construction stopped. He added: 'Capital expenditure on social housing was cut by 88% between 2008-2014 and the focus of housing support for low income households shifted more towards the private rented sector.' Rents are higher now 'than the previous peak of the so-called Celtic Tiger era by 27%'.

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The response has been Rebuilding Ireland, an integrated housing and homelessness strategy published by the Government in 2016. The key goal is to 'dramatically increase public house building by providing 50,000 new social housing units by 2021, accommodate 87,000 households through social housing supports delivered in the private rented sector, and ramp up house building to 25,000 units per year'.

Preventing homelessness is a key part of this strategy. Prevention teams within local authorities visit and support families at risk. A National Tenancy Protection Service offers enhanced rental support payments

to households faced with losing their tenancies because of rising rents. Other initiatives include the provision of suitable emergency accommodation, with 'family hubs' replacing the use of commercial hotels and B&Bs.

Housing First, which is gaining ground in Scotland (*see pages 20-21*), parts of England and in some local areas in Europe as a policy for tackling homelessness, is a key part of the Irish Government's approach. 'Housing First has been operating in Dublin since 2011 with a 86% success rate in housing retention', said Mr Jordan. In Ireland, Housing First will be rolled out in every local authority area with funding from both the Ministry for Housing and the Ministry for Health.

In conclusion, Mr Walker said that 'broadly speaking', the commission will be looking at calling for changes in the way housing allowance is administered and for more powers to keep secure long term tenancies in the private rented sector. 'We'll be urging for a real strategic lead on homelessness and housing rather than just a rough sleeping strategy.'

He added: 'A lot of the problem is that homelessness is caused and made worse by central government policy, whether that's a dysfunctional housing market or badly administered welfare reforms. Local government is left to pick up the pieces with very little resource and funding to do so.' ■

www.lgiu.org.uk/policy-theme/local-government-homelessness-commission/