The role of housing providers in tackling poverty experienced by young people in Great Britain: case examples of innovative approaches

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About the study

- Funded by the ESRC and the Public Policy Institute for Wales as part of their '*What works in tackling poverty?'* programme

- Aim: examine what works in tackling poverty amongst young people (16-25) who do not live in the parental home, with a focus on the role that housing providers can play

- Duration: November 2014 to October 2016

- Mixed methods approach across different streams of work
  - Presentation focuses on emerging findings from qualitative strand of research – **ten case studies**

Context

- Historical differences between approach of Housing Associations (non-profit organisations) and Local Authorities (local government):
  - HAs have longstanding focus on alleviating poverty, but also a focus on development, which has come at the price of higher rents.
  - LAs more about providing housing for the masses

- Rents not affordable to most tenants – two thirds depend on Housing Benefit (HB) to pay their rent

- But, welfare reforms means this is no longer an adequate approach:
  - Wide ranging cuts to benefits, many focussed specifically aimed at young people – HB capped for PRS tenants, and caps to come in for social tenants from 2018. Will make one bedroom social rented flats unaffordable for single under 35s on low incomes/benefits. Automatic entitlement to HB for 18-21s to be removed.

Housing support for young people in England and Wales

Support	Category	Number	Total	Proportion
With state subsidy	Living independently, receiving HB	292,864	1,156,413	18%
	Living independently, no HB, but in social housing	120,595		
	Living independently, students	338,297		
	In institutions	404,656		
Parental subsidy likely	Living with parents	4,767,841	4,767,841	72%
Self-supporting	Owner occupiers	141,308	676,947	10%
	Private renters, not on HB	535,639		
Total		**6,601,200**	**6,601,200**	**100%**

Source: 2011 Census and DWP via Statxplore, own calculations. HB=Housing Benefit

[1] Most students in England receive loans to cover their tuition fees and living expenses. In Wales the loans are smaller and contribute only part of the tuition fees. Students pay back the loans if/when their earnings are high enough, but many are unlikely to ever do so, meaning that there is still significant state subsidy for most. Students may also be receiving some degree of parental support in the form of additional support for living costs and/or free accommodation.

[2] This includes university halls of residence as well as hospitals and prisons.

- Large majority of 16-25 year olds not self-supporting. Poverty likely for those not supported by parents?

About the case studies

- Innovative or unusual schemes (many award winners) – located via consultation with steering group and online survey
- Across Britain (3 in Wales, 1 in Scotland and 6 in England)
- 3 main types:
  - Pre-tenancy training courses (two)
    - One is a one-day course, the other a 5 -day course – budgeting, paying bills, life skills
  - Employment schemes (two)
    - A 9 week Traineeship – functional skills, work placements and employability skills
    - A one year Apprenticeship – work placement (in 'dream job), college course and community work
  - Housing schemes (six)
    - A mixture of supported housing, floating support, shared housing with lead tenant/supportive housemate (paying lower/no rent). Most schemes offering more than one type
    - Three schemes also ran a drop in centre for courses and social activities
    - One was a social lettings agency – referring to accommodation with housing management services, rather than full support.

How do these schemes address poverty?

Scheme name	Type	Low rents	Increased earnings	Money management and life skills
MyPad	Pre-tenancy training		√	√
Moneyhouse	Pre-tenancy training			√
Traineeship	Employment - Traineeships		√	√
Community Wellbeing Apprenticeship	Employment - Apprenticeships		√	√
Peer landlord	Shared housing with lead tenant and floating support	√	√	√
SmartLets	Social lettings agency	√		
New Roots	Self contained and shared housing with floating support and drop-in		√	√
Cantref Foyer	Supported housing		√	√
Rock Trust	Housing with floating support (including shared housing with lead tenant) and drop-in advice centre	√	√	√
Denbich Hub	Supported housing and drop-in advice centre		√	√

Methods

- Site visits to speak with staff and residents
- Interviews with scheme leads – followed up over 18 months
- Interviews and/or focus groups with clients (some with a longitudinal element)
- Interviews with clients who were referred, but did not attend a course
- Interviews with referral agencies
- Analysis of administrative data

Findings: what works well in tackling poverty?

Known and trusted organisations

- Local reputation – both with referral agencies and young people – more challenging for housing providers engaging with education providers – new links needed

- Joint working – e.g. location of staff within LA housing offices, to increase referrals (using IT remote desktop facilities)

- Established referral systems – more of a challenge for tenancy training schemes because of large throughput. Training sessions for staff, housing allocations require course attendance.

Supporting independence

- On-demand support (knowing support is there if needed)

  "Schemes like this are worthwhile because there are people out there who do need that bit of help and support because they haven't got family or friends who can help them or support them and it is a really good way, using it as a stepping stone to get themselves in a position where most people want to be, which is having their own place, being able to live the life they want to live and go on from there" (Client, social lettings agency)

Supporting through changing circumstances

- Many young people's lives changed whilst at a project – found partner, had baby

- Some schemes were flexible to support new partners too, or could move young parents on to suitable accommodation within their stock

- Shared housing presents a challenge for accommodating partners – because of imposition on other housemates.

Making shared housing work

- Shared housing has the potential to be cheaper than self-contained.

- Expectation of moving on to self-contained whilst single needs to change unless young people have secure employment – because of forthcoming benefit cuts

- Can be popular with some young tenants, to combat loneliness:

    "I've just turned 17 this week. To me, getting a single flat, when I've never lived on my own before is quite scary… I don't think I could have coped with living alone" (Client, Rock Trust).

Making shared housing work (continued)

- Also presents challenges for many, especially those with troubled backgrounds of domestic abuse or in areas with issues with gangs. Needs sensitive approach to allocation.

- Some support from a lead tenant or supportive housemate who receives lower rent or no rent in return for liaising with landlord and informal support can help with this client group.

- Support from staff in managing sharing issues can help:

    "The house manager comes round on a Wednesday morning, we have a house meeting on a Wednesday morning, so if there's any sort of problem – any repair issues, or anything like that, or somebody not pulling their weight with keeping the kitchen or bathroom tidy or whatever – it can just be cleared up right then and there, it makes things a lot easier" (Client, SmartLets)

A new style of learning

- Tenancy training courses that engage young people and allow them to learn in a fun, interactive and informal environment
    - Not like school!
- Many young people had had very negative experiences of school, truanting, no qualifications, bullying
- Building confidence critical

A new style of learning

- Young people quite nervous about including maths and English as part of their programme, but delighted in themselves when they finally passed these qualifications:

I never thought I'd be able to do what I can do now in Maths. When I was at school I was a bit, didn't really care about Maths, skipped the lessons or messed about and like, graphs for example, I didn't even know what they were in school! Since I've been on here and over the nine weeks going Maths with [trainer], I can do graphs, I can do percentages, which I've never been able to do! But now I can so those things" (Client, Traineeship).

"Interviewer: Have you had any support for your dyslexia here?

Client: Yes, I've had a couple of one-to-one sessions. And there's been times when it's been the whole group, and at one point I just broke down in tears because I was getting all the help and support I needed and I hadn't got it at school" (Client, Traineeship).

Challenges in tackling poverty

High rents

- High rents were common in several of the supported housing schemes
    - High market rents in local area
    - Support costs needed to be funded, little other funding available
- Most tenants reliant on HB, with little incentive to work:

    "It's risky to work" (Client, supported housing) – wants to find work, but had previously quit a job because he could not afford the rent on his wages

- HB to be limited to single room rate from 2018, threatening viability of some schemes unless exemptions are made
- Reliance on HB exemptions may make schemes viable, but leaves young people in benefit trap.
- Supporting tenants to find work was not always a main feature of housing schemes – high rents mean that it doesn't help them escape poverty, at least in the short term.

Supporting independence?

- Reliance on sub-market housing to provide very low rents – good work incentives but little incentive to move on

- Self-contained housing – hard to move on to shared housing, wrong set of skills developed and used to having own space

- Paying apprentices more than market rates – some leave other opportunities because this is "higher paid".

- Being a link between clients and landlords/other services – sometimes needed, but can leave clients reliant on schemes staff rather than wider "normal" services available to them throughout life.

- Lack of wifi was hindering computer skills, online job hunting, bidding for council homes and wider service use

  They want us to look for jobs, but how can we look for jobs when EVERYTHING is online? I mean, hardly anywhere shows that they're looking for jobs on their shop windows these days. (Client, supported housing scheme)

  If I need to look anything up on the internet, I have to go down the local library, which for me working full-time and finishing at half past eight at night, I don't want to be going down to the library I want to come straight home (Client, social lettings agency)

Lack of understanding of young people on causes of poverty

- Many young people living in the schemes lacked knowledge of their basic income and outgoings.
  - Did not know what their rent was, especially if paid by HB
  - Did not know what benefit income they received
  - Took jobs without knowing what the pay was, or what hours they would be offered
- Hard for them to make rational decisions around money, housing or employment without this basic information in place

Sustainability

- Most schemes reliant on time-limited funding – little prospect of any self-funding mechanism beyond the lifespan of the project. Further funding applications usually seen as the only route forward.

- Transferability – most schemes would be transferable to other parts of the country. Some issues in terms of:
  - Local services and networks
  - Local housing markets – with key difference between high and low rent areas
  - Local agency to lead – most of the lead housing organisations were locally based

What is the role for housing organisations?

- Need to tackle poverty so that tenants can afford rents – reliance on welfare now harder.

- Strong local presence can mean housing organisations are well-placed to lead schemes, even where housing provision itself is not part of the activities.

- Being known and trusted with tenants can help recruit participants, though the research found the evidence on this happening was weak, with most participants in non-housing schemes not coming from the organisation's own tenant base.

- Low rents have a key role to play in encouraging tenants to find work, a likely factor associated with reduced poverty in the future.

- Equipping tenants with the life skills for living in shared housing may enable them to afford future housing options more easily.

Conclusions

- Balance needed between providing support needed and equipping the young people with skills to interact with wider services independently.

- Need to manage expectations in terms of move-on – shared housing more likely and skills best developed by sharing with low level support, rather than self-contained.

- Low (or at least no more than market) rents with support costs funded by other means would incentivise young people to find work, thus reducing the risk of future poverty

- Building confidence in a young-person focussed environment was key to the successes of all these schemes and the aspect most often mentioned by young people when asked what they had got out of the scheme:

  I've got a lot more confidence that what I did have. It's easier for me to talk to people on the phone, I'm talking to you and I wouldn't have spoke before. I'm more confident when I go in the shop as well, I'm putting my head up instead of leaving it down and talking, I'm a lot more louder than I thought! (Client, Traineeship)