



Improving Opportunities: How to support social housing tenants into sustainable employment – Report to the APPG on Housing and Social Mobility

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EXECUTIVE SUMMARY



About the All-Party Parliamentary Group on Housing and Social Mobility

The All-Party Parliamentary Group on Housing and Social Mobility (APPG) was founded in 2020 to champion social housing providers that support tenants and residents to secure sustainable livelihoods.

Housing associations play a vital role in building communities that work. Yet their investment – over £70m in employment support – and the value this creates – is not fully recognised. The APPG on Housing and Social Mobility brings together MPs and Peers from across all political parties to better understand these issues.

Communities that Work provides the secretariat to the APPG and supports it in an administrative and operational capacity. The co-chairs of the APPG are Peter Aldous MP and Liz Twist MP.

The APPG Inquiry into Housing and Employment

In March 2020, the APPG on Housing and Social Mobility launched a national Inquiry to further understand **the employment and earnings gap in social housing and identify how to reduce this**. This brought together insights from sector experts, housing providers, and residents by gathering written and oral evidence which addressed the Inquiry's questions.

The APPG Inquiry was supported by **Communities that Work** and **PlaceShapers**, with additional support from the housing sector **GEM programme**. The research partner for the Inquiry is the **UK Collaborative Centre for Housing Evidence (CaCHE)**.

This report of the Inquiry has been researched and written by CaCHE. This is not an official publication of the House of Commons or the House of Lords. It has not been approved by either house or its committees. All-Party Parliamentary Groups are informal groups of members of both houses with a common interest in particular issues. The views expressed in this report are those of the group.



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Communities that Work

Communities that Work is the voice of housing providers who deliver employment support and services to communities across England & Wales. Together our members own and manage over 1.4 million homes. We aim to transform lives for good, by enabling housing providers to support people into rewarding, sustainable employment.

www.communitiesthatwork.co.uk

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CaCHE

The UK Collaborative Centre for Housing Evidence (CaCHE) is a consortium of 14 institutions led by the University of Glasgow. The centre is a multidisciplinary partnership between academia, housing policy and practice to produce evidence and new research to contribute to tackling the UK's housing problems at a national, devolved, regional, and local level. CaCHE is supported by the ESRC, AHRC and Joseph Rowntree Foundation.

www.housingevidence.ac.uk

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Acknowledgements

The APPG on Housing and Social Mobility wishes to thank everyone who has been involved in the Inquiry into Housing and Employment. In particular, the APPG wishes to recognise the contribution of those organisations and individuals who submitted written evidence and took part in oral evidence sessions. A full list of those who took part is at the back of this report.

Thank you to Communities that Work and PlaceShapers and the team of young housing leaders from the GEM programme for supporting the Inquiry.

We are especially grateful to our research sponsors: Guinness Partnership, One Housing, Optivo, Sovereign & Torus Foundation, for funding the Inquiry and its report.



One Housing



Executive Summary

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In Brief

This report was commissioned to understand the challenges facing working age tenants seeking employment, and to establish clear evidence for what works most effectively and consistently in supporting people to sustain their own livelihoods.

We considered if living in social housing presented a barrier to employment. This starting point is one which suggests both a barrier to social mobility and poorer outcomes for specific people, their families, and communities. British working age social housing tenants have lower employment rates, earnings, and rates of job progression than their working age counterparts in other tenures. This remains the case even after careful analysis taking account of

important differences between groups suggests that these differences are not nearly as stark as the raw numbers would suggest (Judge 2019).

The Inquiry into Housing and Employment found that the security and affordability of social housing actually help people to find and keep a job. Our national system of allocating social housing, with priority to those in the greatest need, means there are simply more people living in social housing who need greater levels of support and time to enter into employment. Whilst there is considerable intervention underway by commissioned employment and training providers, our Inquiry shows that social housing providers are stepping



into this role too, running employment support programmes for tenants, residents and communities. These greater levels of support are now undertaken by an increasingly experienced social housing provider base, for a growing proportion of their residents. Monitoring, evaluation and evidence and impact is also amassing, demonstrating their effectiveness in this expanding role.

In an era of Covid-19 and rising general unemployment, it is essential that this growing good work is not diluted or diminished. As the Government pursues a 'levelling-up' agenda our Inquiry finds that sustaining and supporting the work that is being carried out to enhance employability, and to train and progress people into work, is an essential part of realising that ambition. Housing-centred employment programmes need continued funding support if they are to continue to help

hundreds of thousands of people find and keep a job every year. This is less about seeking new funds in a time of economic difficulty, though more would of course be welcome; rather it is about sustaining existing commitments. For instance, securing a durable replacement for European Social Fund (ESF) funding which is so important to this sector, and aligning Department for Work and Pensions (DWP) spending priorities for more disadvantaged groups with the social housing sector, for example through Jobs Plus.

Beyond simple funding considerations, it is also about taking seriously the ideas within the main report to enable, facilitate and promote the range of initiatives and partnerships across this dynamic sector, combining labour market interventions with the work of social housing providers on behalf of their communities.

The Inquiry

Working with Communities that Work and PlaceShapers, the UK Collaborative Centre for Housing Evidence (CaCHE) led the research behind this Inquiry conducted through the period of pandemic since March 2020. There were three main elements. First, the establishing of the terms of reference for the inquiry, including a background research paper. Second, we called

for written evidence and received more than 60 written submissions. Third, we held 11 panel sessions with social housing providers, employment specialists, subject experts and other interested parties, including a panel of tenants. We are grateful to everyone who participated and full thanks are listed later in the main report.

Conclusions & Recommendations

The report draws a number of **conclusions** that help frame the recommendations.

Social housing can support the conditions needed to secure and sustain employment

There remains a view that there is something inherent to social housing that worsens the labour prospects of its residents. There is little evidence that two of the defining features of social housing, namely, tenure security and sub-market rents, have anything to do with the gap in employment outcomes between social housing and other tenures. In fact, these may provide the security and affordability to make active engagement with work possible. However, the other feature, allocating social housing to those in greatest housing need will, by definition, tend to generate working age households who may be relatively disadvantaged in the jobs market (though other important factors like job availability and jobs quality, transport, childcare support networks, etc. are also important). While it is right to challenge stigma and discrimination, it is also the case that effective employment training and support for some local residents is required.

Devolved, local, and tailored interventions work well in a diverse range of communities

The evidence suggests an incredible variety in the range of employment and training activities pursued by social housing providers. This included strong support for the intensive use and expansion of customised end-to-end employment support

for individual clients and the desire to support interventions from employability to training to placement and to monitor in-work progress, too. This variety reflects funding routes, the strength of partnerships in specific regions, capacity and experience. It will also probably reflect the depth and nature and performance of local labour markets, training options, attitudes of employers and much more. Such variety represents a barrier to scaling up and transferring ideas, but it does suggest that local context is important and is one argument in favour of more devolved funding and delivery systems for employment, skills and training support.

National employment programmes can work locally through social housing partners

Scale and geography were repeatedly found to be important factors in determining the role of housing providers in the labour market. We were told that the work of different scales of associations suggested that both small is beautiful and 'large need not be ugly'. Larger providers like Clarion Futures and Optivo demonstrate positive impact both singly and in partnerships like Love London Working. There is also much evidence of high-quality interventions from smaller and medium-sized associations and other social housing providers. But there is real friction and waste generated by institutional scale elsewhere. We heard how the spatial size of DWP commissioning programmes

were so large that even large consortia would find it hard to deliver. These geographies should be aligned to local labour market areas, not bureaucratic large entities that remove capable performers from being able to participate – that seems a significant loss in value for money terms and in capacity. It is another argument for devolving further funding and delivery of these programmes.

Labour markets and social housing will benefit from medium to long-term commitments to work together, supported by Government

We think that government needs to produce both a strategy and a consistent medium-term policy and practice environment to both enable the labour market and the active housing providers to make the most effective impact – and this should be based on evidence and properly evaluation. This of course has to be viewed through a Covid-19 filter – the employment prospects looks bleak but there will be considerable interventions made locally, regionally and nationally. Levelling-up and Building Back Better (e.g. through large scale initiatives such as green retrofitting) can also create major training and economic development opportunities that social housing providers can and should be partners in Covid-19 also demonstrates deeper inequalities: the digital divide now has direct job implications as we shift to working from home and engaging with service providers online.

Impact measurement is fundamental

We would stress the importance of evidence and impact measurement. Resources will continue to be highly constrained but all employment interventions require a genuine commitment to rigorous evidence and analysis; communicating these approaches to stakeholders and supply chain partners. Social value measures and the principles associated with environmental, social and governance metrics help to demonstrate the wider value of programmes. The use of evidence remains uneven, but the increased use of social value metrics and the more rigorous attempts to demonstrate value is a sign of the way the social housing world is evolving.

Social housing can multiply its impact

At the same time the employment and training benefits associated with housing-led investments such as new affordable housing and retrofit of the existing stock, indicate relatively large multipliers and, potentially, significant labour market gains through direct work and economic activity created further down the supply chain. Judge (2019) proposed, and was supported by written evidence to the Inquiry, that new social and affordable housing development locations should be explicitly connected accessibly to dense sites of employment. There is strong evidence about the economic multipliers achievable from social housing investment and the wider distribution of those benefits (Gibb, et al, 2020).

The report ends with **recommendations** for action by various stakeholders.

1. Funding continuity and commitment over time

The sector clearly needs **funding certainty** over key programmes such as the Shared Prosperity Fund and how it would replace the ESF monies that have been so important to funding and delivering initiatives discussed here. This recommendation will apply to central and local government.

2. Supported by government, labour markets and social housing stand to benefit from longer term commitments

Devolve and disaggregate programmes from existing super-regional scale to more functional labour markets (these might be partnerships of contiguous local authorities or combined authorities, where they exist) and encourage labour market active housing providers to form consortia at this scale to deliver programmes. This recommendation will apply to central and local government, combined authorities, providers, and employment relevant agencies.

Linking these two points, there is merit in thinking more strategically and in a joined-up way connecting skills, training, employment support, employability

and customised work, to further and higher education, **through partnerships operating at a local labour market scale**, as an attempt to balance the trade-off between scale economies sought by DWP commissioning with the local strengths of housing providers and education outlets. Allied to this, we need to promote and support **greater partnership working between housing and other organisations**. For example, local housing associations can be anchors in the community working with, for example, further education colleges, employers and others could then help provide access to the job market.

3. Link social housing investment to employment

Encourage funding bodies like Homes England and local authorities and also the Regulator of social housing to encourage and incentivise (e.g. as a condition of funding or regulatory performance metrics) public funding of affordable/social housing, including existing stock investments, to demonstrate local labour market connections through procurement, supply chains, apprenticeships, etc. This might also be directly linked to green jobs and investment in emerging residential retrofit industries. This might also include embracing more active labour market strategies such as Jobs Plus as well as greater statutory support for the precariously working, the low paid and those starting work. This recommendation will apply to central government, housing agencies, local government, housing providers, employment programme delivery agencies and DWP.

4. Tailored, joined up, one-to-one support based on what the client actually wants.

Greater use of tailored, joined up one-to-one support which focuses not only on employment opportunities, but also finding out what the individual wants and how to actually get them into a job and to give them confidence in their jobs, i.e. a greater focus on in one-to-one support and tailored training for them. The labour market is a complex multi-faceted system **and policies need to match that complexity** by providing integrated support across the entire employment and training journey. This recommendation will apply to central government, employment and support providers, LEPs, local authorities and third sector.

5. Wider issues need to be addressed: affordable childcare; digital access, affordable and accessible public transport; temporary financial support for people as they transition into work

Affordable transport with a renewed focus on routes and timetables that enable work is essential; the availability and affordability of childcare is also essential. There is also a strong case to provide some **temporary time limited additional financial support at the start of entering the labour market to cover those extra costs** and to cover the initial transition period into employment. This recommendation will apply to DWP and other relevant agencies, central and local government.

