Housing Associations and welfare reform: challenges and responses

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Who is HACT?

• Founded 1960

• HA owned and led

• Renewed mission and focus
Core mission and values

• A belief that the provision of housing is about **more than just bricks and mortar**;

• A commitment to **partnership working and adding value**;

• **A focus on solutions** – we do not campaign or seek to represent.
Inclusion policy and research

*Inclusion* is a cutting-edge thought leader, delivering robust research and developing new approaches to policy that promote social inclusion in the labour market.

We work to consistently challenge and support policy decision makers to tackle worklessness and create opportunities for the most disadvantaged in our society.

Recently been undertaking work for housing associations and local authorities to explore impact and provide solutions to reduce negative impacts of welfare reforms.

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Huge Challenges

- Most fundamental changes to benefits system in a generation
- Changes in government subsidy
- Sweeping away of top down targets, inspection and regulation
- Radical welfare reforms
- The emergence of localism
- Stubborn levels of poverty exist (and it’s getting worse)
- Social security spending at least £15 billion lower in final year of this Parliament
Addressing employability and welfare reform is all about de-risking HA business...
Social housing residents highly disadvantaged in the labour market

• 3.5 million social-housing residents are out of work = 56% of working age (other tenures = 25%)

• Nearly half out of work for 12 months+

• 35% claiming out of work benefits (other tenures = 8%)

• 1.6 million social-housing residents predicted to be on the Work Programme (27% of w/age social-housing residents)
Financial exclusion a big issue for social housing tenants

- Majority of those who are financially excluded are social housing tenants
  - Access to banking
  - Lack of insurance
  - Lack of access to affordable credit
  - Access to advice and financial capability
- Fuel poverty an issue for 585,000 households in social homes
- Welfare reform putting on the squeeze – bedroom tax

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Direct Payment Pilots

- Six pilot areas – Oxford, Edinburgh, Shropshire, Southwark, Torfaen, Wakefield
- Payments varied from 89% - 97% with average at 94%
- 4719 tenants currently paid with 1,647 switching back
- Switch back trigger at 4 weeks – 12 weeks or 15% arrears
- Changes in HB amounts (if less than rent) an issue
- Increasing need for support and therefore more costs
- Little awareness of credit unions and direct debits
Credit Unions

- Clear benefits for HAs to work with Credit Unions
  - Geographic focus, supporting tenants, values, mission
- Lots of good examples across England and Wales (including good practice report from Wales)
- More challenging for larger national HAs
- Large/small partnership dynamics evident
- A range of partnership support:
  - Paying fees on behalf of tenants
  - Access to infrastructure support
  - Skills sharing
HACT/Inclusion worklessness report

HACT commissioned Inclusion report *Housing providers’ approaches to tackling worklessness* with a focus on:

• improve the targeting of employability initiatives

• a greater focus on impact measurement

• build stronger links between housing provider-led initiatives and wider Government funded activity

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## Lots being done by housing providers

<table>
<thead>
<tr>
<th>Services</th>
<th>Dedicated projects, programmes and interventions</th>
<th>Work opportunities</th>
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<tbody>
<tr>
<td>Training and skills development</td>
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<tr>
<td>Referrals to other organisations</td>
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<td>Money advice</td>
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<td>Work experience placements</td>
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<tr>
<td>Other information, advice and guidance services</td>
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<tr>
<td>Apprenticeships</td>
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<td>Projects providing support to find employment</td>
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<td>Enterprise support</td>
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<td>Jobs targeted specifically at workless people</td>
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<tr>
<td>Childcare provision/support</td>
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*Note: The bar graph shows the percentage of services provided by housing providers. The bars are color-coded for clarity.*
What we found out – The challenge for housing providers

• 88% doing things to help residents into work, **most doing lots** and do not limit activity to their own residents...

• However only **42%** know the level of worklessness among tenants or residents

• Very few housing providers approach worklessness in isolation – they are good at build particularly **effective partnerships**
Recommendations

1. Target services and opportunities more effectively

2. Common approaches to assessing impact and effectiveness

3. Engaging with mainstream provision

4. Meet the challenges of welfare reform and universal credit
Action-learning project

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Four blocks of activity

Understanding
Mapping of changes to household income and understanding residents views on welfare reform

Evidence
Methods for evaluating impacts and identify ‘what works’

Metrics
Tools and understanding to collect and share data and show impact to HAs and residents

Services
Develop typology of people services and understand new services needed

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Work completed so far

• Research projects completed for all members - including welfare reform impact modelling

• Sharing of research and projects members completed to better support tenants through welfare reforms

• Set of tools in development to support housing providers improve help tenants move into work and deal with forthcoming reforms
Challenges network members are facing

Research found two key support needs across housing providers:

1. **How can we engage our residents in employment support?**

2. **How do we improve our systems and services to best meet the needs of our customers?**
Understanding impact

• Impact of welfare reform, particularly bedroom tax
  – For one organisation, £5million reduction across their tenants

• Profiling those most at risk to target support
  – Challenges of existing data

• Building case for internal support
  – Housing management, arrears, community investment, development

• Understanding wider community provision and role of HA
  – Increasing demand and decreasing resources
Responding to communities

- Information and outreach strategies – leaflets, workshops, videos, helplines, etc.
- Prevention activity, welfare reform officers
- Partnerships with local partners, including funding
- Crisis funds and working with credit unions
- Shifting broader community investment activity to welfare reform and employability
- Broader issues such as digital inclusion
Internal Challenge

• Internal briefings for staff and partners
• New expertise and new approaches
• Community vs. tenant
• HAs as employers
• HAs major procurers – supporting enterprise and job growth
• Right partnerships with the right people/orgs
• Good projects not enough – a more strategic approach needed
Future insights

• HAs undertaking work and research around:
  – Psychology of debt for their tenants
  – Better off in work calculations across whole organisation
  – Attitudes to income management and budgeting
  – Linking employability and financial inclusion programmes across business
  – Mapping local provision, understanding opportunities and needs
  – Data collection – how good is it working

• But still many more challenges to come.
Thank you!

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