

THE CENTRE FOR  
**SOCIAL  
JUSTICE**

**Chartered Institute of Housing**  
*Social justice – housing's responsibility*

Rt Hon Iain Duncan Smith MP – 18<sup>th</sup> June 2008

**The Centre for Social Justice**  
9 Westminster Palace Gardens  
Artillery Row  
London SW1P 1RL

020 7340 9650  
[www.centreforsocialjustice.org.uk](http://www.centreforsocialjustice.org.uk)

**Chartered Institute of Housing**  
***Social justice – housing’s responsibility***

Rt Hon Iain Duncan Smith MP – 18<sup>th</sup> June 2008

I want to begin by thanking the Chartered Institute for inviting me to speak at this prestigious conference.

I also want to pay tribute to the work of the housing providers represented here today.

Your work is of vital importance in improving the life chances of many disadvantaged people, from helping people back to work, to providing affordable borrowing, to running basic skills classes.

I must stress that I am speaking to you as Chairman of the Centre for Social Justice.

The opinions I will express are wholly my own and not those of the Conservative Party.

Although there are many Conservatives involved in the Centre, there are many more with other party affiliations, or none at all.

For example, I am currently writing a pamphlet on the most effective interventions for dysfunctional infants aged 0-3 and their families with Nottingham Labour MP Graham Allen.

The CSJ is currently running a housing policy group chaired by Kate Davies of Notting Hill Housing.

It is making good progress and will publish our proposals later in the year.

This session is billed as *Social justice – housing’s responsibility*.

To me, social justice entails three things.

Firstly, helping people help themselves.

Secondly, fairness – both to those who need help and those doing the helping.

And thirdly, ensuring the most vulnerable are not left behind.

**HOUSING TODAY**

In 2001, the Government said that ‘by 2021 no-one should be seriously disadvantaged by where they live.’

Who could disagree with such an objective?

But without major reforms to social housing and our welfare state as a whole, we have no hope of achieving that goal, not just by 2021, but ever.

So what are the key challenges we face in delivering social justice through housing?

Please indulge me for a moment.

Let's imagine the proverbial Martian were to land here in the UK today.

Knowing nothing of our housing policies, you might ask him to go out and establish the purpose of social housing from what he sees.

On his return I fancy this would be his summary:

“Social housing is clearly there to separate the most disadvantaged, dysfunctional and vulnerable people from the rest of society. It's an objective you have achieved very efficiently.”

With nearly half of all social housing now in the 20% most deprived neighbourhoods, you couldn't fault the logic.

As you all know better than me, the contraction in social housing of the last thirty years has residualised the tenure.

Many areas of social housing are blighted by fractured families, worklessness, educational failure, addictions, serious personal debt, anti-social behaviour and crime.

Too many tenants find themselves on estates where welfare dependency is a way of life, cut off from the job opportunities, social networks and wealth the rest of us enjoy.

Inadvertently and incrementally, a damaging social apartheid has emerged as social housing has changed.

No-one planned this social apartheid, and for social housing to become a ghetto tenure, but in many areas that's what has happened.

Successive governments have been complicit in turning a blind eye as this apartheid established itself.

When we should have been challenging this injustice, instead it has suited us to avert our gaze.

And those directly affected have not had the political clout to put it on the agenda.

As Tim Dwelly says, you can't achieve social justice while so many of the poorest remain lumped together as a single group on stigmatised estates.

Needs-based allocations are accelerating the process of residualisation.

Sir Robin Wales has described a 'race to the bottom' in which prospective tenants are compelled to prove immediate need and vulnerability, rather than consider their potential to improve their circumstances.

In 2005, the Prime Minister's Strategy Unit conceded that unless the sorting effect of social housing created by needs-based allocations is addressed, concentrations of deprivation in hard-pressed areas are unlikely to be reduced.

Intact families are also becoming increasingly rare in social housing, partly due to allocations policies.

The social sector now houses over twice the proportion of lone parents than other tenures – 18% of social tenants are lone parents, compared to 7% of all households.

Why does this matter?

It's now beyond doubt that children brought up by both their biological parents generally do much better in life than those that aren't.

The lack of good male role models in many areas of social housing makes the next generation of boys susceptible to getting involved in anti-social and criminal behaviour.

Family breakdown also makes girls much more vulnerable to early sex and teenage pregnancy, potentially repeating their mother's life experience.

After family breakdown, worklessness is the biggest obstacle to improving outcomes for people in social housing.

John Hills' report showed the rate of full-time employment for social tenants has fallen from two-thirds to one-third in just 25 years.

As recently as the 1970s the proportion of no-earner households in council housing was just 11%.

Now, 70% of incoming social rented households have no one in work.

Over half the heads of households of peak working age (25-64) are not doing any paid work, compared to just *one in twenty* of those in owner-occupation.

What's more, the situation is getting worse.

It's an interesting point that after eleven years, the Housing Minister noticed.

On seeing these figures, Caroline Flint was prompted to suggest that unemployed social renters should be compelled to participate in back-to-work schemes as a condition of their tenancies.

This was met with a scathing response from most politicians and housing professionals.

However *Inside Housing's* recent poll suggested that nearly three-quarters of the public agree with Flint.

Indeed, the CSJ's own YouGov polling indicates that even among social tenants, almost as many agree as disagree with Flint's proposal.

Decisive action to tackle the endemic worklessness blighting social housing is therefore likely to receive strong public support.

However sanctions alone won't work, people are more likely to change their behaviour through a balance of positive incentives alongside sanctions, and we need to remember this when addressing worklessness.

Major *disincentives* to work created by our benefits system have long been recognised as a barrier to getting people back to work.

The benefits system has not had enough of a work focus.

Claimants often find themselves little better off in jobs than on the dole, if at all.

Housing Benefit (HB) is agreed to be the part of the system that most discourages work, with its punitive withdrawal rates for claimants moving in to jobs.

And workless recipients of HB know that if they get a job only to lose it, the time it can take to reclaim full HB may well leave them unable to pay their rent, risking their home. We expect vulnerable people who have suffered multiple set-backs to choose a path we wouldn't take if we in their position.

For too long housing policies have been detached from government's other efforts to improve its citizens' life chances.

## **FROM DEPENDENCY TO INDEPENDENCE**

Attempts to reform welfare to encourage personal responsibility and work have been ineffective when so much of the system has continued to do exactly the opposite.

Helping workless households move from dependency to independence must be a central objective in tackling poverty and advancing social justice.

The back-to-work needs of workless households must be put at the centre of welfare provision.

This support can be likened to a three-legged stool.

The first leg of the stool is welfare reform, making intensive back-to-work support available to every economically inactive person of working age who could benefit from it.

Last year's CSJ report *Breakthrough Britain* report described how these programmes should be implemented.

The second leg is reforming the benefits system to place a stronger obligation on claimants to take the help they're offered, as well as providing clear financial incentives to seek work rather than stay on the dole.

In the autumn the next report of the CSJ's economic dependency group will set out in detail how to achieve this.

Our final leg is more flexible social housing which encourages and supports the aspiration of most tenants to work.

With anti-poverty policies in each these three areas being developed in isolation, it's no wonder the resulting support for workless tenants had been unbalanced and ineffective.

How can we reform social housing to provide this three-legged stool of support?

Firstly, both government and housing providers must reinforce peoples' natural instinct to do the right thing to take responsibility for themselves and help others.

This should be a key test for our policies and actions.

For the last sixty years the welfare state has grown inexorably to compensate for the weakness of what I call the welfare society.

In the welfare society individuals, families and communities freely co-operate to help themselves and others.

Although it is now perilously weak in many areas, the welfare society remains the largest provider of care, without which the welfare state would be overwhelmed.

Social justice can only be achieved in a society in which we each make the contribution we are capable of.

Every household should be helped to achieve economic self-sufficiency, even if that can't always be fully realised.

Of course helping the large numbers of single parents in social housing into work will be a particular challenge.

I believe it's very important that every household has a working role model.

Our proposal is that when the youngest child reaches five, single parents should be expected to work part-time, followed by full-time work once the child reaches ten.

With the right support and mentoring this can be achieved, benefiting the single parents, their children and the wider community.

I know that many housing providers provide high-quality childcare, and the demand for these services will increase as more mothers re-enter the workplace.

A Government committed to helping people help themselves must reform the benefits system to ensure it's always financially worthwhile to get a job and progress in it.

In his Budget earlier this year Alastair Darling promised reforms to Housing Benefit to ensure work pays.

However few expect any concrete proposals from the Government on achieving this before the next general election.

At the CSJ we have a team looking at how HB and the rest of the benefits system can be reformed to incentivize work and get rid of the road block to change.

Irrespective of which party is in power, there is going to be a major emphasis on extending intensive back-to-work programmes.

I would encourage housing providers to consider the opportunities to run such schemes.

For example Notting Hill Housing has set up its own in-house employment service In2Work.

This supports unemployed tenants by helping them write application forms and CVs in securing work placements.

Also, Notting Hill's Construction Training Initiative has been providing work placements for unemployed people since 1995.

Now a partnership of around twenty Housing Associations, the initiative allows the pooling of resources to enable the jobless to become skilled tradesmen in the industry.

It's accepted that a step-change in employment rates is desperately needed in many areas of social housing.

And our research at the CSJ suggests there is more housing providers could do to achieve this.

In May we commissioned a YouGov poll of 1,700 social tenants claiming benefits.

It found that only 10% of housing offices have information on jobs and training schemes in their area.

And of the social tenants claiming benefits polled, a mere 3% have been encouraged to get a job by their housing officer.

I'd like us to get to the point soon where all social housing providers see maximising employment among their tenants as a core responsibility.

Encouragingly, the Chartered Institute and Housing Corporation are currently developing resources to equip housing providers to effectively tackle worklessness.

One of the main obstacles for many jobless people considering a return to work is the prospect of having to repay debts frozen whilst benefits are being claimed.

Indebtedness is also the biggest single cause of family breakdown, one of the key drivers of poverty.

Many of you are doing brilliant work in financial inclusion, for example partnering with credit unions to provide affordable borrowing to your tenants.

The impact this can make in strengthening families and even helping people return to work should not be underestimated.

Another area in which government and housing providers can co-operate in reducing worklessness is in pioneering the use of social clauses.

It's relatively easy to get someone on to a training programme.

It's much tougher to help them secure and hold-down a job.

Social clauses in procurement processes prioritise social needs – for instance, the need to train or give jobs to the long-term unemployed in the local community.

Recently the Urban Regeneration Company regenerating the once notorious Raploch estate in Stirling has created 225 jobs in their local area through using social clauses.

Of course they are no panacea, but social clauses could play a vital role in ensuring that the long-term jobless are given a fair opportunity to get back into work.

Helping people and communities help themselves by maximizing employment in areas of social housing is my first priority for achieving social justice through our housing system.

My second is ensuring fairness for those who need help and fairness for those doing the helping.

Social housing is both a huge national asset and expense.

One housing association has calculated that the value of public subsidy over the length of an average tenancy is in excess of £300,000.

We therefore have an obligation to ensure that the vast subsidies for social housing are achieving the maximum social benefits.

The obligation here is both to those receiving subsidized accommodation and to the taxpayers paying for it.

Tenants' current depressing life outcomes suggest that taxpayers are getting a poor social return for their huge financial investment in social housing.

As long as we perpetuate the apartheid of concentrating the most vulnerable together on mono-tenure estates, it will be difficult for lives to be transformed.

Government and housing providers must therefore make breaking-up mono-tenure estates a priority.

I'm fully aware that this will be a difficult process.

But the alternative will not just consign many of the next generation to the scrapheap.

It will also mean that the crime, disorder and breakdown prevalent in deprived areas will continue to ripple out and blight all our lives.

It's impossible to hermetically seal ourselves from the growing breakdown on the margins of society.

One example, albeit on a small scale, of how mono-tenure estates might begin to be broken up is the Joseph Rowntree Housing Trust's 'SAVE' scheme – Selling Alternate Vacants on Estates.

In the 1990s, the Trust became concerned that its New Earswick estate in York was becoming residualised and stigmatised.

New tenants from council nominations were all people in the greatest need.

In response, the Trust started selling alternate properties that became vacant on the estate, and using the proceeds to replace them with new homes elsewhere.

The estate's stock has been diversified, with the social and income mix has improved, and the overall number of homes provided by the Trust has been maintained.

And a word here about HRH the Prince of Wales whose experiment in town planning at Poundbury is a real lesson in establishing successful mixed communities without crippling additional costs.

A fact born out by Mori's recent research showing poorer people get greater life satisfaction when living amongst higher income communities.

If we're serious about improving life chances through breaking-up mono-tenure estates, government and housing providers are going to have to consider reforming allocations.

North British Housing is one RSL that has done good work trying to preserve a social mix on its estates.

By introducing local lettings policies, some discretion has been given to managers and residents to reflect the needs of an area in making allocations.

But such schemes can have only limited impact, such is the degree of government control over allocations.

Recent polling indicates that public believes that the way in which social housing is allocated is unfair.

Those with immediate needs are overwhelmingly favoured over low-income families stuck on waiting lists for many years.

Like the rest of the welfare system, social housing must balance its help for the most vulnerable with support for those who do not have much but work hard and contribute to their communities.

Giving local authorities greater autonomy in determining allocations is one option the CSJ's housing group is considering to ensure better use of the housing stock and encourage mixed communities.

Another thorny issue that will have to be grappled with in ensuring the most effective use of our social housing stock is security of tenure.

As many have pointed out, social housing is unique in our welfare system in so far as a temporary need can result in a significant and guaranteed lifelong benefit.

Tenancies are secure for life, irrespective of any changes in circumstance.

As a result of security of tenure, there is very little turnover of tenants in social housing.

Local authority housing officers have spoken to our policy group about how this stifles their efforts to help vulnerable families.

Of course existing tenants with security of tenure have planned their lives on that basis, and it would be wrong for the state to renege on its social contract with them.

But going forward, we have to ask whether social housing providers always issuing secure tenancies is the best use of the stock.

The last aspect of social justice I identified is ensuring the most vulnerable are not left behind.

There is much that we can and must do to help social tenants help themselves.

But there will always be many whose capacity for self-help is severely limited, perhaps because of a serious learning disability or untreatable mental health problem.

As a society we owe them a solemn duty of care.

Housing providers are one of the main channels for society's care of the most vulnerable, from your supported accommodation for the elderly to hostels for the homeless to specialist help for people with severe disabilities.

Putting work first in welfare, benefits and social housing should enable us to provide more effective and generous support to those who need it most.

## **CONCLUSION**

To conclude, social justice will never be achieved without major reforms to the way in which we provide and pay for housing, particularly for the disadvantaged.

As a society, we must radically revise our expectations of what social housing can achieve.

These vital reforms can only be delivered through the joint efforts of government and housing providers working closely together.

It will be hard, and there will be considerable opposition.

Taking the tough choices and decisive action needed now, we will avoid the most disadvantaged becoming even further cut off from mainstream society. And if the Martian re-appeared in twenty years time, wouldn't it be good if he could say "social housing has become a powerful engine of social mobility to deliver social justice."

## **ENDS**