practice
studies

Housing
and inequality

Edited by
**Isobel Anderson
and Duncan Sim**

practice

CHAPTER 1:
Introduction: inequality and housing

Isobel Anderson and Duncan Sim

Introduction

Social inequality is one of the most important issues facing us today. It matters because there is increasing evidence that, while we have generally become wealthier and materially more successful, we have failed to create widespread psychological and social wellbeing. Wilkinson and Pickett (2009), for example, argue in their book *The Spirit Level* that a range of social problems are more common in more unequal societies, including poor health (including mental health), violence, lower life expectancy, higher infant mortality, lower educational attainment and lower social mobility. Individuals' sense of wellbeing and self-esteem are affected significantly by the nature of the society in which they live. Thus, they suggest, we should think carefully about the kind of society we live in and want to live in, arguing that we have the opportunity to create a qualitatively better and more truly sociable society for all.

Wilkinson and Pickett are not without their critics – although they do rebut much of this criticism[1] and these debates are explored further in Chapter 2. *The Spirit Level* coincided with a number of other studies suggesting that inequality, however it may be measured and however contested it may be, is nevertheless a major social concern.

Given that we are now adding to the literature on inequality, albeit specifically in the context of housing, we should perhaps explain something of the origins of this present book. In 2000, we edited a volume on *Social Exclusion and Housing* for the Chartered Institute of Housing (Anderson and Sim, 2000). At the time, the concept of social exclusion, long a part of European discourse, had become increasingly embedded in British policy discussions. A distinctive literature on housing and social exclusion had begun to emerge which explored the role of housing provision and management in promoting social exclusion and in the building of cohesive communities (Lee and Murie, 1997; Somerville, 1998).

The contributors to our previous book were writing their chapters in 1999, only two years after the election of the New Labour government in May 1997. New Labour

---

1 See www.equalitytrust.org.uk/docs/responses-to-all-critics.pdf

placed social exclusion firmly at the top of the social policy agenda, with housing issues such as street homelessness and estate regeneration as key areas for action. But although the focus was very much on the relationship between housing and social inclusion / exclusion, previous literature had located housing issues within debates on inequality (Morris and Winn, 1990) and disadvantage (Clapham, Kemp and Smith, 1990). Both inequality and disadvantage were fundamental concepts in developing an analysis of exclusion.

In fact, the debate appears to have moved full circle. Increasingly we have moved back to a concern which is not solely with exclusion and the ways in which particular groups within society are excluded from housing, from welfare and social services, but with the underlying issue of inequality which appears to be worsening within British society. That is very much the focus of the recent work by Wilkinson and Pickett (2009) and Hills, Sefton and Stewart (2009). Housing may contribute to inequality or may be able to redress inequalities and there is a complex inter-relationship between the two. The evolving debates on inequality are explored further by Anderson in Chapter 2 of this volume.

Eleven years on from the previous book, the time has come for a new look at the issues. In part, this book may be seen as a kind of 'second edition', but more importantly, we are able to reflect on the enormous political changes which have taken place since 2000. The New Labour government lost office in the UK in 2010, after a period of 13 years in power, and was replaced at Westminster by a coalition comprising the Conservatives and the Liberal Democrats. We therefore have the opportunity to reflect on Labour's years in government and their successes and failures in addressing issues of inequality and housing, as well as speculating on the direction which the coalition is now taking. We have also experienced considerable constitutional change since 2000 following the establishment of the Scottish Parliament and the Assemblies in Northern Ireland and Wales. Housing is a devolved responsibility in all three jurisdictions, albeit with varying legislative powers (Wilcox and Fitzpatrick *et al.*, 2010). The welfare benefits and social security systems which interact with housing policy remain, however, reserved to Westminster. The chapters in this volume all take account of devolution though the focus varies in different chapters between the UK level and that of other jurisdictions.

Housing and inequality

Inequality has been a matter of concern for housing policy makers and practitioners for many years. We can look back perhaps to the campaigns to address the problems of homelessness from the 1960s onwards, leading to the passing of the 1977 legislation. The pressures for legislation came from both the statutory and voluntary sectors, with bodies like Shelter, established in the late 1960s, very much in the forefront.

The 1960s and 1970s also saw a body of research develop about the exclusion being faced by black and minority ethnic groups within society. Much of this research was housing-related and focused on patterns of minority ethnic settlement in the poorest areas of our cities (Peach, 1968; Rex and Moore, 1967), as well as on the difficulties faced by minorities in accessing council housing (Henderson and Karn, 1987). Issues of social inequality have thus affected particular groups within society as well as having more general impacts.

Other research has moved beyond the exclusion experienced by specific groups to explore the ways in which whole communities and neighbourhoods have been marginalised. The work of the Priority Estates Project in the 1980s for example, illustrates the importance of housing interventions to address the problems being experienced (Power, 1997). Much of the housing in marginalised estates suffered not merely as a result of its often peripheral location but also because of its poor design, and so another body of research developed to explore the impact of such designs on the lives of people living there (Newman, 1972; Coleman, 1985).

The quality of housing management itself has also been the subject of much research. During the 1950s and 1960s, many local authority housing departments were concerned with little more than building houses, repairing and maintaining them when necessary, and collecting the rents. But this limited approach was eventually viewed as being inadequate and it was recognised that housing could play a much greater role in tenants' lives, in areas such as tenant participation, community development, estate renewal and so on. The Priority Estates Project in the 1980s had an important impact in showing what could be done but there were earlier studies such as Legg's (1981) research on the performance of local authorities as landlords. Such studies demonstrated that the wider role which could be played by housing could help address issues of inequality, for example through tenant empowerment.

During the 1980s, the policies of the Conservative government led by Margaret Thatcher had a significant impact on inequality, not merely through rising unemployment and increased poverty, but also in terms of housing tenure polarisation. The introduction of the right to buy allowed sitting tenants to purchase their homes, but such purchases were inevitably concentrated among the most popular properties and neighbourhoods, so that estates which were in lower demand gradually became more and more residualised. Local authority stock became increasingly dominated by such low-demand estates and an increasing proportion of local authority tenants were those who were unable to access other tenures. Access to council housing became much more unequal and one of the drivers for large-scale voluntary stock transfer from the late 1980s onwards was to preserve the remaining stock of social rented housing by transferring it to charitable housing associations where new tenants would not have the right to buy.

In the 1990s, Malpass and Murie linked social exclusion to such tenure polarisation and the residualisation of social housing, arguing that social exclusion resulted from multiple deprivation and a causal process in which different elements reinforced one another (Malpass and Murie, 1994). Later, Lee *et al.* (1995) characterised the housing dimension to social exclusion as being *'compound, persistent, concentrated and resistant to change'* (cited in Anderson, 2000, p19). The social inclusion agenda offered the possibility of a higher profile for housing policy as part of the UK government's broader agenda to build cohesive communities:

> *Decent, secure, habitable and affordable accommodation for all citizens, would provide a solid base for civic integration, and from which to engage in the labour market more effectively. Adequate housing could also facilitate effective take up of other welfare services and is fundamental to the nurturing of relationships with family and friends, and the building of social networks. The development of multi-agency responses to exclusion could herald a changing role for the housing profession, which may have much to contribute to the development of wider strategies for more cohesive communities* (Anderson, 2000, p21).

At the time when New Labour came to power, the UK appeared to be a more unequal society than it had been during most of the postwar period and the broad 'Butskellite' consensus which had existed for most of that time had long since vanished. The New Labour government sought to address this and the first half of the decade 2000-2010 was probably the most positive in the UK in terms of reform of housing and homelessness policy and legislation. A period of economic growth and prosperity allowed increased welfare spending under New Labour's 'Third Way'. Table 1.1 shows that, while expenditure on housing and community amenities in the UK was a fraction of that on health and social protection, its rate of growth was higher, over the decade, than for the other two policy fields. The setting of measurable national housing quality standards in each of the devolved administrations across the UK (the Decent Homes Standard in England and Northern Ireland, and the Scottish and Welsh Housing Quality Standards) with associated frameworks to monitor progress towards targets, was one indication of the priority given to housing provision in the first half of the 2000s.

Table 1.1: UK total expenditure on services by function in real terms

Expenditure service	£billions 1999/2000	£billions 2009/10	Increase
Housing and community amenities	5.8	15.3	x 2.6
Health	61.8	117.6	x 1.9
Social protection	153.7	218.4	x 1.4

Adapted from Pawson and Wilcox, 2010, online Table 15a.

However, the overall proportion of social rented housing in the UK housing stock continued to decline throughout the decade (Table 1.2), taking account of the combination of a rise in the proportion of housing association stock and a continuing decline in council housing. There remained variations across jurisdictions with Scotland for example, retaining a relatively high proportion of social rented stock. Whether the stock of social rented housing still represents a tool for reducing housing inequality or is an indicator of housing marginalisation is a core thread of discussion throughout this volume. The decade also saw the proportion of private rented housing increase (with ever-increasing policy demands on the tenure) while the level of homeownership remained stable.[2] Tenure patterns remain important in terms of the range of options available to households, the relative degree of security and affordability across sectors and the impact of owner-occupation as an investment as well as a place to live.

Table 1.2: Tenure change in the UK 1999-2009

Tenure as % of whole stock	1999	2009
Owner-occupied	68.9	68.2
Private rented	9.4	13.5
Housing association	5.3	9.6
Local authority	16.4	8.7
Total	100.0	100.0
Total social rented (housing association plus local authority)	21.7	18.3

Adapted from Pawson and Wilcox, 2010, online Table 17d.

As Wallace (2010) has concluded, tenure is not the only consideration driving either housing policy or the housing preferences of the population, but the terms of the different tenures remain critical to how households consume, invest in and experience housing. They reflect different terms of occupation and legal rights, attract varying levels of pubic expenditure support, and can impact on geographical and social mobility. The complex relations between housing tenure and inequality are explored throughout the chapters in this volume. In the remainder of this section we will outline some key evidence and interpretations of changes in policy and provision.

Looking at evidence on housing and neighbourhood renewal, Mullins and Murie (2006) explained how housing can contribute directly and indirectly to poverty and social exclusion: directly in terms of insufficient shelter, inadequate housing, and

_____

2   The main period of growth in homeownership was more than a decade earlier, and in fact it declined slightly from a peak level of 70 per cent in the UK in 2004 to just 68.9 per cent in 2009.

unresponsive policy and practice; and indirectly because the location of housing impacts on access to other services and resources. They acknowledged (p261) that New Labour's policy vehicles for regeneration were adapted to fit the social inclusion agenda, for example, *'to narrow the gap between deprived neighbourhoods and other areas'* (p264). The inclusive strategy gave communities a stronger role in regeneration by including them in strategic partnerships, whereas previous policies focused more narrowly on physical regeneration (p265). Key changes in approach during the New Labour era included a more comprehensive neighbourhood and housing market agenda; a gradually reducing focus of explanations of social exclusion/cohesion solely in relation to council estates; and a new emphasis on changing demand and sustainable housing. Mullins and Murie concluded (p270) that early New Labour mistakenly conceptualised housing in terms of 'worst estates', but subsequently refined its approach to take on board lessons and evidence. However, there remained a need to recognise the role of housing in social exclusion, including a better understanding of national, regional and sub-regional dimensions. Importantly, definitions of social exclusion (see Chapter 2) affected how the role of housing was perceived. A social integration (employment-led) interpretation would leave housing as of secondary importance whereas a distributional (poverty) approach would imply a more central role for housing, for example in terms of its relationship with health.

The possible wider, (re)distributional role of housing emerged in a comparative study of child wellbeing where the UK came towards the bottom of the overall European league table, but did much better in relation to housing (Bradshaw *et al.*, 2007a). This led Bradshaw *et al.* to consider whether good quality housing represented a hidden asset for poor people in the UK (2007b). The researchers looked at the contribution of British social housing to welfare, in comparison with other European countries.[3] An earlier study of households living on benefits found that the standard of housing was a major determinant of living standards and that housing policies providing good standard low-rent council housing were important in alleviating the experience of poverty (Bradshaw and Holmes, 1989). The 2007 study focused on the social rented sector which by then accommodated 17 per cent of the population, but 39 per cent of households in poverty (defined as having less than 60 per cent of median income after housing costs). Using data from the European Quality of Life Survey for 2003, Bradshaw *et al.* (2007b) found that the UK came second only to Belgium in terms of rooms per person (and top for households in the lowest fifth/quintile of incomes, p10), though it came 12th out of 15 on self-reported shortage of space (p12). The UK came 7th on repair (rot in windows, doors and floors) (p15) and 4th best on damp and leaks (p18), but second bottom (above Germany) on feeling safe in the neighbourhood (p19). The authors concluded that their hypothesis that the UK had a saving grace in the quality of its housing could only be upheld with some reservations, the UK did do better on housing than on other poverty indicators and so housing remained a comparative asset in terms of the welfare of poorer households (Bradshaw *et al*. 2007b, p23).

---

3   The fourteen other countries which were members of the EU by 2003.

Owner-occupied housing plays a different role in relation to inequality through its potential as an investment asset or store of monetary value, depending on the level of equity held (compared to the debt owed on a mortgage). The notion of 'asset-based welfare' gained prominence in the second half of the 2000s with authors such as Malpass (2008) concerned as to how to depict the housing-welfare state relationship and whether the housing wealth of owner-occupiers provided governments with the opportunity to pursue welfare restructuring with a greater role for the private market and a reduced role for the state, alongside increased emphasis on individual choice, opportunity and responsibility (characterised as 'responsibilisation' by Garland, 1996). For example the existence of a large owner-occupied market gave people choice in other areas of life (e.g. schools, work, etc) and the prospect of wealth accumulation (to pay for services and augment their pension). Malpass (2008) argued that while government had explicitly encouraged people to see houses as assets as well as places to live, the emerging 'wealth gap' would constrain the extent to which assets could be used for personal welfare.

As indicated on Table 1.2, homeownership in Britain appears to have reached its plateau, suggesting that a 'homeowner' welfare state may permanently exclude approximately 30 per cent of the population' (Malpass, 2008, p14). Moreover, wealth is very unevenly distributed, especially in relation to welfare need, and it may be difficult to access wealth tied up in housing. The economic crash of 2008 impacted severely on house prices and accumulated wealth and the future of the homeownership market remains highly uncertain. Irrespective of that structural shock, those with the greatest housing wealth are already likely to have the best pensions and other welfare provision. Nevertheless, the potential demands on housing wealth in later life could soon exhaust that available and housing wealth can only be spent once: if it is needed for retirement it cannot also be used to help children enter homeownership (though inheritance also passes on inequality to the next generation). Malpass (2008, p16) concluded that the state could not assume that current housing wealth would continue to be available to underpin personal consumption of welfare, and issues of housing wealth and economic inequality over the life course are explored in Chapters 3 and 10 of this volume.

We have already referred to the marginalisation of some estates and neighbourhoods and Chapters 6 to 9 of this volume all deal to a greater or lesser extent with this topic. Research which examined the unequal impact of New Labour policies on neighbourhoods compared independent area-based research with government-funded policy evaluations,[4] finding a good fit between both sets of data (Power, 2009, pp115-133). The poorest areas were shown to have benefited from targeted programmes, and low-income families had benefited from anti-poverty and family support measures, but continued progress was looking precarious by the end of the decade. Area-based initiatives were ending, with little targeted expenditure

---

4   Power's analysis relates mainly to England and one Welsh case study. This policy area is fully devolved to the Scottish Parliament.

scheduled from 2009 and Power found that social housing still dominated poor areas even though it was in decline. She was highly critical of the Mixed Communities Initiative (designed to attract more diverse incomes and uses into disadvantaged areas) as having 'no muscle and no money' (p132).

Chapters 6 and 9 of this book provide additional analysis of the impact of attempts to develop mixed communities during the 2000s. Power (2009) further argued that when the economy began to decline in 2008, it hit the poorest areas 'worst and first' with efforts to improve poor neighbourhoods slipping, a more localised and less clear framework, and no announcements on area programmes under Gordon Brown's premiership (p133).

Power was similarly critical of housing market renewal strategies (p129), arguing instead for better support for poor communities and small-scale, longer-term interventions to increase the viability of poor areas. However, while agreeing that housing market renewal represented a shift in central government policy away from tackling social exclusion and towards increasing the 'competitiveness' of local economies, Ferrari and Lee (2010) argue that the policy was uniquely steered at local level compared with similar New Labour policies, and as a result the pathfinders often sought in practice to combine these objectives, with mixed results.

Within the social rented sector, housing management practices have a significant effect in relation to inequality, not just in terms of estates and neighbourhoods but in respect of individual households. One of the most significant developments in recent years has been the growth in tenant involvement in housing and this can be seen in a number of ways. First, there is now an almost universal acceptance that tenant participation and engagement is a good thing. Programmes to improve social housing and regenerate estates have placed an emphasis on resident involvement, early examples being the Priority Estates Project, the Estates Renewal Challenge Fund and so on. Such initiatives have led to a range of organisations such as Estate Management Boards, tenant management organisations, co-operatives and community-based housing associations and local housing companies (Mullins and Murie, 2006). A significant number of local authorities have now transferred their stock to housing associations and, in each case, tenants were balloted and so ultimately decided the outcome. Many of the stock transfer associations have tenants on their boards or engage with tenants in a variety of ways, thereby increasing tenant empowerment. Where stock transfer has not occurred, many English authorities have nevertheless used arms length management organisations (ALMOs) to manage their stock, requiring a similar test of tenant support and involving considerable tenant participation in the ALMO's governance, both at board level and in other ways: tenants now chair the boards in several ALMOs.

There remain some groups of tenants who are 'hard-to-reach' and research has explored how best to engage with them, examples being black and minority ethnic

households. Mullins *et al.* (2004) suggest that informal methods of contacting these groups tend to work best, although combined with the employment of staff who reflect the communities they serve and with an ability to use informal networks. Lister *et al.* (2007) documented a range of methods used in housing market renewal areas, including (for example) focus groups, having meetings in pubs, etc. and placing special emphasis on groups such as school children and asylum seekers who might be completely unaware of normal channels such as public meetings. Addressing this issue of 'hard-to-reach' groups is a step in tackling inequalities in tenant participation.

Another example of tenant empowerment is the increasing use of choice-based lettings in the allocation process. This allows potential tenants to bid for properties that have been advertised by housing providers as being available for rent. The advantage of this approach is that it allows individuals to be engaged in the process by actively choosing the property they want rather than having it chosen for them. From the start, a key principle of choice-based lettings has been to support vulnerable groups through the process so as to ensure that all tenants and potential tenants have an equal opportunity to bid for the property of their choice. In some instances, advocacy services have been made available to ensure that this is achieved. Evaluations of choice-based lettings initiatives (Pawson, 2002: Appleton and Molyneux, 2009) suggest that they have generated an increased interest in social housing, that customers have accepted the use of the internet as a means of bidding and that they have generally delivered good levels of tenant satisfaction. Appleton and Molyneux (2009) specifically note that such systems are advantageous to vulnerable adults, delivering better and more consistent outcomes for them than previous application and allocation systems and so this is important in terms of avoiding potential inequalities.

Another way in which housing management can deliver on this agenda is in relation to the thorny issue of anti-social behaviour (ASB). There has always been a social control function within housing management, dating back to the days of Octavia Hill, and this has essentially sought to encourage tenants to conform to 'accepted' social norms, primarily through the mechanism of tenancy agreements (Flint, 2004). During the last ten years, the social control function has been strongly emphasised in relation to 'anti-social behaviour'. It is generally recognised that the residualisation of council housing for example, has led to concentrations of vulnerable households on a small number of (often) low-demand estates. Such concentrations are challenging to manage and support, and the individual households themselves may indulge in behaviour which other tenants may find challenging. Governments passed similar legislation both north and south of the border in the Anti-social Behaviour Act 2003 and the Antisocial Behaviour etc. (Scotland) Act 2004 with the expectation that housing providers would work with other agencies to take prompt, appropriate and decisive action against ASB when it occurred, and also have a strong focus on prevention, by working with particular families. A preventative approach involving early intervention, family support and mediation can be hugely significant in reducing

the potential for evictions and in safeguarding vulnerable households. Flint (2004) has also drawn attention to the importance of focusing on active citizenship and 'rewards' to tenants who fulfil their tenancy obligations responsibly, such as 'gold service schemes' which have been introduced by some housing associations for tenants who pay their rent on time and who do not indulge in anti-social behaviour.

The implementation of ASB legislation has been controversial in terms of both the evidence of its effectiveness across the UK and the appropriate role of social housing landlords in dealing with problems which go beyond 'neighbour nuisance' (Brown, 2004; Nixon *et al.*, 2010; Anderson, 2011). That said, housing organisations, through their day-to-day management can assist in addressing issues of inequality and ensuring a fair housing experience for most, if not all, households.

In summary then, we may look back on the period up to 2010 as one in which the New Labour government, despite some failures, attempted to address issues of housing and inequality. Lee (2010, p197), for example, has argued that the New Labour 'project' started from a narrowly drawn populist approach to housing and regeneration policies designed to tackle social exclusion (namely 'worst' estates, New Deal for Communities and rough sleeping), but later broadened and rescaled to engage with a more comprehensive agenda of improving competitiveness, as well as delivering social inclusion. There was a 'pivotal role' for both housing and neighbourhood as focal points for reinserting housing into the wider sub-regional economy for the purpose of competitiveness. While Lee interpreted this as a positive story, it was acknowledged that the reliance on the free-market to deliver policy goals would ultimately lead to differential outcomes at the local level (p199).

Murie (2010, p224) has reflected that while the 1970s-1990s saw the relegation of housing policy to a low priority, the 2000s saw its rediscovery. The post-privatisation experiment in market-based housing provision was acknowledged to have failed (p232), resulting in a more stretched, fragmented and stratified housing market, well before the credit crunch of 2008. The consequence of a continuing emphasis on market provision, deregulation of financial institutions, much greater income inequality and differential ability to borrow and to spend has increased social and spatial inequality (p233). Early post-2000 analyses failed to deal with house price inflation and increased market segmentation, though New Labour's 2003 Sustainable Communities Plan linked housing to economic performance and international competitiveness (p234), reintegrating housing into economic as well as social policy. Although debates began to pay more attention to differences within tenures and wealth inequalities (Murie, 2010, p236) arguably neither the UK economy nor agendas around social exclusion were being well-enough served by housing policy and provision at the end of the decade.

Further, social inequality had still not been fully addressed. The detailed analysis by Hills *et al.* (2009) showed a growth in real incomes and a rise in living standards

during the New Labour years. The poverty rate fell slightly, including child and pensioner poverty, but there was virtually no progress in tackling health inequalities. Hills *et al.* concluded that where action was taken, it often led to positive results, but there was a loss of momentum in some areas, especially towards the end of New Labour's term in office, and under Gordon Brown's premiership. Overall, New Labour were too timid in their programmes to reduce poverty and inequality. This analysis was echoed by Wilkinson and Pickett (2009) in *The Spirit Level*. The UK was one of the most unequal developed countries, along with Singapore, the USA and Portugal. Wilkinson and Picket showed a widening gap between the top and bottom 10 per cent of income groups in the UK and the USA, and they demonstrated that in general the UK under Blair was even more unequal than under Thatcher.

Whither housing and inequality in the 2010s?

It may still be too early to say whether the change in Westminster government at May 2010 from New Labour to a Conservative/Liberal Democrat coalition will come to be seen as a major watershed in UK policy, particularly in relation to housing and inequality. However, the very fact of a coalition government, with an agreement for a five-year programme, is itself a new development.

The need to cut Britain's financial deficit following the post-2008 financial crash was recognised by all political parties prior to the 2010 election – the question was not when but how quickly and how deeply public expenditure would be cut back. Arguably, the main impact to date has resulted from the June Budget and October Spending Review in 2010. Commenting on both, Brewer and Browne (2011) note that cutting the deficit was to be achieved through a balance of 80:20 by spending cuts and tax increases respectively, with the coalition government seeking to eradicate the deficit by 2014/15. This meant £18 billion of cuts in welfare spending by 2015 with early press and public 'furore' over, for example, the means-testing of child benefit (including exclusion of some households altogether and inequities in proposals for implementation). Other early announcements included more aggressive means-testing of tax credits, cuts to disability benefits and the introduction of a universal credit to replace all means-tested benefits and tax credits, for those of working age, from 2013. Brewer and Browne concluded (p7) that *'inevitably the poor will lose more as a percentage of income than the rich from such a large reduction in the overall welfare bill'*.

The subsequent March 2011 Budget did introduce a £250m initiative to help first-time buyers through a 20 per cent loan to top-up a 5 per cent mortgage deposit – so easing house purchase at the 75 per cent loan-to-value ration still being demanded by many lenders although, as Wilcox (2010) pointed out, those potential buyers suffering because of the need to find bigger deposits number about 100,000 annually, but the new scheme is aimed at helping only 10,000 and then (so far) only for one year. The Budget also extended temporary changes to Support for Mortgage

Interest for a further 12 months. The 2011 budget also confirmed changes to housing benefit discussed below and introduced some reform of stamp duty in relation to encouraging supply of private rented housing (UK Government, 2011).

In this climate of austerity, 'fairness' became the new watchword along with the notion of the 'Big Society' which appeared to suggest that voluntarism should step in to fill the gap left by welfare expenditure cuts. This most recent turn in considering social inequality as Britain entered the 2010s is considered further in Chapter 2. For now, the remainder of this section will outline some of the key housing policy changes which have been announced in the first year of the coalition government and consider the implications of these for housing and inequality.

As part of its wider welfare reform (see Chapter 2), the coalition government quickly amended the housing benefit system. Changes implemented from 1st April 2011 were announced as restoring 'fairness' to the system (DWP, 2011). Much of this debate around 'unfairness' focused on extreme examples of housing benefit being paid on high-rent houses (£104,000 per year or £8,600 per month) in the private rented sector in high house-price areas. From April 1st 2011, housing benefit would be capped nationally at £20,800 per year for a four-bedroom property (representing a rent of closer to £1730 per month). These extreme examples arose because housing benefit had been allowed to follow increases in private sector rents over the preceding decade, despite this creating employment traps where tenants could not afford to take up employment and be able to afford their rent without housing benefit. The restoration of 'fairness' referred to the comparison between those receiving benefit for high-rent properties and those in work and paying rent or a mortgage. The hope is that landlords will lower their rents and local authorities were given temporary discretion to pay housing benefit direct to landlords who did so. However, there were no proposals to directly control rents in the private rented sector, other than through the imposition of caps in the maximum levels of housing benefit payable for 1-4 bedroom properties (4-bed being the maximum). At the same time, the possibility for tenants to retain the difference if their rent was below the standard allowance was removed and the charges for 'non-dependent' persons living in the homes of those receiving housing benefit were increased.

The Chartered Institute of Housing (2011) commented that these reductions in housing benefit would reduce the potential pool of properties from which households could rent and the increases in 'non-dependent' charges were a perverse incentive to require, for example, adult children to find their own accommodation rather than continue to live in the family household. CIH also questioned the hypothesis that rents would fall as a result of the policy change. Rather, as reflected in substantial media coverage and debate in the period preceding implementation, the impact could be that households would simply have to move to lower-priced neighbourhoods, where rents could actually increase as

demand increased. CIH estimated that tens of thousands of households could be affected, with the imposition of caps resulting in losses of more than £70 per week for tenants in the south of England, while funding for housing advice, support and social housing development was being cut across the UK (CIH, 2011).

A raft of other changes to housing benefit are due to be implemented up to 2015 (CIH, 2011). The Local Housing Allowance is to be set at the 30th percentile of local rents rather than the 50th percentile. In practice this means claimants will only be able to access properties from the lowest 30 per cent of rents in a local market, rather than the lower half of the market, and tenants will have to make up the difference if they are living in a higher-rent property. CIH (2011) predicts losses in benefits of £5-17 per week from this measure, mainly impacting on London and the south east of England though with some impact on Greater Manchester and Nottingham. The age limit for the 'single room rate' which pays housing benefit for shared accommodation only is to be increased from 25 to 35 years old, a policy which appears to discriminate directly on the basis of age as well as against single people irrespective of their personal and family circumstances (such as shared responsibility for child care). Future LHA increases are to be linked to the Consumer Price Index rather than the actual rental market evidence, and working-age entitlement will be limited to reflect family size. Out-of-work benefits will be limited to £500 per week per household, with any excess shaved off housing benefit first. By 2015, help with housing costs will be paid as part of the proposed universal credit for working age households and as part of pension credit for non-working age households. Finally, the standard interest rate at which Support for Mortgage Interest is paid will be set in line with the Bank of England average mortgage rate. These changes are of critical importance as they apply across the whole of the UK, while housing policies introduced by the Department for Communities and Local Government largely apply only to England.

An early indication of coalition housing policy in England comes from the Localism Bill 2011 which contains a number of proposals, notably for council housing (DCLG, 2011). Among its general proposals for local government are a right for communities to express an interest in the take over and running of services; a right to bid for community assets threatened with sale or closure; a right to suggest local referendums and to veto excessive council tax rises; and the reform of the planning system, including the abolition of regional spatial strategies. Housing-specific proposals include a right for communities to draw up a neighbourhood development plan (which could bringing forward new developments such as new homes) and greater powers to take decisions about housing at the local level with a move away from a national system of social housing to more localised decision-making to meet community needs.

Based on the notion that security of tenure (a so-called 'tenancy for life') is 'unfair' as tenants' circumstances may change over time, councils would be able to offer new

tenants shorter/fixed-term tenancies of a minimum of two years. While they could still offer seure tenancies if they wished, if implemented this proposal would imply different housing 'rights' in different parts of the country and between new and existing tenants. Local authorities would also be given freedom to decide who can/cannot apply for social housing though there would remain an obligation to house 'the most vulnerable' and those who 'need it most'. Councils would also have the option to fulfil their homelessness duty through placement in the private rented sector (a feature already in place in Scotland, see Anderson 2009). Finally, proposals would allow local authorities to retain all their housing rental income locally (but not receipts from right to buy sales). The Localism Bill also proposed a National Homeswap Scheme and the abolition of the Tenant Services Authority and transfer of its functions to the Homes and Communities Agency (DCLG, 2011).

In February 2011, the Home Office announced a consultation on reform of the toolkit to tackle anti-social behaviour (Home Office, 2011). Plans for streamlining would give the police and partners faster, more flexible tools and sanctions. This was to include repeal of ASBOs (Anti-Social Behaviour Orders), though it appeared they would be replaced with a rather similar tool, albeit backed up with additional support measures to address underlying behaviour and greater emphasis on restorative approaches and out-of-court tools. The proposals included a community right to require agencies to deal with ASB. The extent to which these proposals would affect the rights of households in different tenures and on the responsibilities of landlords and local authorities, compared with earlier ASB measures, was not fully clear at the time of writing.

While it remains too early to assess the impact of these various proposals, Stephens and Fitzpatrick (2010) have argued that UK social housing was effective in breaking the link between income poverty and housing poverty, and so it appears likely that measures to dilute that safety net will lead to greater inequality overall. Wallace (2010) examined the evidence on public attitudes to housing, noting public recognition of the important role for social housing in protecting low-income groups. This was particularly the case in recession (through security, affordability and the effectiveness of housing benefit) and social housing also achieved high satisfaction rates of more than 80 per cent, compared to nearer 70 per cent in the private rented sector which had the lowest satisfaction levels. Survey data suggested that the UK public supported a tenure balance which provided adequately for those on low incomes, recognising the value of low-rent accommodation for those in low-paid employment and the avoidance of work disincentives. Arguably, it is not housing benefit which leads to disincentives, but the high rent levels which would need to be paid by those taking up work.

Wallace (2010, p30) pointed out that 'lack of support for new house building is surely irreconcilable with the public support for measures to overcome housing affordability problems'. Consequently, vulnerable households might be best

supported by an expansion of social housing and less emphasis on homeownership. Lower-income households in the social and private rented sectors also tended to favour social rented housing and the demand for homeownership from lower-income and younger households appeared to have been curtailed by the recession. Wallace indicated that growth of an intermediate rented market via housing associations might be a better long-term strategy than expecting the private rented sector to effectively meet the needs of lower-income households who cannot access social housing.

As at 2011, the UK faces the risk of unravelling of some of the achievements of the previous decade, notably in reducing homelessness and in raising housing standards. Current proposals appear more likely to increase inequality than reduce it and the impact of public expenditure cuts is likely to be severe. The first test of the coalition's policies will be the May 2011 elections for local councils and for the devolved administrations in Scotland, Wales and Northern Ireland. Thereafter, the impact of policy change will gradually become clearer and the eventual effect on housing and inequality in the 2010s will be further influenced by the outcome of the 2015 UK general election, as this adds to or modifies the outcome of the first five-year period of Conservative/Liberal Democrat coalition government.

Plan of the book

Although we have not formally divided this book into sections, the chapters do perhaps fall naturally into four groupings, followed by a conclusion.

The first two chapters explain the origins of the book, and why it is being written at this time. Chapter 2, by Isobel Anderson, examines how social policy debates have returned to a focus on inequality, with reference to the related concepts of poverty, social exclusion, social cohesion and social justice.

The next three chapters set the broader context for the subsequent consideration of housing and inequality, focusing on inequalities in income and wealth, and in employment, as well as considering the wider EU social cohesion agenda. In Chapter 3, Lindsey Appleyard and Karen Rowlingson demonstrate the considerable income and wealth inequalities which exist in the UK, and which occur across all housing tenures. They suggest that, for people to have secure and decent homes, they need secure and decent incomes, although that looks in doubt, given the current coalition government policies. The issue of employment inequalities is then addressed in Chapter 4 by Alison Wallace, who points out how the interaction of the labour market and the housing system is increasingly challenging to many households at a time of rising unemployment. Chapter 5, by Eoin O'Sullivan explores these inequalities in the broader context of European Union policies on social cohesion and considers what impact that agenda has had on housing provision across Europe.

The third part of the book has a focus on neighbourhood disadvantage, exploring how many housing estates have become marginalised and stigmatised, and what interventions may be made to address these problems. In Chapter 6, Keith Kintrea explains how the UK housing system has tended to concentrate disadvantaged people in particular locations and segregates people spatially according to poverty and wealth. He notes that policies to develop mixed communities appear to have ended and so we face significant challenges in tackling the concentrations of disadvantage in particular neighbourhoods in the future. Douglas Robertson's chapter (Chapter 7) shows how such spatial segregation is often historic, using research in Stirling to illustrate how certain neighbourhoods and estates become stigmatised over time, and the difficulties which authorities face in reversing this process.

The next two chapters describe how interventions in stigmatised estates can have an impact in addressing inequalities. In Chapter 8, Rebecca Tunstall describes policies to regenerate estates and neighbourhoods from 2000 onwards and how they have contributed in a small but important way to reducing the social exclusion of some tenants. The future, however, remains uncertain in the light of changing government policies under the coalition. Similarly, Ian Cole and Stephen Green, in Chapter 9, use four case studies to describe in detail attempts to regenerate estates and ensure a greater social mix. They too wonder if the coalition government's policies will mean that in the long term, such initiatives are 'swimming against the tide'.

The fourth part of the book illustrates how issues of social inequality have impacted on particular groups in society, at different stages of their lives. In Chapter 10, Caroline Dewilde, Clara Mulder and Annika Smits discuss how inequalities affect people across the life course, particularly within a UK policy context which has long emphasised the importance of homeownership, the home providing an important 'asset'. They show how this focus on tenure leads to some groups being excluded, such as single people, and single parent households, while ownership of a house may still be problematic for older people if they are unable to realise that asset.

In Chapter 11, Nicholas Pleace focuses on the continuing relationship between social inequality and homeless people and the ways in which homelessness affects particular groups in society including those with drug and alcohol problems, mental illness, histories of offending and anti-social behaviour, and rough sleeping. He notes how, as a society, our response to homelessness may be becoming harsher, with homeless people increasingly becoming stigmatised.

In our previous book (Anderson and Sim, 2000), we included a chapter on black and minority ethnic groups but not on disabled people. This time, we have focused not on minority ethnic households as such, but on migrants, which include black households, asylum seekers and refugees and migrant workers. John Perry and Duncan Sim in Chapter 12 show how the different groups have very different rights in terms of housing access, and so require very different housing solutions. And in

Chapter 13, we are this time able to include a chapter on the housing issues facing disabled people, by Dianne Theakstone. She shows the range of barriers faced by disabled people in accessing housing, some (like physical barriers) which are obvious, but others (such as attitudinal and communicational barriers) which are less so.

Finally, in Chapter 14 Alan Murie takes stock of our current position and attempts to gauge the prospects for a more inclusive housing policy in the future. While recognising the likely continuation of inequality, at both a national and a local level, nevertheless he suggests that an approach which is both comprehensive and holistic may have positive impacts. 'Comprehensive' refers to the ambition to provide for all needs in all tenures and for all households, at different stages of the life course; 'holistic' refers to the need for joint working and the integration of policies for different agencies. The housing policy task, he acknowledges, is a complex one and there is scope to mitigate the impacts of national and changing central government policies with a focus on implementation and delivery at the local level. In Chapter 15, John Perry adds some broader concluding comments about the prospects for a more equitable housing policy, reflecting several of the wider sources referred to in earlier chapters as well as the conclusions reached by the other contributors.

While we have tried to cover many of the key debates in social inequality in housing, we cannot claim to have been comprehensive either in terms of coverage or authorship. We have tried to include a balance between the general (income, employment) and the particular (disabled people, migrants, homeless people). Beyond this, there was no particular rationale for selecting some issues rather than others, apart from the need to set some boundaries for a readable volume. The contributors have been drawn from across the UK and also from other European countries. Consequently, some chapters refer specifically to issues within England or Scotland or Wales, while others take a much broader perspective.

This book is very much a contribution to the debates on inequality and is definitely not the last word. Whatever the future holds, housing professionals will be caught up in the delivery of services and policy initiatives associated with the post-2010 coalition government in Westminster and the respective devolved administrations post the May 2011 elections. Perhaps the only certainty is that there will always be a housing and inequality agenda. Ideally, both policy development and service delivery need to be based on a firm understanding of the detail of housing provision and the broader trends in society. We hope that this book will assist that process.

References

Anderson, I. (2000) 'Housing and social exclusion: the changing debate' in I. Anderson and D. Sim (Eds.) *Social exclusion and housing: context and challenges.* Coventry: Chartered Institute of Housing, pp6-21.

Anderson, I. (2009) 'Homelessness policy in Scotland: a complete safety net by 2012?' in S. Fitzpatrick, D. Quilgars and N. Pleace (Eds.) *Homelessness in the UK: problems and solutions*. Coventry: Chartered Institute of Housing, pp107-124.

Anderson, I. (2011) 'Evidence, policy and guidance for practice: a critical reflection on the case of social housing landlords and antisocial behaviour in Scotland' in *Evidence and Policy*, 7 (1), pp41-58.

Anderson, I. and Sim, D. (Eds.) (2000) *Social Exclusion and Housing: context and challenges*. Coventry: Chartered Institute of Housing.

Appleton, N. and Molyneux, P. (2009) *The Impact of Choice-based Lettings on the Access of Vulnerable Adults to Social Housing*. London: Housing Learning and Improvement Network.

Bradshaw, J., Hoelscher, P. and Richardson, D. (2007a) 'An index of child well-being in the European Union' in *Journal of Social Indicators Research,* 80, pp133-177.

Bradshaw, J., Chzhen, Y. and Stephens, M. (2007b) 'Housing: the saving grace in the British welfare state', in S. Fitzpatrick and M. Stephens (Eds.) *The Future of Social Housing*. London: Shelter, pp7-25.

Bradshaw, J. and Holmes, H. (1989) *Living on the Edge: a study of the living standards of families on benefit in Tyne and Wear*. London: Tyneside Poverty Action Group.

Brewer, M. and Browne, J. (2011) 'Cuts to welfare spending' in N. Yeates, T. Haux, R. Jawad and M. Kilkey (Eds.) *In Defence of Welfare: the impacts of the Spending Review*. London: Social Policy Association.

Brown, A. (2004) 'Anti-social behaviour, crime control and social control' in *The Howard Journal*, 43 (2) May, pp203-211.

Chartered Institute of Housing (2011) *Briefing paper on the impact of forthcoming changes to Housing Benefit and the Local Housing Allowance*. Coventry: Chartered Institute of Housing.

Clapham, D., Kemp, P. and Smith, S. (1990) *Housing and social policy*. Basingstoke: Macmillan.

Coleman, A. (1985) *Utopia on Trial: vision and reality in planned housing*. London: Hilary Shipman.

Department for Communities and Local Government (2011) *A Plain English Guide to the Localism Bill*. London: DCLG. Available online at www.communities.gov.uk/publications/localgovernment/localismplainenglishguide

Ferrari, E. and Lee, P. (2010) *Building Sustainable Housing Markets*. Coventry: CIH.

Flint, J. (2004) 'The responsible tenant: housing governance and the politics of behaviour' in *Housing Studies*, 19 (6), pp893-909.

Garland, D. (1996) 'The limits of the sovereign state: strategies of crime control in contemporary society' in *British Journal of Criminology*, 8 (2), pp129-144.

Henderson, J. and Karn, V. (1987) *Race, Class and State Housing: inequality and the allocation of state housing in Britain*. Aldershot: Gower.

Hills, J., Sefton, T. and Stewart, K. (Eds.) (2009) *Towards a More Equal Society? Poverty, inequality and policy since 1997*. Bristol: The Policy Press.

Home Office (2011) *More Effective Responses to Anti-social Behaviour – a consultation*. London: Home Office. Available online, accessed 28 April 2011, www.homeoffice.gov.uk/publications/consultations/cons-2010-antisocial-behaviour/asb-consultation-document?view=Binary

Lee, P. (2010) 'Competitiveness and social exclusion: the importance of place and rescaling in housing and regeneration policies' in P. Malpass and R. Rowlands (Eds.) *Housing, Markets and Policy*. Abingdon: Routledge, pp184-202.

Lee, P. and Murie, A. (1997) *Poverty, Housing Tenure and Social Exclusion*. Bristol: The Policy Press.

Lee, P., Murie, A. and Gordon, D. (1995) *Area Measures of Deprivation: a study of current methods and best practice in the identification of poor areas in Great Britain*. Birmingham: Centre for Urban and Regional Studies.

Legg, C. (1981) *Could local authorities be better landlords?* London: City University.

Lister, S., Perry, J. and Thornley, M. (2007) *Community Engagement in Housing-Led Regeneration*. Coventry: CIH and TPAS.

Malpass, P. (2008) 'Housing and the new welfare state: wobbly pillar or cornerstone' in *Housing Studies*, 23 (1), pp1-19.

Malpass, P. and Murie, A. (1994) *Housing policy and practice* (4th edition). Basingstoke: Macmillan.

Morris, J. and Winn, M. (1990) *Housing and social inequality*. London: Hilary Shipman.

Mullins, D., Beider, H. and Rowlands, R. (2004) *Empowering Communities, improving housing: involving black and minority ethnic tenants and communities*. London: ODPM.

Mullins, D. and Murie, A. (2006) *Housing Policy in the UK*. Basingstoke: Palgrave Macmillan.

Murie, A. (2010) 'Rediscovering housing policy: back to the future?' in P. Malpass and R. Rowlands (Eds.) *Housing, Markets and Policy*. Abingdon: Routledge, pp224-244.

Newman, O. (1972) *Defensible Space*. New York: MacMillan.

Nixon, J., Pawson, H. and Sosenko, F. (2010) 'Rolling out anti-social behaviour families projects in England and Scotland: analysing the rhetoric and practice of policy transfer' in *Social Policy and Administration*, 44 (3), pp305-325.

Pawson, H. (2002) *Allocations and choice in Scotland*. Edinburgh: Chartered Institute of Housing in Scotland.

Pawson, H. and Wilcox, S. (2010) *UK Housing Review 2010/11*. Coventry: Chartered Institute of Housing (and online at: www.york.ac.uk/res/ukhr/ukhr1011/index.htm).

Peach, C. (1968) *West Indian Migration to Britain: a social geography*. Oxford: Oxford University Press.

Power, A. (1997) *Estates on the Edge: the social consequences of mass housing in northern Europe*. Basingstoke: Macmillan.

Power, A. (2009) New Labour and unequal neighbourhoods, Chapter 6, pp115-133, in J. Hills, T. Sefton and K. Stewart (Eds.) *Towards a More Equal Society? Poverty, inequality and policy since 1997*. Bristol: The Policy Press.

Rex, J. and Moore, R. (1967) *Race, Community and Conflict: a study of Sparkbrook*. Oxford: Oxford University Press.

Room, G. *et al*. (1992) National policies to combat social exclusion. First Annual Report of the European Observatory on Policies to Combat Social Exclusion. Brussels: European Commission, cited in G. Room (Ed.) (1995) *Beyond the Threshold: the measurement and analysis of social exclusion*. Bristol: The Policy Press.

Somerville, P. (1998) 'Explanations of social exclusion: where does housing fit in?' in *Housing Studies*, 13 (6), pp761-780.

Stephens, M. and Fitzpatrick, S. (2010) *Housing Exclusion: welfare policies, housing provision and labour markets*. Brussels: European Commission.

UK Government (2011) *Budget 2011 – Housing*. Online information accessed 28 April 2011 at www.direct.gov.uk/en/Nl1/Newsroom/Budget/Budget2011/DG_WP195617

Wallace, A. (2010) *Public Attitudes to Housing*, JRF Programme Paper. York: Joseph Rowntree Foundation.

Wilcox, S. (2010) 'The deposit barrier to homeownership' in H. Pawson and S. Wilcox (2010), *UK Housing Review 2010/11*. Coventry: Chartered Institute of Housing.

Wilkinson, R. and Pickett, K. (2009) *The Spirit Level: why more equal societies almost always do better*. London: Allen Lane.

practice studies

Housing and inequality

Edited by Isobel Anderson and Duncan Sim

The UK is a much more unequal society than it was 30 years ago. Over the same period, housing tenure has also been transformed, with a much larger proportion owning their own home and having access to the assets resulting from soaring property values. But where does this leave the one third of society who struggle to maintain their living standards? Many are living in social rented housing, but many too are in the private rented sector and even owner-occupation has its share of poor households.

The links between housing and social inequality are complex and this book aims to untangle them for the reader. A range of contributors, drawing from their own research, cover topics such as:
- housing and economic inequality
- concentrated poverty in social housing estates
- neighbourhoods and estate regeneration
- whether mixed communities help tackle inequality
- inequality over the life course
- homelessness
- migrants, housing and inequality
- disabled people and their need for accessible housing.

As well as chapters which set the context for discussions about inequality and housing, and a concluding chapter on what a more equitable housing policy might look like, Alan Murie provides an overarching chapter on the prospects for housing policy and inequality. Several chapters also provide international comparisons, especially with the EU.

The book is both a contribution to an important debate, and an excellent source for students, researchers and practitioners who want to understand why housing plays such an important part – both in creating inequality and in driving the policies that aim to reduce it.

HSA

HOUSING
STUDIES
ASSOCIATION

GHA

Publication of *Housing and social inequality* has been sponsored by Glasgow Housing Association

CIH members £21.00 Non-members £30.00