

HousingPlus  
Academy



Trafford Hall  
National Communities Resource Centre



Working in  
partnership



Housing and  
Communities

## Information Pack

**Policy Think Tank**  
***Young Tenants Matter:***  
***Challenges and Opportunities For Under 35s***

Tuesday 15<sup>th</sup>- Wednesday 16<sup>th</sup> November 2016  
Trafford Hall

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This Information Pack has been produced by LSE Housing & Communities for the purpose of the Young Tenants Matter Think Tank at Trafford Hall on 15-16<sup>th</sup> November. It provides participants with some interesting Inside Housing articles relevant to the topic of the Think Tank. The Pack includes web-based information found on 8<sup>th</sup> November 2016. We take full responsibility for any inaccuracies or mistakes we might have made.

### About the Housing Plus Academy

The Housing Plus Academy is a partnership between 16 leading social housing providers, the National Housing Federation, the Chartered Institute of Housing and the National Communities Resource Centre at Trafford Hall. It has been developed to promote knowledge exchange and participative learning among frontline staff and tenants of social landlords. The Academy tackles burning problems affecting social landlords today, particularly welfare reform, financial pressure, energy saving, work and skills, community enterprise, and resilience. The Housing Plus Academy is supported by the Joseph Rowntree Foundation and LSE Housing and Communities.

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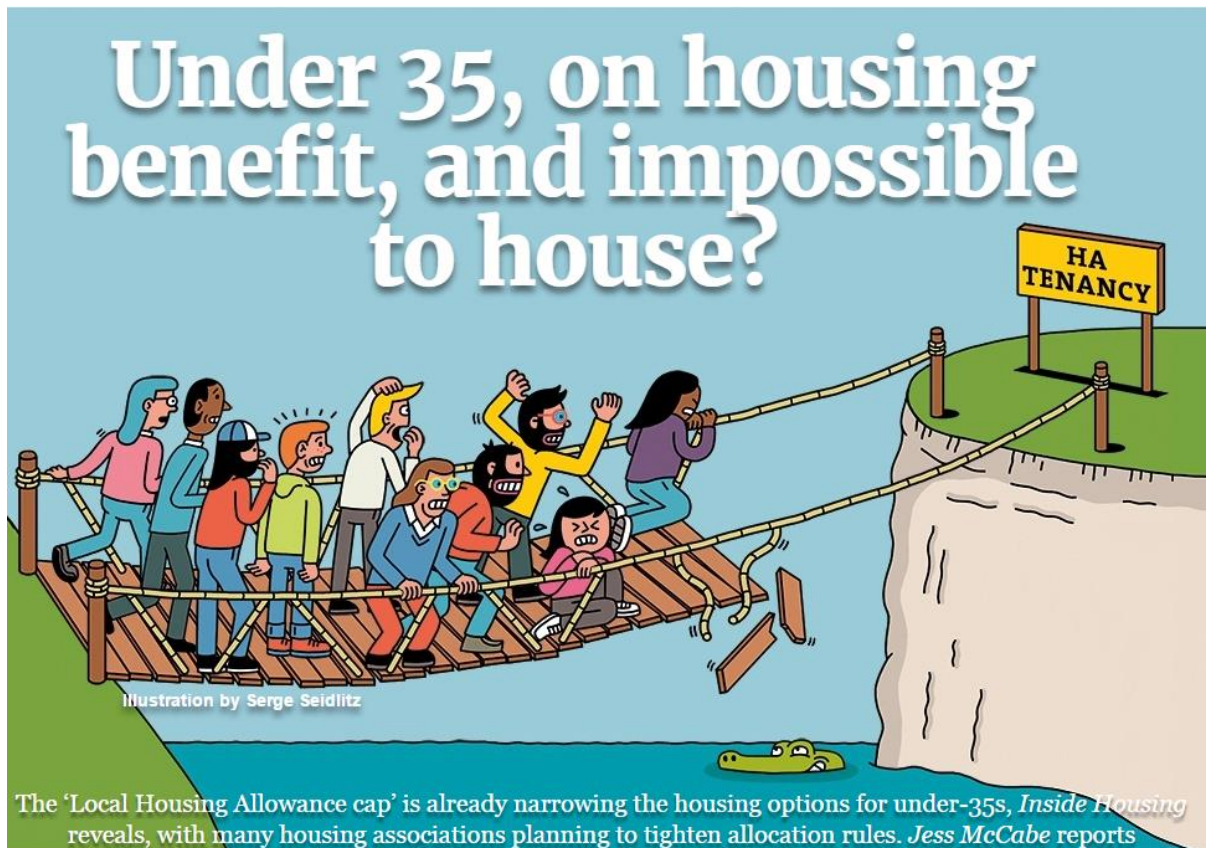
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The Housing Plus Academy aims to reflect the diversity of social housing, its staff, tenants and customers. We welcome representatives from ethnic minority backgrounds, a wide range of ages, and those with disabilities. We also welcome small community-based organisations including Tenant Management Organisations, Community-Based Housing Associations, Community Land Trusts, and tenant co-operatives.

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1. Under 35, on housing benefit, and impossible to house? – Inside Housing, 16<sup>th</sup> June 2016



The 1 April 2016 came and went with deceptive quiet this year. If the public noticed a change in housing policy, it was most likely the chancellor's hike in stamp duty for second homes. But for prospective social housing tenants under the age of 35, 1 April marked a shift of great significance.

It heralded the start of a policy that *Inside Housing* has discovered is already fundamentally changing whether such 'younger' people will be able to rent a flat or house from their council or housing association.

That policy is the application of the 'Local Housing Allowance (LHA) cap' to social tenancies, which among other things severely restricts the amount of housing benefit that can be claimed by general needs tenants under 35, without children. Most will only be eligible for the 'shared accommodation rate' – based on the cost of renting a room in a shared house or flat. Although the cut to benefits only starts on 1 April 2018, it will apply to any tenancies signed from 1 April this year.

A Department for Work and Pensions (DWP) spokesperson noted that local authorities can use Discretionary Housing Payments to help tenants "transition to our reforms", and said: "These changes are about restoring fairness to the system and ensuring that those on benefits face the same choices as everyone else. The reality is, nothing will change until April 2018, and existing tenants will be unaffected."

But tenants picking up the keys to their new homes today will be affected if they are still relying on housing benefit to pay the rent in 2018, and are under 35 at that time. This also means social landlords are already making tricky decisions about whether they can rent to tenants they think will be affected – if it is at all unclear whether they will be able to afford the rent.

So *Inside Housing* sent a survey to the 180 biggest housing associations asking detailed questions about how housing associations are changing their allocation policies. Forty-seven responded, giving us a glimpse into how decisions on “how to get a housing association house” are changing on the ground.

Only 11% of them plan to make no changes to how they treat under-35s in their allocations policy, compared to 13% who have already made changes and 60% who plan to change their allocations in future.

“It’s likely a lot of the under-35s nominated to us will not be able to afford the property,” one housing association predicted.

Some of the changes being made will make it even harder for younger people to get tenancies from a housing association. Among those reported to *Inside Housing* are:

- Younger tenants to be given assured short hold tenancies, or two-year tenancies, rather than more secure tenancy agreements.
- Blocking under-35s from renting in certain blocks of flats or certain buildings.
- Blocking under-35s from renting new build homes, as these will be rented under affordable rents set at up to 80% of market level, leaving an even larger gap between housing benefit entitlement and rent.
- Only accepting the youngest tenants, under the age of 21, if the council agrees it will pay their full rent.
- Additional affordability assessments.

Rather than restricting access to housing, a number of landlords are reducing rents for younger tenants with no children.

For example, Amicus Horizon plans for its new tenants under 35, without children, to be allocated social rent housing, rather than affordable rent.

This will still leave a shortfall – but not as great. “The shared accommodation rate of LHA is effectively half the one-bedroom equivalent, leaving most residents facing a weekly shortfall of £10 to £15 to make up through their own means,” explains Paul Hackett, chief executive of the 28,000-home landlord. “We’ll raise awareness before we let homes and offer help and advice through our tenancy sustainment and financial inclusion teams,” he adds.

*“Our biggest concern is what will happen in two years when these tenants can no longer pay their rent – it’s likely they will be evicted and be seen as intentionally homeless.”* Quote from anonymous housing association source

Housing associations are aware of the impacts of these changes on their younger tenants, and fear a cycle of homelessness is coming in the future. As one said, “Our biggest concern is what will happen in two years when these tenants can no longer pay their rent – it’s likely they will be evicted and be seen as intentionally homeless.”

Centrepoint, a London homelessness charity with 1,100 supported accommodation spaces, is at the sharp end, as its residents are under 24. Going back to the family home is not a solution for many of its young people, and the charity already struggles to help residents find suitable housing when they are ready to ‘move on’.

The charity worries it will face extra demand from young people made homeless because they are unable to afford their social or affordable rent – and a ‘bed-blocking’ scenario where it is impossible for its existing residents to leave.

Paul Noblet, head of public affairs at Centrepoint, says: “It’s really difficult to know where young people will go, unless there are thousands of thousands of homes built, or there are sufficient jobs that are paying sufficient salaries.”

### **The LHA cap and under-35s**

The Local Housing Allowance limits the amount of housing benefit which tenants in the private sector can claim to help pay their rent.

But in November last year, George Osborne announced that the cap would be extended – and the same formula used to calculate entitlement to housing benefit for ‘social sector’ tenants as well, if they signed their tenancy agreement from 1 April this year.

From 1 April 2018, tenants under 35 with no children will only be eligible for the ‘shared accommodation rate’ set under the LHA, area-by-area. This limits most tenants under 35, if they don’t have children, to enough housing benefit to cover a room in a shared house. The rate is meant to be set at the lowest third of properties on the local rental market. This would not be enough to cover social or affordable rent for a council or housing association home. There are a number of exemptions to the shared accommodation rate in the private sector, but the government has not yet said if the same rules will apply to social sector homes.

### **How many will be affected?**

We don’t know how many tenants will be put on the shared accommodation rate, partly because the exact exclusions haven’t yet been announced and additionally the government has not yet published an impact assessment. In the absence of official calculations, some light is shed by examining the Department for Communities and Local Government’s CORE data on new lettings.

First consider age – the two age cohorts most likely to be allocated a new tenancy are those aged 25-31 (25%) and those aged 18-24 (21%). That means at least 46% of new tenants are definitely in the age bracket for the shared accommodation rate, although we don’t know how many have children or would be otherwise exempt. The next most significant age group is 31 to 38-year-olds (19%), an unknown number of which will be affected.

It is a good bet that many of these new tenants will rely on housing benefit, as only a quarter of all new tenants receive no benefits at all.

### **Understanding the rules**

Only 66% of housing associations told us they are clear on the rules for the LHA cap on under-35s, even though tenants picking up the keys to their housing association flat or house today could be affected.

Partly this is because housing associations are still not sure about which tenants will be exempt. It's already clear that under-35s with children will be able to get more than the shared room rate of housing benefit. Assuming that the rules match private sector housing benefit, people who have been in homelessness accommodation for six months should also be exempt – if they are between 25 and 35.

But housing managers told *Inside Housing* that the specifics of how this will work are not clear. "We are as informed as we can be at this time," one said.

"We understand the rules that apply in the private rented sector – and that ministers intend to extend something similar in the social rented sector – but we will be lobbying for broader exemptions," another association said – for example, it will be pleading the case of young, vulnerable tenants moving out of supported housing and into a general needs tenancy.

"We do not feel all the information from the DWP has been made clear. At landlord forums we have attended there has been some confusion across the sector," was another comment.

### **Assessing tenants**

Housing associations are already preparing for the shared accommodation rate – with 89% having analysed the benefit reductions that affected residents will face.

Only three of the 47 housing associations expect that local authorities will signal which of their new tenants will be affected by the change, with nearly half assuming that they will need to carry out checks themselves during the allocation process. Another 45% said they don't know, expect to split the responsibility with local authorities, or expect different councils from which they take nominations to adopt different approaches.

### **Will housing associations set up shared housing?**

If you are under 35, single and with no children – yet reliant on housing benefit – government policy is pushing you one way: a room in a shared house or flat.

But such houses are typically rented out by private sector landlords. Social landlords have barely any involvement.

Could that change in the future, as landlords perceive that most of their housing will be impossible for many under-35s to access?

The results of our survey suggest the answer is yes – with some qualifications.

Just under a third of housing associations are considering the development of shared housing for under-35s, in direct response to the LHA cap.

Still, there are reasons why housing associations are not already active shared housing landlords, with a perception that these tenancies are difficult to manage high up the list. In the private sector, tenants can find friends and acquaintances to move into any vacant rooms. But housing associations are tied to systems of allocating homes according to priority need, which makes such arrangements more difficult.

Grand Union Housing Group is typical of the 36% not considering this approach. “Shared housing is fraught with problems and there are very few (if any) examples of it working well,” the 11,000-home association said in response to our survey.

Another association said: “We have considered it but shared tenancies are very problematic to manage and are therefore unlikely to be introduced.”

Still, other associations are looking at more indirect ways to get involved in this part of the market. One in the South East told us it may set up a ‘matching’ service to help younger people find rooms in shared houses.

### **Local authority angst**

The relationship between housing associations and local authorities is already under strain, primarily because of the Right to Buy extension, to be paid for by forcing local authorities to sell their own high-value stock.

But *Inside Housing’s* survey reveals that the LHA cap risks putting the two halves of the social housing sector further at odds. The reason? Housing associations may start turning down under-35s who are referred from council waiting lists, if they are entitled only to the shared room rate, on the basis they won’t be able to afford the rent. But local authorities will still have a statutory duty to house young people without children in this age bracket.

Some associations expect local authorities to be sympathetic. “There is a shared understanding that tenancies have to be sustainable and so affordability has to be considered,” one pointed out. Another hopes that local authorities could help to fund rents for affected young people.

But many associations already anticipate this will cause friction. “They would see it as a failure to meet our duties in addressing housing need,” one told *Inside Housing*. Another said its local authority would be “deeply unhappy. Although we’re entitled to do so it could place serious strains on our relationships”.

“We are likely to be challenged as this approach will breach most nomination agreements,” another said.

But housing associations worry that if they accept tenants who cannot pay their rent, without guarantees from local authorities, they could later be considered intentionally homeless if evicted due to arrears.



## 2. Tower blocks viability concern due to 'LHA cap' – Inside Housing, 4<sup>th</sup> February 2016

Several association chief executives this week said they are looking at re-designating tower blocks for other residential uses because the flats will be difficult to let due to the gap between LHA rates and the combined cost of rent and service charge.

The government is planning to cap housing benefit for social tenants in line with LHA rates, which are used to calculate the amount of benefit received by private tenants.

Under the new rules, which will start in 2018 for tenancies beginning from April 2016, single people aged under 35 will only be entitled to the 'shared room rate' – a payment for a room in a shared house.

Tower blocks generally command higher service charges – which are covered by housing benefit along with rent – for facilities such as lifts, cleaning, CCTV and concierges. In addition, they are often occupied largely by younger, single people – who are entitled to lower LHA rates than older people and families.

Geraldine Howley, chief executive of Bradford housing association Incommunities, said: "What is going to hit more than anything is the rule regarding under-35s." Bradford has a shared room rate of £58.26 a week, which would not cover the rent for a one-bedroom flat in one of Incommunities' 32 tower blocks.

"We let [tower blocks] in the main to under-35s and a high proportion are not in work... so it has flagged up an issue for us," Ms Howley added, and said the association would consider redesignating some blocks as shared accommodation to cope with the problem.

Alison Thain, chief executive of Middlesbrough-based Thirteen Group, which has 20 tower blocks, said: "We will be talking to universities, talking to the hospitals, even if it's just a few floors we could use in different ways. We are going to have to think very differently about how we use the tower blocks." The association has previously redesignated a number of its larger properties as one-bedroom flats due to the bedroom tax.

The problem is likely to mainly hit ex-stock transfer landlords in the north of England, where LHA rates are low, and which inherited large numbers of tower blocks from local authorities. A Department for Work and Pensions spokesperson said the policy "would provide a fairer deal for taxpayers".

Homelessness charity Shelter yesterday published an analysis showing as of August last year, eight in 10 housing benefit awards for single social tenants under the age of 35 were over the proposed LHA-linked cap.

### 3. Sharing by the sea – Inside Housing article, 15<sup>th</sup> April 2016



Exmouth's beach glimmers in the sunshine as children rush about on the sand, followed at a slower pace by accompanying adults. It's a scene that has played out since the 18<sup>th</sup> century, when this Devon town first hosted vacationing aristocrats, cut off from foreign climes by the French revolution.

But Exmouth isn't just a resort town. The B&Bs for tourists are matched by their equivalent for local residents - Houses of Multiple Occupation, or HMOs.

Step away from the shore by a few hundred metres along St Andrew's Road, and another shared house is under construction. On the face of it, this is just another red-brick Victorian terrace on a row of terraces, on a road with plenty of HMOs. In fact, this project is almost certainly a one-of-its-kind.



**East Devon Council bought this Victorian terraced house and is in the middle of turning it into a high-spec shared house**

*Specific needs*

The first difference is the landlord and developer - unlike most HMOs, which are privately run and owned by individuals, the mastermind here is East Devon Council. Even more unusually, it will be let at a social rent to general needs tenants.

*“A lot of young, single people, not necessarily with children, were coming to us to be housed.”* Amy Gilbert, property and asset manager, East Devon Council.

Only a smattering of social landlords are going anywhere near the HMO market, despite plenty of discussion over the last few years.

Councils and housing associations alike have for decades offered shared housing for tenants with support needs - for example, disabled people’s housing, or supported housing for residents with mental health or addiction issues. But an HMO, run by a social landlord, for the single tenant? This model has been left to the private sector, often individual landlords with a decidedly mixed record on providing decent, safe housing.

And the second difference is the scale and ambition of this project, at a financially challenging time.

East Devon isn’t just finding a use for void stock - it bought this house for this purpose, paying about £248,000, and is now in the process of stripping it back, before retrofitting it with the needs of house-sharers in mind, to the challenging Enerphit Standard (see box, bottom of page).

The project, which East Devon expects to cost roughly £500,000 in total, will turn the building from a leaky Victorian into an airtight, super-energy efficient house. Walking around the inside of the building, it’s clear the scale of work required - the floor is being dug out and relaid, and the front and back are being covered in insulation.

*“Our enforcement section of the council are taking landlords to task all the time around that area.”* Amy Gilbert, East Devon Council

Naturally, one might wonder why the council is doing this - and how it will pull it off. The answer goes back to 2013.

“Studying our housing register, we realised that a lot of young, single people, not necessarily with children, were coming to us to be housed,” not a high priority for housing, explains Amy Gilbert, property and asset manager for East Devon Council. “We didn’t really have a lot of accommodation that met that need. So the idea of a shared house was born.”

Sharers moving in when construction is completed at the end of June will be aged between 21 and 55, single, and without any support needs. “We have a lot of people coming to us where their marriage is just ending and they’ve got all their belongings in a bag with them in reception,” Ms Gilbert adds, to describe the typical sort of person the council expects to house here.

At the same time, East Devon has been mulling its problems with fuel poverty. In the South West, 12% of households are in fuel poverty according to the latest government statistics from 2013. And the region has the biggest ‘fuel poverty gap’ in England - there is a £123m hole between the energy needs of fuel-poor households and how much they can reasonably afford to pay.

*“There’s a general assumption from the DWP that people shouldn’t be able to access self-contained accommodation if they’re on benefits and of a certain age.”* Eamon McGoldrick, managing director, National Federation of ALMOs

From this came the concept of renovating the house to such a high specification. “We wanted to look at whether we could combine this and as well as providing a shared house, whether we would also be able to look at the issue of fuel poverty,” explains Ms Gilbert.

### **Growing idea**

The first steps took place at the end of 2013, when the council bought the Victorian building. The choice of site wasn’t accidental. “Our enforcement section of the council are taking landlords to task all the time around that area, around the standards of their accommodation and health issues,” notes Ms Gilbert. When it’s finished, the council hopes to encourage private HMO landlords to learn from this as an example.

As well as being highly energy efficient, the project has also been designed with sharers in mind - separating it from many private sector equivalents. Each of the six bedrooms has its own en suite bathroom. The kitchen will have a fridge for each resident - the aim being to remove potential areas of conflict between tenants, who won’t have a choice of their housemates.

A seventh room will be converted into an office for use by the council, with the aim of providing an occasional presence in the house in recognition of the increased management requirements of an HMO house.

*“We’ve come across schemes that have collapsed at the last minute.”*  
Anna Clarke, senior research associate, Centre for Housing & Planning Research

Future residents will be referred by the council, and will pay a social rent of just under £100 a week, including service charges, which the council says is lower than the private sector equivalent. However, they won't be getting a social tenancy - instead, they will get a license.

This gives the council more leeway to evict if there is a problem with an individual. Residents' stay in the house isn't time-limited - but the council expects it will be a short stint for most to meet a temporary need. Residents will be able to live here as long as they like, however, assuming there are no problems.

It is with this considered design that the house really starts to distinguish itself from existing practice in the sector.

Travel back in time a few years to 2012, and social landlords were starting to talk about setting up HMOs for general needs tenants. Back when the most challenging policy from government was the bedroom tax, housing associations and councils worried that two or three-bedroom properties in some areas could become unlettable. One answer discussed in the sector was converting some of these homes into shared housing.

A small number of projects were started. St Vincent's in Manchester has a 'snug bug' programme for young people, who can set up a profile on its website and browse listings for rooms.

Dudley Council joined up with two local housing associations and set up a pilot, advertising shared housing to young people. But the project is no longer up and running, and the council staff *Inside Housing* spoke to didn't know what became of the idea.

Progress is slow for good reasons. Melanie Rees, head of policy at the Chartered Institute of Housing, recalls: "Some of them were looking at it then and saying we could create HMOs - [but that involves] quite a lot of added responsibility in terms of safety and management." East Devon says its project is technically not classified as an HMO.

### **Staying ambitious**

Anna Clarke, a senior research associate at Cambridge University's Centre for Housing & Planning Research, explains there are some specific issues with tenancies. If residents of a shared house are granted a joint tenancy, what happens when one wants to move out? In the private sector, the remaining tenants can just find a new housemate. In social housing, where consideration needs to be given to allocating housing based on need, this doesn't work.

If housemates are given individual tenancies, then for technical reasons, the landlord becomes liable for the council tax. This can be reclaimed through rent and service charges, but it is not clear if housing benefit will cover the full amount. "We've come across schemes that have collapsed at the last minute because of that," Ms Clarke says.

Eamon McGoldrick, managing director of the National Federation of ALMOs, was one of the cheerleaders of social landlord-led HMOs. He seems surprised at the idea of a purpose-built HMO, given the pressures on local authority budgets. "Where I was originally coming from, [was] if you've just got the property sitting there empty," he explains.

The Exmouth house is, in contrast, exactly the sort of ambitious project that might easily have been scaled back in the light of central government gouging local authority budgets. East Devon is contending with cuts of 55% in central government funding since 2010/11.

Ms Gilbert enthuses about finding a way to stay ambitious in difficult times. “Social housing recently has been pressed in all sorts of ways, especially financially, so it was an opportunity for East Devon to say ‘we’re going to deliver this, we’re going to push the boundaries and go for a very high specification’,” she argues.

So was it a fight to keep this project alive?

“We had to convince members that we could make this work,” acknowledges Ms Gilbert. “There have been opportunities along the way where quite rightly members have said, ‘is this still the way we want to go?’. And we’ve reassessed, and we’ve said, ‘yes, it is’.” Funding has come from Right to Buy receipts and the Housing Revenue Account.

Although local authority cuts and the rent reduction seem to dissuade social landlords from this type of investment, another policy makes it seem like a good idea - specifically, the Department for Work and Pensions’ (DWP) reduction of housing benefits for under-35s to the shared room rate. “There’s a general assumption from the DWP that people shouldn’t be able to access self-contained accommodation if they’re on benefits and of a certain age,” Mr McGoldrick points out.

East Devon does not see this as a one-off. Ms Gilbert says, “I’d like to think we’d have similar, or exactly the same - other shared houses with exactly this level of technology going in.” The council is also using the learning from this project to assess how to tackle fuel poverty in the rest of its 4,222 homes.

And similar projects are popping up in other areas. Barnet in London has set up three shared flats for young homeless people. *Inside Housing* understands that Tower Hamlets in London is examining a shared housing project for young people without support needs, in response to the pressures of finding affordable places to live in the capital.

Could social landlords be the HMO landlords of the future? These are only small-scale projects, but don’t rule it out.

### **Enerphit for purpose**

East Devon’s new shared house will be one of the first renovation projects anywhere in the UK to apply the tough ‘Enerphit’ standard to a Victorian house.

Simply put, Enerphit is Passivhaus for refurbished buildings.

This is the first Enerphit project for contractors Mi-space. Everyone working on the building site had to be inducted to the process, and training is provided for the individual elements, such as how to correctly install the insulation.

Working in an existing house also poses technical challenges. “Everything’s got to be taken out the front door. It’s much more labour-intensive,” explains AJ Eaton, director at Mi-space. Enerphit increases some costs by 50%, according to the contractor, without getting more specific.

Once complete, future residents will need to learn how to live differently in the house - for example, pinning a noticeboard to the wall could compromise the airtight seal. Being a shared house, with a predicted high turnover, East Devon Council is preparing now how it will communicate these details to future tenants for years to come.

The council will also use energy bills to track if the house is saving as much energy as is expected.

#### 4. A picture of success - Inside Housing, 4<sup>th</sup> August 2016



Walking up to The Holdings feels like stepping into a picture postcard. The 19th century coach house has been converted into nine small flats overlooking a courtyard. Pots of mint, tomatoes, strawberries and runner beans flourish in the square.

Nearly five miles south of Birmingham city centre, these are not luxury conversions for commuters inclined towards original period features. Few would guess that the nine residents who tend to this quaint English garden in a leafy enclave of Bournville are 16-to-18-year-olds making their first move from the care system to living alone.

*“It helps when you come and look around and there’s already furniture.”* Beth Keys, former resident

#### **Quality streets**

Run by the Bournville Village Trust (BVT), which manages 7,500 homes in the model village first set up to house Cadbury’s workers, *Inside Housing* is here to see if this project could itself provide a model for how to better help care leavers transition to independent, adult life.

This question has jumped up the agenda since the government launched a strategy this summer requiring local authorities, charities and the private sector to “up their game as corporate parents”. The telling-off is necessary. In 2015, Ofsted reported that an alarming 64% of local authorities were rated inadequate or requiring improvement in their services for care leavers.



What lessons does The Holdings have to impart? Beth Keys is 18 and was a resident until five months ago. Fresh-faced and quick-witted, she jokes that the opportunity to be interviewed late in the afternoon gives her an excuse to clock off early from her apprenticeship to become a nursery nurse.

Now she's moved "just up the road" with her older sister – but Ms Keys confides she tells people she still lives in Bournville, indicating its popularity.

The environs are not just a nice extra – evidence is stacking up of how access to good quality landscapes like those at Bournville can improve our health and well-being. In a Swedish study of nearly 1,000 participants, researchers found that the more often people visited green spaces, the less they reported stress-related illnesses. This is relevant because 62% of children are in care because of abuse or neglect. The impact on their mental health and well-being is widely accepted as significant and long lasting.

Inside, the one-bedroom, self-contained flats are fully furnished. Ms Keys recalls: "It helps when you come and look around and there's already furniture. You think, 'Aw, this looks cosy.' It makes you feel more at home."

The young people are given wardrobes, beds and sofa beds (so they can have family or friends stay overnight), a fridge freezer, cooker and microwave, an iron, a new toilet seat and shower curtain. That's thousands of pounds of furniture tenants can take with them when they leave. Ms Keys left The Holdings five months ago, but she still hasn't received her leaving care grant – a sum of up to £2,000 which is meant to help young people leaving care to set up their home. Nonetheless, she has been able to furnish her new flat without having to worry about where to find the money for necessities such as a bed and cooker.

### **Fully furnished**

Sophie Taylor, a 17-year-old resident, adds: "I don't think I would have wanted to move here if there wasn't any furniture because I would have been freaking out too much."

This is not standard practice. Afshan Ahmad, project development manager of the Rees Foundation, a charity set up to support care leavers, considers a fully furnished flat, all the contents of which belong to tenants once their residency begins, a "rarity".

To be more precise, Ms Ahmad's response is an exclamatory "wow!" when informed about the project's furniture package. More typically, she explains, young people preparing to leave care will be faced with "accommodation that is [perhaps] unsafe... with [for example] drugs being sold in corridors" of shared homes. The home may be damp-ridden, infested or simply run-down and in need of redecoration. These practical difficulties and limitations can go on to have a psychological impact on the young person, which are compounded by loneliness and isolation.

The challenges facing those leaving care are stark. In 2010, a quarter of people who were homeless had been in care at some point in their lives, according to a National Audit Office report. In 2008, nearly half of men under 21 who had been in contact with the criminal justice system had an experience of care. In 2014, nearly a quarter of female care leavers became

teenage parents, and in 2012 care leavers were four to five times more likely to be self-harming adults.

The Holdings was set up in 2001 by BVT and Birmingham City Council, as a pragmatic response to the shortage of housing provision for young people leaving care in Birmingham at the time. Alison Wilkinson has been running the project for the last seven years – with a team of nine, including two student volunteers and four out-of-hours responders. Funded by councils when they refer care leavers, BVT refused to disclose how much The Holdings costs to run each year, saying it is about to tender for the contract and doesn't want to reveal its costs to competitors. BVT adds approximately £4,000 a year to income from referrals, which funds extras such as repairs, birthday gifts for tenants, trips – a 'glamping' expedition is planned for later this summer – and help with utilities and travel expenses when tenants find themselves short.

Prospective tenants are invited to live in an available flat during the four to six-week assessment period. Staff use this time to consider how well the young person is able to engage with the team, their basic skills in cooking and budgeting, and whether they can be responsible for the way in which their visitors behave.

This last criterion can prove most difficult. Seventeen-year-old Kat Smith has been living at the scheme for the last year and says the hardest part is "setting your boundaries".

*"People can see the vulnerability if you say you're 17 and living on your own."*

Sophie Taylor, resident

Fellow resident Jade Wilcox, 18, agrees. She had yearned for independent living, frustrated by a foster home that was "too protected". But when she first moved into her flat in The Holdings, some of her friends did "try to push the limits", tempted by the prospect of a party in someone else's home, free of adult supervision. Now Ms Wilcox, who sits with her arms crossed over her body as if holding herself in, worries that when she leaves The Holdings, "it will all come crashing down".

A worsening in the youth labour market, coupled with the housing shortages and increases in higher education, has lengthened the transition to adult independence for most young people. Yet for children in care, these same trends have the opposite effect – a feeling that adult responsibility is accelerating, not delayed. The government has recognised this and guidance for "staying put" has enabled many local authorities to extend foster care beyond the child's 18th birthday. Ms Wilcox will therefore be able to stay at The Holdings for about another six months.

### **Friends and support**

One of the strongest positives for living at The Holdings, the residents explain, is being around other people who implicitly understand and share your struggles as a child in care.

For Ms Taylor, who has been living at The Holdings for nearly a year, sharing the truth about being in care is a step too far. "People can see the vulnerability if you say you're 17 and living on your own," she explains – so she has gotten used to "lying a lot" about where she lives.

Ms Wilcox is more open with close friends about having been in care, but some friends who have found out have gone on to “bang on about going into care” when times have gotten difficult with their own parents. She says they think life in care is like CBBC’s *Tracy Beaker* – it is a source of deep frustration.

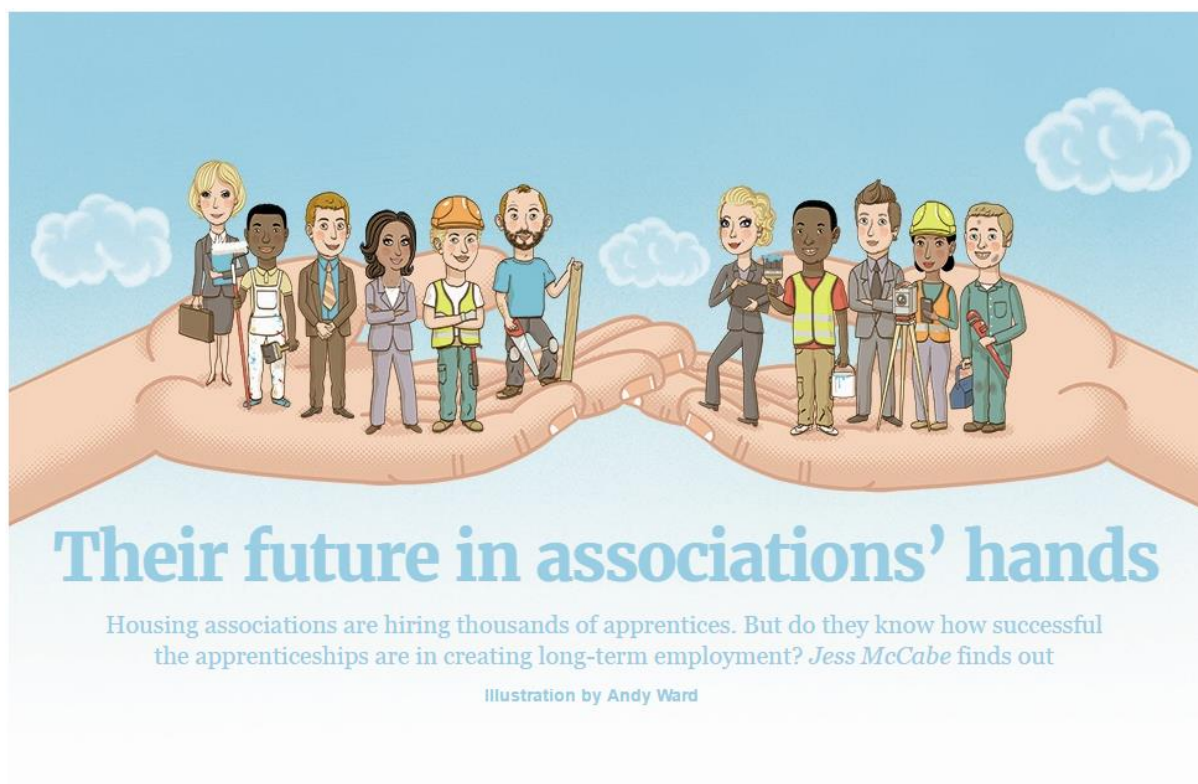
While socialising with friends in the same boat next door is a more tempting proposition than biology revision, it can also trigger emotions that are still raw. “It’s hard to deal with other people’s problems,” as Ms Taylor puts it. “You see what’s going on, and it can bring back memories.”

A yardstick by which services like The Holdings are judged on is whether or not ex-residents go on to sustain their future tenancies. It is important because of the high rates of homelessness among care leavers – and 90% of the project’s former tenants go on to keep their tenancies. Harder to quantify is the positive impact of relationships with staff members or between residents.

Hannah Burridge lived in The Holdings more than six years ago. She’d come here from living in foster care aged 15, after her mother suffered a mental breakdown and was subsequently sectioned. Today, aged 26, she is carrying her six-month-old daughter in her car seat. Before she is able to place her down, the women of the office are already cooing and the picture could be one of a reunion with extended family.

It goes a small way to showing the strong relationships built between Ms Burridge and staff. For Hannah, the project “did so much when there was so little available”. This too is an important sign of success.

## 5. Their future in associations' hands – Inside Housing, 29<sup>th</sup> October 2016



Twenty-year-old Jessica Senior is a model apprentice. After dropping out of college, she was tooling around looking for different options and came across the multi-trade apprenticeship programme of 100,000-home Sanctuary Housing on the government's apprentice website.

"A lot of my other friends have gone to university, but it wouldn't have been right for me. It's not getting me any further in what I enjoy and what I am good at," she explains.



**Jessica Senior is in the middle of her second apprenticeship with housing association Sanctuary**

Ms Senior is one of 500 apprentices to have been through Sanctuary's programme in the last eight years. She's now in the middle of her second apprenticeship and is working towards her diploma in construction and the built environment. She's gone from an apprentice wage just above the minimum, to the Living Wage. "It's as good as any of my mates, and I've got qualifications from it," she says, explaining that she's hoping to go into surveying.

When *Inside Housing* decided to do a story on apprenticeships, we were deluged with examples just like Ms Senior. Apprenticeships are the 'motherhood and apple pie' of employment. Last year, social landlords pledged to create 1,000 apprenticeships in 12

months, as part of *Inside Housing's* Homes=Work campaign. It is also a priority of the government, which has set a difficult target of three million apprenticeships to be created by 2020, funded by a levy on employers.

*“Typically, providers did not assess the value of their apprenticeships to individual learners, businesses and the economy.”* Ofsted report

But dissenting voices have been asking awkward questions.

Are all apprenticeships actually good quality? Are apprenticeships long enough? Are they rigorous enough? Are apprenticeships being churned out to meet the target, with no thought for quality?

### **Insufficient training**

Concern over apprenticeships came to a head in 2012, when a *Panorama* programme revealed that one in 10 of all apprentices in the country worked at the supermarket Morrisons, and most of them were existing employees over the age of 25.

And worry over the quality of apprenticeships has produced a steady stream of academic research and concerned newspaper columns ever since. Last week, an Ofsted report stated that a third of apprenticeship providers are not providing “sufficient, high-quality training”.

Sir Michael Wilshaw, the head of Ofsted, slammed apprenticeships that give qualifications for “making coffee and cleaning floors”.

With this in mind, *Inside Housing* decided to put the apprenticeships offered by housing associations under the microscope. We sent a survey out to a broad range of housing associations, asking them how the success of apprenticeships is monitored. We wanted to find out how many apprentices go on to achieve their qualification, and how many end up in full-time employment.

*“Out of the 33 of housing associations which responded to Inside Housing’s survey, 24 told us they monitor what happens to apprentices after the course is finished.”*

We found plenty of anecdotal evidence that housing associations are providing quality apprenticeships that lead to jobs. But we also found a vacuum of quantifiable information about what happens to apprentices once their training is over, and whether apprentices graduate to full employment.

The importance of monitoring was underlined in last week’s Ofsted report as well, which concluded: “Typically, providers did not assess the value of their apprenticeships to individual learners, businesses and the economy, and the quality of subcontracted apprenticeships was not monitored closely enough.”

The logic is obvious: without tracking what happens to apprentices, how can landlords work out whether their programme is producing skilled workers who serve a need in their own organisation? How can employers tell if they are improving their apprentices’ job prospects?

Out of the 33 of housing associations which responded to *Inside Housing's* survey, 24 told us they monitor what happens to apprentices after the course is finished. However, for the majority of these landlords, check-ups are confined to apprentices they go on to hire for permanent roles. For those apprentices that finish their training and leave the employer, the outcomes could be a similar job in the same sector, a different job, further training – or unemployment.

Only nine told us they know what happens next for these apprentices.

Chris Roberts, employment initiatives officer at Golden Gates Housing Trust (GGHT), is among the handful who does this tracking. “It is my team’s role to ensure that as their apprenticeship is coming to an end we have a programme of individualised support in place to ensure they have a ‘next direction’ plan, whether that is employment, training or anything else they decide to do,” he explains.

“Once they leave us entirely, we actively track them, and have them in our targeted group for intensive interventions. The majority of apprentices leaving GGHT quickly move into full-time employment, as we prioritise them, and actively promote them to businesses.”

### **Keeping in touch**

First Ark Group is another of the landlords which does check in on the careers of former apprentices. Out of 67 apprentices who started between 2012 and 2014, the landlord hired 27 for permanent jobs at the group. “The group is only aware of one person who has not gone on to find employment in the last three years,” a spokesperson for the 13,500-home landlord says.

*“We try [and monitor contractor apprentices], but it is quite challenging as the apprentice is effectively their employee.”* Emildah Chabata, resident training and employment manager, Thames Valley Housing

For others, the check-in process is more informal. NPT Homes takes part in a shared apprenticeship programme called Cyfle Building Skills, in which novice tradespeople go to a number of different organisations to complete their level 2 and level 3 apprentice qualifications.

Gemma Mineur, who coordinates the programme, is based at the campus of a college in the south-west of Wales, Coleg Sir Gar. “A lot of them pop in and say how they’re doing,” she explains, adding that the “majority” do go on to employment.

A bigger gap still is in monitoring of outcomes for apprentices that housing associations have encouraged or required their contractors to hire. A typical clause in a contract might require a contractor to hire an apprentice for every £1m spent. While some housing associations do ask contractors for information on how these apprentices are progressing during their training, none could tell us how many went on to get permanent jobs.

Raven Housing Trust is a typical example. “With our contractors, we don’t track what happens to them. We’re told that many go on to other courses specialising in a trade or find work with our contractors,” a spokesperson for the 5,500-home landlord says.

But even monitoring apprentices working with contractors while they are still in training can be difficult. As Emildah Chabata, resident training and employment manager at 15,000-home Thames Valley Housing, points out: “We try, but it is quite challenging as the apprentice is effectively their employee.”



**Teresa Frith, Association of Colleges: “I was told we don’t collect that information. That’s a bit strange, isn’t it?”**

Teresa Frith, senior skills policy manager at the Association of Colleges, says that this patchy level of information on the outcomes of apprenticeships is typical across the economy. “When I started this role six years ago, I was asking what data do we have on apprentices who finish,” she recalls. “[I was told] we don’t collect that information.’ That’s a bit strange, isn’t it? That’s the point of apprenticeships.”

The success of apprentices in the wider UK economy has largely been judged until now on the basis of what qualifications have been achieved. But, Ms Frith says, this is likely to change. “In the next little while,” she predicts, government is likely to change funding criteria to be based on the employment outcomes for apprentices, not the number of NVQs accumulated.

### **Signs of success**

There is an appetite in the housing sector to start monitoring this more closely, too. Your Housing Group, for example, told us: “We don’t currently track apprentices beyond their training, mainly due to system and process restrictions, but it’s certainly something we intend to do.”

In the absence of statistical tracking of the outcomes for all apprentices, Ms Frith says that one sign of a good apprenticeship programme is one where the employer goes on to hire many of the apprentices themselves. “The apprenticeship is being used by the company to train its own workforce. That means the apprenticeship does the job. It’s all working as it should.”

On this measure, many of the 33 housing associations in our survey group are doing well. Different organisations responded with different sets of data, over different time periods, so it wasn’t possible to come up with an average percentage of apprenticeships who are hired by the landlord they’ve apprenticed to.

*“We subcontract most of our training contracts – that causes really big problems around quality.”* Professor Ewart Keep, director, Oxford University’s Centre on Skills, Knowledge and Organisational Performance

But Sovereign, for example, has so far taken on three ‘cohorts’ of apprentices. Out of 15 in the first cohort, 38,00-home Sovereign hired 12 of them and two left to join other organisations.

Yorkshire Housing currently has about 30 apprentices, coordinated by Kiran Olak. Ms Olak says that the 18,000-home landlord’s programme is designed to fill future business needs – achieving the qualifications proves that the apprentice has the “underlying skills” but is not the endpoint of the programme. “They come in because we want to develop them, there’s a role there, or we foresee there may be a business need,” she adds.

Professor Ewart Keep, director of Oxford University’s Centre on Skills, Knowledge and Organisational Performance, has been one of the most vocal and respected critics of poor apprenticeships. According to Professor Keep, one of the main signals of quality in an apprenticeship is that the training is provided by the employer, rather than outsourced to external training providers.

“Most apprentice training is not delivered by employers; it’s delivered by private training providers. We subcontract most of our training contracts – that causes really big problems around quality,” he says. This is a direct contrast to apprenticeships in Germany and France, where training is delivered by senior staff, who have been trained to pass on their skills. Apprenticeships in these countries are widely understood to be of a higher quality than British programmes.

Many of the housing associations *Inside Housing* spoke to for this story deliver their own training.

Sixteen housing associations, the National Housing Federation and the Chartered Institute of Housing also developed a standard for housing apprenticeships earlier this year, as part of the government’s ‘Trailblazers’ programme, working with employers to set up quality apprenticeships. All this suggests that apprenticeships run by social landlords are a far remove from the poor quality programmes slammed by Ofsted.

But until all housing associations put their minds to monitoring the outcomes for their apprentices – and those they require contractors to hire – this will be a matter of appealing stories, rather than solid evidence.



**Left to right: Hannah-Nicole Smith, Bassam Mahfouz (employment and enterprise manager), Zhara Belgrave and Soran Arif**

#### **Training day**

Apprenticeships are typically just one of the ways that social landlords try and help residents and other locals gain employment. So what sort of track record are these other schemes building up?



Take the example of A2 Dominion's work placement programme - the business set and met a target of offering 40 work placements to residents in 40 days, and in the second year of the programme, it created 70. Of the 38 trainees who went through the programme, all have gone into jobs or further training.

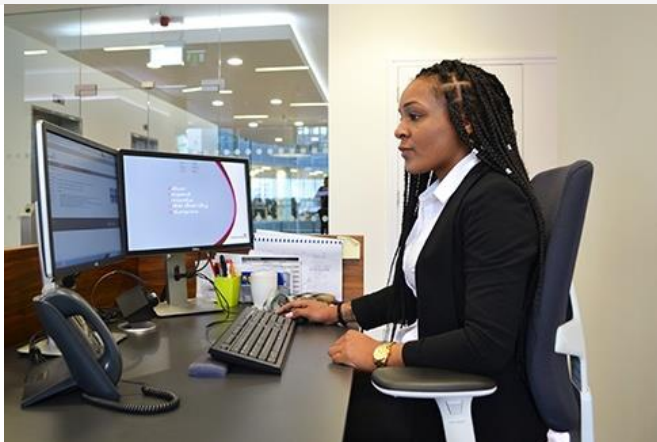
*Inside Housing* met one of those successful graduates of the programme at the 35,000-home landlord's swanky Paddington headquarters. Soran Arif is perfectly turned out in a suit, and exudes politeness. It is no surprise he works in finance - at Creative United, a not-for-profit organisation which offers advice and loans to artists and the creative sector.

It's hard to imagine he had trouble finding employment after graduating from the University of Hertfordshire with a degree in business economics. But he credits the work placement with helping secure the job. An A2 Dominion resident, he found out about the programme after a brochure landed on his doormat, and quickly started a placement helping to return money to tenants who had overpaid, and in chasing arrears.

Mr Arif says the placement formed the most prominent part of his CV.

An A2 Dominion staffer helped him prepare for the interview that got him his current job. "He came to my house and interviewed me, acting in a big brother-type role," he says. "That was very helpful to me. He offered to drive me to the interview as well, which I thought was a lovely touch but I had to tell him I'd get the bus; that way I could continue revising all the interview techniques I'd learned."

Bassam Mahfouz, A2 Dominion's employment and enterprise manager, says Soran's confidence grew "massively" during the placement.



**Hannah-Nicole Smith: "My friends all want a job here."**

Hannah-Nicole Smith is in the middle of a degree in business management and a placement in the landlord's facilities team, "managing the whole building and making sure everyone's work day goes smoothly".

It's hard to see how anyone could be more enthusiastic about a work placement.

She has already got a friend onto the programme too - Zhara Belgrave, who is doing a legal placement alongside an undergraduate law degree.

"Yesterday I was writing wills," Ms Belgrave says.

"My friends all want a job here. Every day there's new stuff to do," adds Ms Smith.