

# INTERIM FINDINGS: EVIDENCE REVIEW ON WELFARE REFORM & HOUSING

Ken Gibb: University of Glasgow February 17 2014

# Session Overview



1. Purpose of Evidence Review
2. What we Did
3. Caveats and Qualifiers
4. Private and Social Renting
5. Wider Reforms, Providers and Dynamics
6. Tentative Conclusions

# 1. Purpose

- Comprehensive summary of the research evidence in the UK regarding implications for Scottish housing
- Finance and behaviours of tenants and landlords
- Examine housing dynamics: mobility, tenure, etc
- Focus on PRS, social and general housing related benefit reforms, plus wider change to welfare that affect income, including sanctions

## 2. What we Did

- Review took place over a period of roughly 6 weeks
- Multiple search techniques by the team (Gibb, Sprigings, Wright and McNulty):
  - digital search engines
  - snowballing from prior research and contacts
- Combined on a shared 'cloud' drive
- Organised the material around questions of reach and diversity, finance and behaviour and dynamics and each against the main changes individually and collectively. This did not work brilliantly because the material did not cut up so neatly.
- The report references about 90 citations but many more were left on the cutting floor

# 3. Caveats and Qualifiers

- Ex ante and ex post assessments
- Partial versus general equilibrium effects
- Mixed quality and motivations vary
- Phased intro and impact of reforms
- 2<sup>nd</sup> round effects are complex and tricky and the ex ante DWP position may well be confounded
- Hats off to SG's own analytical work on welfare reform

## 4. Social and PRS Findings

- PRS effects are longer established and are more embedded but are also intrinsically difficult to assess
- Much of course done on the bedroom tax
- Also, a lot written about the household benefit cap
- Less on uprating and other changes like NDDs

# PRS

- London effects dominate
- Reach issues are well documented,; effects are gendered; BME groups affected by NDDs; the benefit cap will make many places in London unaffordable by 2016
- Tenant finances focus on arrears and their consequences; landlord finances segments attitudes between those who have been content with HB cases and those moving away from that sector

# Social Sector

- Under-occupation in its first year – reach well understood but less so issues of arrears, downsizing and the local application of DHP
- NDDs, uprating and cap less examined
- Clear future worries focus on end of direct payments, financial inclusion and UC
- Landlords have prepared, shared good practice and worked through changes so far



# 5. Impact of Broader Welfare Reform

- ❑ Universal Credit, impacts, process and making claims
- ❑ Sanctioning across benefits and now made tougher – expected impacts and reach
- ❑ The benefits cap and the withdrawal of legal aid funding in England – puts advice at a premium

# 6. Provider Business Impacts

- Spatial effects of benefit dependence
- Evidence about lenders and finance for social housing
- Opportunity costs of the reforms on councils and impacts on existing business plans
- Mini review of four councils – common messages
- A new customer relationship with tenants after UC?

# 7. Wider Housing System

- ❑ Important topic but under-evidenced
- ❑ Wider context of a housing system in transition and in most of the country a changed labour market and structural e.g. deprivation drivers
- ❑ Dynamics of PRS – mobility and neighbourhood effects; what will happen to rents?
- ❑ Dynamics of PRS - conditions and risks for tenants
- ❑ Social housing cope with benefit change or develop?
- ❑ Place, people and service impacts
- ❑ Some valuable local general studies

# 8. Evidence Gaps

- There are quite a few! Key issues for me are:
  1. Second round effects on behaviours
  2. Comprehensive studies of local market areas
  3. Work on lenders attitudes
  4. Work on local variation in actual arrears, DHP and evictions practice
  5. Accounting for the real public sector cost of reform
  6. Temporary accommodation and homelessness impacts
  7. Detailed study of the interaction of benefit changes, sanctions and housing outcomes
  8. A comprehensive assessment of long term implications for providers