

Time to Get Fair in Housing?

This lecture is both a contribution to the Get Fair campaign and to the debate which is running ahead of the housing reform green paper which Communities and Local Government plan to publish before the end of the year.

The Get Fair campaign (launched just over a month ago in September) has brought together more than 50 organisations in the UK (including Housing Justice) with the aim of eradicating poverty in our country by 2020. There are three concrete measures the campaign is calling for:

- An income that meets minimum living standards
- Affordable housing and decent neighbourhoods
- Fair access to services, without discrimination.

The second one is my main concern this evening, although, of course, they are all interdependent to some extent.

It has been flagged that the green paper will be about how social housing can be changed so that people are not only housed but also helped towards employment and social mobility – and so that fairness in the system will be increased. Again, a point I will be picking up later.

What I am going to try to do is to sketch the landscape, pursue some thoughts about what getting fair might mean from a philosophical and theological point of view, and then suggest some of the areas where I think getting fair is needed, and hopefully open up the discussion to you.

As I put this lecture together, I found myself wondering if this is my chance to be a grumpy old woman. I will try not to rant too much...

1. Some context and background

It seemed like a good idea to set out, in fairly broad strokes, the situation within which this lecture is set. Some of these figures come from before the current financial crisis; others are hot off the press. You may want to come back to some of these headline facts when we come to questions at the end.

So starting with homelessness

The tip of the iceberg, street homelessness in the form of rough sleeping has been in serious decline since the Rough Sleepers' Initiative was launched. Numbers, as recorded by street counts, have fallen from 2,000 in 1998 to around 500 (in England) last year. While we can only applaud this change, it is important to note its limitations: street counts are snapshots and they only record people who are asleep (or at least bedded down). Only safely accessible areas are counted – no one climbs over railings to check the parks or ventures into derelict buildings. More significantly perhaps, numbers, in central London at least, have begun to

rise again as more people are coming on to the streets who cannot be moved into hostels or other emergency accommodation because their status is such that they have no recourse to public funds – or they are just outside their ‘home’ area and so have no ‘local connection’. In fact there are two groups we seem to be failing at the moment: people who are unable to access statutory help; and people who are newly arrived on the streets. The latter group are being failed, not so much by the help they are offered as they arrive as by our failure to tackle the reasons for their flight to the street.

The number of households in temporary accommodation is the homelessness statistic that is the current focus of government attention (having dramatically reduced both rough sleeping and the use of bed and breakfast accommodation). The target is to reduce the number to 50,500 households by 2010. The latest figure is 63,000 so they are well on the way. People in temporary accommodation are those who have been accepted by local authorities as being statutorily homeless and in priority need. The reduction has been brought about partly by moving people on from TA into permanent homes and partly through a reduction in the number of people making homelessness applications – and having those applications accepted.

The final ‘homelessness’ topic I want to mention is the rising rate of re-possession. This is likely to reach 45,000 this year. And there is a new situation this recession around – re-possession of people who are renting buy-to-let properties where the owner has fallen behind on mortgage payments and can’t sell. If you have kept your rent up to date the last thing you expect is a visit from the bailiffs.

Now I want to say something about housing need.

First, there are 1.7 million people on the waiting list for social housing. About 700,000 of that number are in rural areas, a figure which is growing by 15,000 a month at the moment. This means that the waiting list amounts to about half the number of people in social housing at the moment. At the same time we have lost more than one million homes to right to buy. (Last year was the first year since 1997 that the number of homes in the social rented sector grew). And of course the current crisis is not helping!

And then there are 510,000 households that are overcrowded according to the bedroom standard. Split about 200k each between social renting and owner occupiers with the other 100k in the private rented sector.

There are two other factors that contribute to housing need: decent (should I say, indecent) homes and fit for purpose homes. In the former, the private rented sector, and to some extent the owner occupier sector, both lag behind social rented homes – even though the decent homes programme is not yet finished and is unlikely to hit its targets. The latter is about the shortage of homes that are suitable for people with disabilities, particularly ones that fit wheel-chairs...

Finally I should say something about house building. If we continue to build fewer homes per year than the annual increase in households, and we don't want to change the way we think about homes and houses as assets, then house building is also a factor in getting fair.

I guess everyone is aware that there has been a development collapse. That is housing and non-housing development has slowed or ceased, which in turn means that s106 social housing projects have also ground to a halt or been mothballed.

At the same time there has been a sales collapse. The rate of sales (volume of transactions) has fallen to a level not seen since the 1960s. Clear evidence of this is that Estate Agents are shedding staff and closing offices all over the country.

Both the sales collapse and the development collapse have both been fuelled by a mortgage lending collapse – itself a direct result of the crisis and turmoil in banking. However, I think it is worth considering how much of the lending that was happening was driven by re-mortgaging rather than new purchases? And for whose benefit really is a market where I have to rearrange the finance on my home every two years (regardless of whether I move to another property) in order to get the best rate – what was wrong with the old variable rate for the duration system? (not enough profit for the non-mutual lenders who now dominate the mortgage market?)

The fall in housing starts has had a big impact on house building plans. Whatever rabbits the government may be able to pull out of hats they are unlikely to meet the target of three million new homes by 2020.

So what is going to happen next? Well, I don't think the recession we are heading for (according to the Bank of England) is going to end quickly – or that the turbulence in financial markets will stop any time soon. If I was going to offer a prediction I would go for a U-shaped recession, which means we could be looking at five tough years ahead of us. What's more, I don't think house prices have bottomed yet and unemployment has not stopped rising.

All of which makes me really glad that when we chose a name for the end UK poverty campaign we picked Get Fair. That is because even in a recession, even when times are hard we can still hope for and try to create a fairer society.

Which brings me to the second section of this lecture:

2. What does fair mean?

As I was growing up I would often complain to my mother that this or that thing wasn't fair. And her answer was invariably, "Well, it's not a fair world, Alison". So I start from a position of ambivalence about the word 'fair'.

I agree on one level with the statement that life isn't fair – for example there seems to be a degree of unfairness built into the natural order of things – it isn't fair for Sydney to have better climate than London, or that lions kill and eat gazelles, or that eye sight and hearing deteriorate with age – just when you have time to read and to listen to audio books. On the other hand, people in general (the woman on the Clapham omnibus perhaps), do seem to feel that things should be fair – that fair is good.

The aspect of fairness that the Get Fair campaign is concerned to promote is more technically described as distributive justice. I think that is the philosophical idea (ideal?) underpinning Get Fair. Distributive justice concerns what is just or right with respect to the allocation of goods in a society (including goods like housing). It is focussed on just outcomes rather than just processes. For example, lotteries are fair processes but are their outcomes just?

There is another set of questions that distributive justice throws up, however – about what the basis is for just distribution. Is it to be based on equality? Or on merit? Or on contribution? Or perhaps on need? Are we getting into Marxist territory here if we adopt the idea that people should pay what they can afford for the housing that fits their needs?

So when the Get Fair campaign uses the word 'fair' does it (do we) in fact mean 'just'? I think so, and so what I am going to talk about next is some places where the outcomes about housing are not just. But first I would like to make a short excursion into what we might mean by 'fair' as Christians.

Using the word 'just' rather than 'fair' may be helpful in trying to get a handle on the Christian understanding of fairness. There are three stories that Jesus told which come to mind. The first is the story of Mary and Martha (Luke 10:38-42) where Jesus does not support Martha in her request to have Mary share the domestic chores with her. Did this feel fair to Martha?

The second is the story of the prodigal son where the older brother complains about the party thrown for the younger one and not for him. Definitely an 'it's not fair' situation.

The third is the parable of the labourers in the vineyard (Matthew 20:1-16): Here all are paid the same amount (the standard amount for a day's work) regardless of whether they began work at the beginning of the day and worked through the heat or whether they only worked for the last hour. Responding to complaints from the men who worked the whole day, the landowner in the parable says, "I am not being unjust to you; did we not agree on one denarius? Why should you be envious because I am generous?"

From this we get a strong impression that whatever else God is, he is probably not 'fair' by some standards.

And yet the idea of justice runs as a really strong seam through both Old and New Testaments. From Genesis 18:19 where Abraham is described as someone who keeps the way of the Lord by doing what is right and just, through Deuteronomy 10:18 where God is described as He who executes justice for the fatherless and widow, and loves the foreigner, not to mention many of the Psalms. There is Micah 6:8 of course - what the LORD requires of you is this: only to act justly, and to love tenderly, and to walk humbly with your God.

So the question is, what does justice mean in biblical or theological terms? I think the real meaning is to do with right relationship rather than what we might mean by 'fair'. This comes through in the discussions in Paul's letters about 'justification' by faith, for example in Romans 3:25-6. So, from a Christian perspective perhaps we should say that just outcomes are about getting the right relationships in place in the community – and in the field of housing and homelessness? And, of course, we are talking here about right relationships from God's perspective, which always has a bias towards the poor and marginalised – no meritocratic basis for distribution here...

So, with this in mind, I come to the last section of this lecture:

3. Where is the unfairness in housing? – setting out the challenges in situations where the outcome is not just

I would like to pick up four particular points of unfairness/injustice in the housing landscape as it is at the moment.

The first one is that the price boom has left some home-owners with unearned assets. I am not talking about buy-to-let landlords and property developers here, although this is true for them as well. I mean ordinary people who have bought homes to live in over the last thirty or forty years. I hold my hand up to being one of the beneficiaries here. We would have even more of a gain if we were still in the first home we bought in 1982, but even since 1995, and taking into account the recent fall in values, we are looking at an unearned gain of 350%. (On our first home the gain would have been more than 1000 %.) Those of us who have gained in this way may have good uses planned for the money – pensions, helping our children into house purchase and so on. But our gains have definitely resulted in an imbalance in the housing market, skewed the distribution of assets in our society and contributed to the set of closed systems I will mention shortly.

So what should we do about this unjust outcome? The obvious answer (though almost certainly a politically unworkable one) is to tax the gains and use the money to correct the damage. The outcry over CIH suggestions that the rights of social renters to secure tenancies should be removed is nothing to the furore proposals to tax these windfall gains would unleash. But in equity, and as Christians, we really should not be

standing by and enjoying our gains. At the very least we should think about giving some of the gain to charity when we realise it (whether in our lifetime or as a legacy, linking the gift to the final value of our home). Housing Justice is, of course, very grateful to receive such legacy gifts...

But perhaps we should be doing more – for example there are a number of ways that Christians are currently investing in the private rental sector which represent a real re-balancing, a real getting fair, in the housing situation in their local community. So Just Homes in Newham plan to make more than 100 homes available for low cost renting, drawing on the stocks of existing private landlords as well as investing in new stock through an Industrial and Provident Society.

The second one is that secure local authority tenancies mean some people have both security of tenure and a lifetime on a low rent. The Chartered Institute of Housing, as I said earlier, has stirred up the debate on this point with a call for all new tenants to be subject to regular reviews of their status, thus removing the secure tenancy for life that social renters currently enjoy. The unjust outcome I can see here is that this group (about 11% of households) have the second most secure form of tenure - after owner occupiers who own their homes outright (about 30% of households). Is this fair? Are these households more deserving of security of tenure than others? (Perhaps they are if they are the most vulnerable in society?) The biggest security discrepancy is with private sector renters, but it is also the case that someone with a mortgage is more likely to be re-possessed than a social tenant to lose their home – at least in the current situation of financial turmoil. So is the answer, the source of fairness, the re-balancing, to make social tenants' tenure less secure – contingent on action like looking for work perhaps? Or means-tested in some way (while attempting to avoid disincentives to work)? Or is the answer to increase the security of other forms of tenure and improve the safety net for people in mortgage arrears?

The third point is that the distribution of housing stock is not according to need. So single people and couples occupy three (and more) bedroom houses while four member families are squashed into one bedroom flats. The stock is also distorted by the boom in buy-to-let investment – developments of two bedroom/two bathroom apartments replace three bedroom flats. London has the highest number of households in temporary accommodation exactly because there are not enough affordable houses of the right size in the right place. At the same time, there are still empty homes in places where people do not want to live because there are no jobs. This is quite clearly market failure. Market failure requires response from government – it requires intervention by public authorities to put it right and I would say that it may be the duty of Christians to support and endorse government intervention in order to bring about right relationships – just outcomes – in the distribution of housing.

The fourth point is about closed systems. By closed systems I mean systems where the barriers to entry are high. I believe that the unaffordability of market housing has created one such system and that

the security of local authority tenancies has created another. It is widely accepted that the increase in house prices, which has made some people winners in terms of unearned gains, has also shut others out of the house ownership stakes. So while the percentage of people owning or buying their homes increased rapidly from 32% in 1953 to 57% in 1981 and 68% in 1991, the latest figure (for 2006) is 70%. In fact, despite the introduction of various forms of shared ownership and shared equity, the percentage of owners and buyers has been stuck at 70 or 71% since 1999. Before the introduction of right to buy in 1979 there had been a steady pattern of movement from the private rented sector into both ownership and social renting. Between 1981 and the mid nineties, all the movement was into ownership, but there was still movement. However, since then there has been only a slow increase in private renting (by about 3%) and a slow decrease in social renting (about 4%) – virtual stagnation.

The ultimate closed system is one where the only way in is through someone else's death... An example of this is Eldonian Village in Liverpool. This is an exemplary community housing association which is run by and for the tenants and where tenants were involved in the design of both their homes and the public spaces on the estate. The quality of the houses is far above the quality of new build houses for owner occupation. It is a place where people want to live. But no one wants to leave – almost the only vacancies occur when someone dies or moves into the sheltered accommodation which has been recently built in the village. It is great for the people who live there, but what about the rest? So what is the way out of these closed systems? I admit I don't know, but we do need to work on an answer, for otherwise we will never achieve just outcomes in housing.

The one solution I definitely want to suggest is that we need a national strategy. Isn't that what we already have from Communities and Local Government you may ask? You would be right of course, but I mean something a bit different. What I mean is to take a lesson from strategic planning in business. I spent a few years of my life as a strategic advisor for British Telecom. The Corporate Strategy Department was responsible for producing a Corporate Strategic Plan for BT. My bit was called the Pink Book because it was all the new bits like voice mail, teletext, Prestel (any one remember that?) and the forerunner of the internet – supposedly softer and more fluffy than networks and telephony... Anyway, the way we did it was to take the strategic aims set by the Board and pass them down to the various divisions of the business and ask the divisions to come back with plans to deliver the strategic aim from their situation. I think this may be what CLG had in mind with the Homelessness Strategies that local authorities have been required to prepare. What seems to have been missed is the next step – for CLG to take those local plans and put them together to see if the strategic aim would really be met and then to have a process of dialogue with the local authorities until a compromise is reached, i.e. a national strategy which the local strategies will actually deliver. Perhaps there is an opportunity here with the expected new rough sleepers' strategy to have a process like this? It certainly seems to be

something like the approach London Mayor Boris Johnson is taking with regard to social home building in London.

So I think we need a realistic, owned by the bottom as well as the top, strategic plan. If I could wave a magic wand though, the key change I would make – the change that I think would help us to respond to these challenges of injustice and to solve the housing crisis – is to change the way we think about houses and flats. I would like us as a society to change to thinking of them as homes rather than as assets; as somewhere to make a life, bring up a family, and play a part in a community. Without this philosophical – or is it a theological – change we may be doomed to chasing ever decreasing investment values and property profits rather than creating a long term commitment to making a house a home. Then perhaps we could start to get fair in housing...