

# **Housing providers' approaches to tackling worklessness**

## Assessing value and impact

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HACT



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*Housing, people and communities*



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The Centre for Economic and Social Inclusion (known as *Inclusion*) is the UK's leading not for profit company dedicated to tackling disadvantage and promoting social inclusion in the labour market. *Inclusion* delivers cutting-edge research and develops new approaches to policy in a range of areas including employment and skills, welfare to work, regeneration, and social exclusion. *Inclusion* also organises and manages events including conferences and training, and publishes policy e-briefings and the magazine 'Working Brief'.

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HACT is a national charity that works with the housing sector, government, civil society and communities to develop and share innovative approaches to meeting changing housing need. HACT believes that the provision of housing must be about more than just bricks and mortar – that housing providers are at their most successful when they value and engage with their communities, harness the energy and enthusiasm of local people, and actively seek to identify and meet the needs of those at the margins.

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# Executive summary

The purpose of this report is to capture the range of activities that housing providers are involved in to help residents into work. The report highlights particular approaches and projects that seem to be working and suggests ways in which housing providers could enhance their impact. The report reflects on housing providers' current approaches to tackling worklessness in order to provide recommendations to the government, welfare to work contractors, and the housing sector itself.

## Background and context

The prevalence of worklessness and labour market disadvantage among social-housing residents is well established. In 2011, 56 per cent of working age social residents were not working – more than 3.5 million people. The Hills Review (2007) established that worklessness in the social rented sector cannot be explained solely by the labour market disadvantages of many social tenants – a person living in social housing is significantly less likely to be employed than the same person living in private rented or owner-occupied housing.

In this context, housing providers have played an increasingly valuable role in tackling worklessness. These activities are set against the government's full-scale reform to the benefit system, welfare to work provision, and the housing sector itself. Housing providers are also facing reduced overall public funding and a bleak economic outlook. Therefore, the need to respond to the changing policy landscape, and to ensure that activities around tackling worklessness continue to add value and have the greatest impact possible, is becoming ever more apparent.

## Key findings

Housing providers have a clear and coherent vision of their role in helping residents into work. The ways in which housing providers are tackling worklessness are wide-ranging. Research uncovered a number of **positive elements of the housing sector's approach** to boosting employment and tackling unemployment:

- The majority (88 per cent) of organisations are offering *help, advice, services or work opportunities* to residents to increase their chances of finding or staying in work. Most housing providers tackle worklessness by a number of means.

- Three quarters of housing providers combine *both internal and external funding* to pay for their work around tackling worklessness. On top of this, housing providers make a significant and largely invisible investment towards reducing worklessness in the staff resources they commit to this issue.
- Very few housing providers are approaching worklessness in isolation – organisations feel that *partnerships are key to working effectively* with fewer resources in a fast-changing environment. Housing providers have built particularly effective partnerships with other housing organisations and with contractors in their supply chains.
- More than 70 per cent of housing providers are *tackling worklessness both among their residents and with those living in the wider communities* in which they operate.
- The majority (63 per cent) of housing providers have mechanisms in place to *review the impact, effectiveness and added value* of their efforts to tackle worklessness.

There is much to be positive about in the way housing providers are approaching worklessness among their tenants and within their communities. However, some **areas for improvement** have been identified:

- Some housing providers could increase their impact by *targeting services and opportunities more explicitly at their residents*, or by *prioritising groups of customers* with whom their access and expertise are greatest.
- Although 88 per cent of housing providers are involved in tackling worklessness among residents, only 42 per cent know the employment status of their tenants or residents. Housing providers' ability to design interventions and services that meet residents' needs will be greatly enhanced by *further knowledge of the way in which worklessness affects their residents and communities*.
- Housing providers could improve their *engagement with mainstream welfare to work provision*. For example, the Work Programme, the government's flagship welfare to work initiative, is predicted to engage upwards of a quarter of working-age social-housing residents; however, only 28 per cent of housing providers are engaging with it or linking up to it.
- Housing providers are facing imperatives to align their approach to boosting employment with their core housing strategies regarding tenancy length, tenancy conditions, tenancy allocations and tenancy renewal procedures. There is work to

be done to find ways of doing this that *combine the right incentives with reasonable conditions for residents*.

- Although there is a lot being done, there is a wide disparity in how housing providers measure and communicate their impact and effectiveness in tackling worklessness. The challenge for the housing sector is to *establish a common approach to defining, measuring, assessing and communicating achievements around worklessness*.

## Recommendations

On the basis of the lessons and findings detailed in this report, we have put together recommendations to the housing sector, to welfare to work contractors and to the government. For each stakeholder we have suggested one short-term measure and one longer-term step.

### Recommendations to housing providers

In the short term, we recommend that housing providers work collectively to develop a framework that benchmarks worklessness among residents, in order to target opportunities and interventions and link up with mainstream provision.

In the longer term, we recommend that the housing sector clearly establishes and articulates its role or roles in a resident's journey from worklessness into employment.

### Recommendations to prime welfare to work contractors

In the short term, we recommend that prime contractors ensure that their subcontracting terms allow housing providers to focus on the areas in which they operate and the groups with which they work best.

In the longer term, we recommend that welfare to work contractors collaborate rather than compete in small areas with high concentrations of social housing and, where appropriate, contract housing providers to manage delivery in these areas.

### Recommendations to government

In the short term, we recommend that the government commits to making some information on tenants' receipt of Housing Benefit available to housing providers following the transition to Universal Credit.

In the longer term, we recommend that the government rewards housing providers for reducing worklessness among residents on a payment by results basis.

# 1 Introduction

This report is the first output of a partnership between the Centre for Economic and Social Inclusion (known as *Inclusion*) and HACT, assessing, evidencing and benchmarking the range of approaches that housing providers take to tackling worklessness. This initial piece of work has been commissioned by HACT and undertaken by *Inclusion*. The goals are twofold:

- To capture the range of activities that housing providers are involved in to help residents into work, to highlight particular approaches and projects that seem to be working, and to suggest ways in which housing providers could enhance their impact
- To suggest ways in which those who wish to tackle worklessness among residents could be equipped with the tools and knowledge base they need so that they can develop effective approaches within their own organisations and collectively.

Chapter two of this report provides a summary of the policy background and existing evidence in relation to housing providers tackling worklessness. Chapters 3 and 4 bring together the findings of the different elements of the research. Chapter 5 provides recommended steps for development with the housing sector and recommendations to welfare to work contractors and to the government.

In order to do this, *Inclusion* has undertaken the following research activities:

- An **online survey** of 136 housing providers, representing approximately nine per cent of the sector as a whole.<sup>1</sup> Responding organisations covered all regions of the country, with at least 10 per cent in each individual region. London had the highest concentration of housing providers, and Yorkshire and Humberside the lowest. In terms of number of tenants, organisations ranged from very small (1 to 100 tenants) to very large (more than 40,000 tenants). The average housing provider had between 1,001 and 5,000 tenants
- **Desk research** and analysis of national statistics
- Qualitative **telephone interviews** with 12 housing providers
- **Roundtable consultation** with a group of housing providers and stakeholders.

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<sup>1</sup> Sources: [Housingnet](#); *Inclusion* calculations

Following this report, *Inclusion* and HACT will continue to work together to develop the tools and knowledge base around tackling worklessness within the housing sector. The intention is to bring together 20 to 30 housing providers to form a knowledge-sharing and benchmarking club. Over the next 12 to 18 months, this group will focus on developing information and tools to prioritise and evidence efforts around tackling worklessness; understanding the impact of interventions; and sharing and showcasing best practice. The expectation is that at the end of this process we will have a road-tested resource to be used more widely across the sector.



## 2 Background and context

The prevalence of worklessness and labour market disadvantage among social-housing residents is well established. In 2011, 56 per cent of working-age social-housing residents were not working – more than 3.5 million people.<sup>2</sup> These out of work residents had more barriers to employment than other workless people: they were significantly more likely to be long-term unemployed, be lone parents or have long-term health conditions or disabilities, to name a few. However, the 2007 Hills Review established that worklessness in the social rented sector cannot be explained solely by the labour market disadvantages of many social tenants. A person living in social housing is significantly less likely to be employed than the same person living in private rented or owner-occupied housing.<sup>3</sup>

In this context, there has been a clear basis for housing providers to engage with the worklessness agenda in recent years – a challenge that the sector has increasingly met. The Housing Corporation has reported that between 2003 and 2008, housing associations invested £209.5 million into projects addressing worklessness,<sup>4</sup> and the National Housing Federation's (NHF) 2008 Neighbourhood Audit recorded £45 million of annual investment in employment and enterprise services reaching around 67,600 people.<sup>5</sup>

The role for social-housing providers in engaging with the worklessness challenge has been accentuated by full-scale reform across the work and welfare policy landscape. The Welfare Reform Bill entails an overhaul of the benefit system that will affect every single claimant. The centrepiece of this is the introduction of Universal Credit, which will combine the main out of work benefits into a single, integrated working age benefit, comprising a basic allowance with additional elements for childcare, disability, housing and caring. The driving forces behind this benefit overhaul – to improve employment incentives, and to smooth and simplify the transitions between out of work benefits and in-work support – are intended to enhance motivations to work, work more, or get paid more for all claimants.

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<sup>2</sup> This refers to all working age people living in social housing, not just lead tenants. Source: Labour Force Survey, Office for National Statistics

<sup>3</sup> Hills, J. (2007), [Ends and means: the future roles of social housing in England](#), Centre for Analysis of Social Exclusion report 34

<sup>4</sup> Housing Corporation (2007), *Housing associations tackling worklessness*

<sup>5</sup> During 2006–07. National Housing Federation (2009) Neighbourhood Audit 2008: [The scale and scope of housing associations activity beyond housing](#). The National Housing Federation is currently in the process of completing its 2011 Neighbourhood Audit, with the results to be published during 2012.

Within this context of simplification and stronger work incentives in the benefit system, there are elements of the Welfare Reform Bill that will have a particular effect on social-housing residents' ability to cover housing costs. Following the transition from Housing Benefit to Universal Credit, working-age tenants will personally receive the housing credit element of the benefit, rather than the option of it being paid directly to landlords. Recent polling suggests 93 per cent of social-housing tenants are opposed to this.<sup>6</sup> In addition, there will be cuts to entitlements for households deemed to be living in properties larger than they need (the so-called 'bedroom tax') and total household benefits will be capped at £26,000 per year.

The overall effects of these reforms on social tenants will be more financial responsibility, less money to support the costs of their housing and a greater risk of having to move from certain high-cost areas.<sup>7</sup>

For housing providers, welfare reform entails a greater risk of rent arrears and consequently higher costs of borrowing,<sup>8</sup> more demand for advice and support services from tenants and, importantly, stronger incentives to help residents find and sustain work.

Alongside full-scale welfare reform, the government is overhauling welfare to work provision, the centrepiece of which is the replacement of all previous employment programmes with a single programme for a wide range of claimants. Through the Work Programme, prime contractors and their subcontractors are being paid based almost entirely on their success in securing sustained job outcomes for around 3.6 million long-term unemployed customers over a seven-year period. Two or three prime contractors operate in each area, with an element of competition being introduced into the programme in later years of the contract.

With more than one in four working-age social-housing residents predicted to join the Work Programme,<sup>9</sup> and many more likely to be eligible for Work Programme support on a voluntary basis, the relevance of this welfare to work initiative to housing providers' efforts to tackle worklessness is evident.

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<sup>6</sup> [National Housing Federation](#) (2011)

<sup>7</sup> Pawson, H. (2011), [Welfare reform and social housing](#), Housing Quality Network

<sup>8</sup> For estimates of the extent of this impact on stock and finances, see Consortium of Associations in the South East (2012), [The impact of welfare reform on social housing](#)

<sup>9</sup> Sources: Labour Force Survey, Office for National Statistics; Work and Pensions Longitudinal Study, DWP/Office for National Statistics; [Work Programme Attachment Profiles](#), DWP; *Inclusion* calculations

### Workless social-housing residents – key statistics<sup>10</sup>

- In total, 3.5 million social-housing residents of working age are not working – that equates to 56 per cent of those of working age living in social housing. For those living in private rented or owner-occupied housing, the worklessness rate is 25 per cent
- Nearly half (44 per cent) of workless social-housing residents have not worked for at least 12 months
- A total of 2.2 million working-age social-housing residents claim out of work benefits. This equates to 35 per cent of working-age social-housing residents, compared with a rate of only eight per cent for those living in other tenures
- Out of work social-housing residents are four times more likely to have long-term health conditions or disabilities and six times more likely to be lone parents than workless people living in other tenures
- in total, 1.6 million social-housing residents are predicted to be referred to the Work Programme over five years – that equates to 27 per cent of working-age social-housing residents, and 45 per cent of those predicted to be referred to the Work Programme. Up to 600,000 further social-housing residents may be eligible for voluntary access to the programme.<sup>11</sup>

Although central, the Work Programme is not the only game in town. Other aspects of the welfare to work offer include a major push to expand apprenticeship opportunities; more targeted and vocational skills funding; a range of pre-Work Programme measures for the short-term unemployed as part of the Department for Work and Pensions' (DWP's) 'Get Britain Working' initiative; European Social Fund (ESF) support for families with multiple problems (also paid by results); the community budgeting approach to managing employment and skills challenges locally; and a range of opportunities and subsidies to help tackle youth unemployment within the Youth Contract. Whether as employers, providers,

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<sup>10</sup> Data refers to the UK (or Great Britain when data for the UK is not available). Data is for 2011. Sources: Labour Force Survey, Office for National Statistics; Annual Population Survey, Office for National Statistics; Work and Pensions Longitudinal Study, DWP/Office for National Statistics; [Work Programme Attachment Profiles](#), DWP; *Inclusion* calculations.

<sup>11</sup> *Inclusion* has predicted the number of social housing residents that will be referred to the Work Programme over the course of the contract using the DWP's forecast Work Programme referrals. We have adjusted the chance of anyone in the country being referred to the Work Programme according to the greater likelihood that a social housing resident is claiming out of work benefits, and therefore Work Programme eligible. We have applied this rate to the total number of working-age social-housing residents in Great Britain.

signposters or partners, the task is for housing providers to find their place in this evolving delivery landscape.

This impact of these work and welfare policies on social-housing tenants will be felt alongside the concurrent effects of changes in housing policy. One key shift is the 'affordable rent' regime, in which social-housing providers are encouraged to access more private finance for development by letting homes at higher rents (up to 80 per cent of local market rates). When viewed in tandem with reductions and caps to benefits covering housing costs, the effect of affordable rents on some tenants' ability to pay is likely to be severe, particularly in certain parts of the country and among larger families. Another key development concerns provisions in the Localism Act (signed into law in 2011) encouraging social landlords to make use of fixed-term tenancies and set their own agenda regarding who has access to waiting lists and criteria for tenancy reviews. Within these flexibilities, there is a stated goal that employment and work incentives be factors in access to waiting lists, allocations, tenancy agreements and tenancy reviews.<sup>12</sup>

Reforms to the benefit system, welfare to work programmes and social-housing provision are making the links between social housing and the worklessness agenda stronger. Social-housing residents are facing greater financial pressures, more incentives to work, and new programmes and provision to help them do so. Housing providers are facing greater flexibilities within a tighter and more outcome-focused delivery landscape, and a clear case to help address worklessness among their tenants and within their communities. Taking into account reduced overall public funding and a bleak economic outlook, it is crucial that housing providers respond to the changing policy context, and ensure that activities around tackling worklessness continue to add value and have the greatest impact possible.

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<sup>12</sup> Murray, K. (2010), [Local decisions: a fairer future for social housing](#), Housing Quality Network

## 3 Current approach to tackling worklessness

The scale of housing provider investment in boosting employment in communities is apparent from the £45 million of annual funding recorded in NHF's last neighbourhood audit.<sup>13</sup> In addition, it is plain that this investment is driven by a clear and coherent vision in this area that exists throughout organisations. There is a high degree of senior-management-level 'buy-in' to the worklessness agenda and a widespread consensus that a housing provider's role is not just about bricks and mortar.

*'Our vision is to create prosperous communities, enhance life chances and maximise people's opportunities – we see employment and skills as critical elements of this.'*

Director – North West housing provider

Despite sometimes challenging financial circumstances, the commitment to tackling worklessness appears to be increasing in most housing providers. Many spoke of their role 'filling the gaps', 'providing coherent pathways' or 'being that stepping stone' for their residents and for people in their communities. Most housing providers connected addressing employment issues with their social mission or their role as an 'agent for change'.

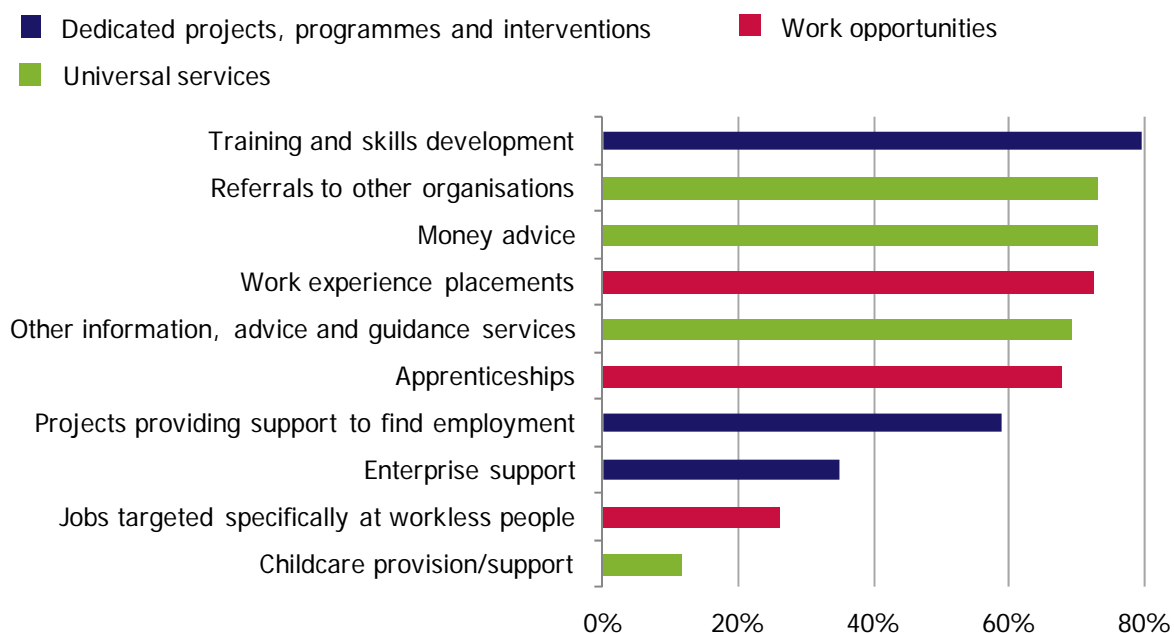
### Provision of services and opportunities

The vast majority (88 per cent) of organisations surveyed are offering help, advice, services or work opportunities to residents to increase their chances of finding or staying in work. As figure 1 demonstrates, the ways in which housing providers are doing this are wide-ranging; the majority are tackling worklessness by a number of means.

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<sup>13</sup> During 2006–07. National Housing Federation (2009), Neighbourhood Audit 2008: [The scale and scope of housing associations activity beyond housing](#)

**Figure 1: proportion of housing providers offering various interventions, opportunities or services to reduce worklessness**



Source: *Inclusion* survey of housing providers, 2011; base = 112 (bases do not equal the total number of survey respondents – 136 – because not all respondents answered all questions)

In terms of training and skills development opportunities, housing providers are most frequently focusing on confidence building and soft skills, as opposed to training towards formal qualifications. Housing providers think they are particularly strong at building confidence and motivating people, often more so than mainstream skills and training provision, owing to their unique role and access within communities. Job brokerage and the creation of volunteering opportunities are other common forms of support.

Some housing providers are exploring new ways of organising their business, such as creating subsidiary social enterprises specifically designed to provide employment services or create work opportunities for their tenants. For example, a number of housing providers mentioned creating auxiliary agencies for community gardening, refurbishment, furniture repairs or grounds maintenance, which would be explicitly linked to their worklessness efforts. This kind of approach is seen as an effective way of focusing or ring-fencing efforts and funding for tackling worklessness alongside housing providers' primary business.

### **Case study 1: Aspire Housing – Ownership of a training provider**

In 2007, Aspire Housing commissioned research into housing conditions in North Staffordshire and South Cheshire. The research provided insights into the drivers behind poor-quality housing, and found that core issues to address were lack of educational attainment, high levels of benefits dependency, very low household incomes and intergenerational worklessness.

The research prompted Aspire to undertake a wider project of area regeneration, linking housing more closely with employment and training provision. As a consequence, Aspire Housing acquired a training provider, PM Training, and converted it into a social enterprise within the wider housing group. PM Training delivers employment and skills provision to residents and those in the wider community, with a particular focus on engaging disadvantaged young people aged 16–18 who are not in employment, education or training. Aspire's view is that its work boosting employment is greatly enhanced by its ability to channel efforts through a separate business but one that shares the housing provider's aims and senior leadership.

A number of housing providers are tackling worklessness in myriad ways. In some cases, it appears that the approach to boosting employment and tackling unemployment is relatively fragmented, and not aligned with a clear strategy. This results in a lack of clarity in terms of what the housing provider is trying to achieve, and how that fits in with the rest of what they do and with other local initiatives and provision.

## **Funding and resources**

Three quarters of housing providers surveyed use a funding mix including both internal and external funds to pay for their work around tackling worklessness. Only four per cent rely entirely on external funding to provide services and opportunities for boosting employment. Across the board, housing providers report that there is less external funding available for employment projects and programmes, and that they are operating in a tougher financial climate than in previous years.

Organisations report that initiatives they regard as successful are under threat because of insufficient funding. In the face of this tough financial climate, many housing providers are turning to lower-cost projects and looking for innovative ways to provide support without significant resource implications.



### **Case study 2: Origin Housing – Timebank**

Origin launched Timebank in 2008 with initial funding from Abbey (now Santander). Timebank is an original and cost-effective initiative for residents, employees, and other people living in the community. It provides members with the opportunity to earn time credits in exchange for volunteering services. These credits can then be used to buy services either from other individuals, the housing provider or external partners. For example, participants exchange computer skills for language teaching. Unlike traditional volunteering, the participant is both the volunteer and the recipient, presenting a mutually beneficial arrangement at a low cost to the organisation.

Emerging findings suggest that the initiative has significantly benefited the local community, having generated a community garden, a yoga group and a mosaic project. It has also helped to improve participants' skills and move them closer to the labour market. Origin estimates that over 120 people involved in Timebank have learnt skills that could help them get work.

At a time when there is less public funding available, Origin has had to focus on making savings and delivering more efficient services. Developing innovative projects like the Timebank scheme has reaped rewards for the local community and especially for Origin's residents, while remaining within more constrained budgets.

Alongside financial measures, housing providers acknowledge the significant and largely invisible investment they make towards reducing worklessness and unemployment in the staff resources they commit to these issues. Staff time is viewed as the driving force behind successful initiatives. Equally, housing providers place a high value on the in-kind support they receive from employers, local authorities and Jobcentre Plus – ranging from mock interviews to free use of facilities.

### **Building partnerships**

Very few housing providers are approaching worklessness in isolation. Organisations feel that partnership is key to working effectively with fewer resources in a fast-changing environment. In addition, they acknowledge that their services in this area are not, nor should they be, all encompassing, and that knowing where best to refer people to is often as important as being able to help directly.

*'We are not Jobcentre Plus – we are here to work in partnership with everybody.'*

London housing provider



The range of organisations that housing providers are working in partnership with to tackle worklessness is extensive, including other housing providers; supply chain contractors; local colleges and training providers; local authorities; Jobcentre Plus; Work Programme contractors; football clubs; the police; and a variety of local charities and voluntary groups. Smaller housing providers, in particular, emphasise the importance of building external relationships to their efforts to tackle worklessness.

*'We're moving more towards a sort of facilitative approach, working with other partners in terms of securing employment outcomes, rather than trying to create them ourselves, because we're quite a small organisation.'*

West Midlands housing provider

Eighty-seven organisations surveyed are creating or providing work opportunities. Of these, the vast majority (67 per cent) offer opportunities both directly within their organisation and also within their supply chain or partners, for example construction companies and grounds maintenance organisations. The ability to engage with contractors, and exploit opportunities both across the business and down the housing supply chain, is viewed as a key strength in housing providers' work in boosting employment.

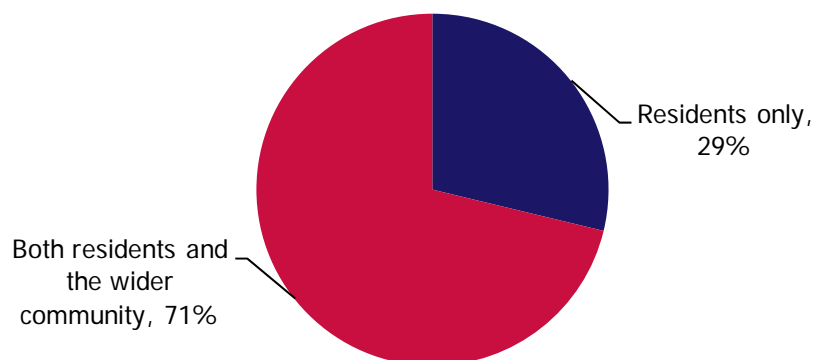
To several housing providers, working in partnership primarily means working with other housing organisations. Activities such as joint job fairs and pooling job and volunteering opportunities between different organisations are highlighted as effective. This is particularly true for housing providers that do not want to recruit their own residents to certain opportunities, wishing to protect professional tenant-landlord relationships, but still want to make opportunities available to social-housing residents.

Although partnerships are numerous, many organisations want to work more collaboratively in the future. Some organisations want to be able to export the things they are doing well into other housing providers or other sectors; others want to club together to attract funding, work more coherently or expand their offer.

## **Serving residents or the wider community**

The majority of housing providers surveyed are tackling worklessness both among their residents and with those living in the wider communities in which they operate, as shown on figure 2. At the extreme, over four fifths of housing providers creating work opportunities, such as apprenticeships and work experience placements, are making those opportunities available to their whole communities.

**Figure 2: Proportion of housing providers making worklessness activities available to residents and to the wider community**



Source: *Inclusion* survey of housing providers, 2011; base = 87

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In line with survey findings, most housing providers express a clear vision that their efforts to boost employment and tackle worklessness are a part of their community-development role rather than their tenant-services function. From this perspective, they feel that restricting worklessness activities to their residents is not appropriate.

*'Ultimately the benefits that come from the increase in employment or increase in employability skills benefit the whole of an estate, regardless of whether or not the people benefiting in the main are our tenants or other people living in the area.'*

North East housing provider

Many housing providers make opportunities and interventions available widely because in the past this has made it easier to attract funding for programmes and interventions. With external funding streams drying up, some housing providers acknowledge that they now have greater freedom to prioritise residents for worklessness activities. This is because they are spending more of their own money on such activities, which entails fewer conditions and requirements. Other housing providers are facing challenging circumstances in rent collection, creating a stronger business case for focusing activities for boosting employment on tenants.

Most housing providers also acknowledge that even if participation is broad, they strive for an active focus on residents within these eligibility criteria.

*'We're trying to refocus it more on our residents.'*

National housing provider

While there is often a wish to focus worklessness activities on residents, a number of housing providers report being constrained by low take-up among their own

residents. Some housing providers are exploring ways to target residents for their worklessness activities or publicise to tenants more effectively. These include reorganising offices so that employability teams sit alongside other front-line staff, linking up with other services within the organisation and running internal advertising campaigns.

### **Case study 3: The Accent Group – Up-skilling the front-line workforce**

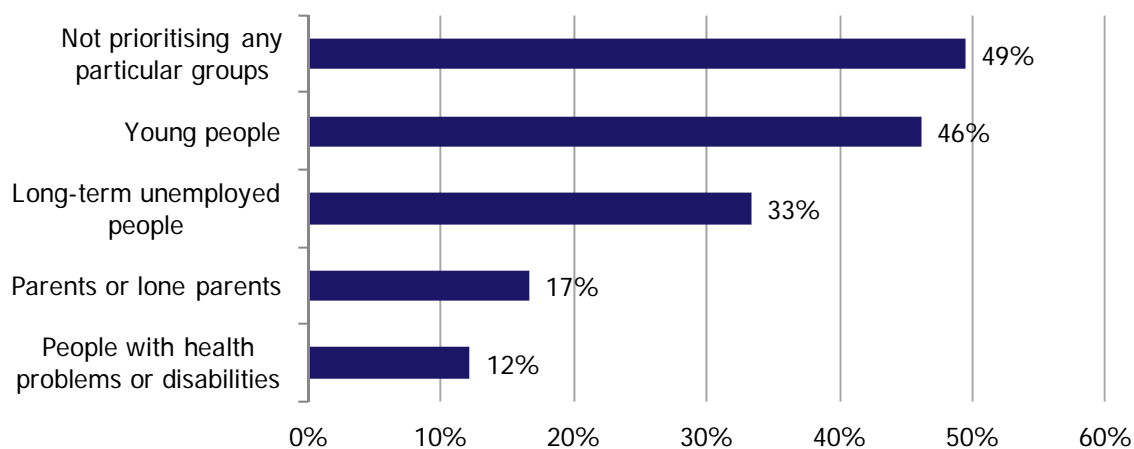
The Accent Group delivered a worklessness project funded by the Santander Foundation between 2008 and 2010. The project formed part of HACT's 'changing cultures – creating opportunities' agenda. One of the aims was to train front-line, customer service staff within the housing provider to identify, support and refer residents to services and organisations that could assist them to find work. Specifically, the project sought to enhance staff knowledge and access to information through customised training. This enabled Accent staff in Middlesbrough, Barrow and other Accent Group locations to offer advice and signposting to unemployed Accent residents in order to help them succeed in gaining employment.

The project also aimed to create organisational change, embedding a recognition by front-line housing staff that these activities are valued by residents and therefore should form part of mainstream housing management rather than being an optional element in their programme of work. By up-skilling front-line staff, and their ability to engage with residents regarding worklessness, the project has encouraged more residents to access support that could improve their skills and move them closer to the labour market. Accent recognises that a lot more needs to be done in this area, but rates its efforts to achieve better-integrated services through investing in up-skilling its front-line staff as extremely valuable and successful.

## **Targeting groups**

Nearly half of housing providers surveyed are not prioritising any particular groups of people for their interventions and opportunities tackling worklessness, as shown on figure 3. Among housing providers who are prioritising, the most popular groups to target are young people and the long-term unemployed.

**Figure 3: Proportion of housing providers prioritising particular groups for interventions and opportunities around tackling worklessness**



Source: *Inclusion* survey of housing providers, 2011; base = 90

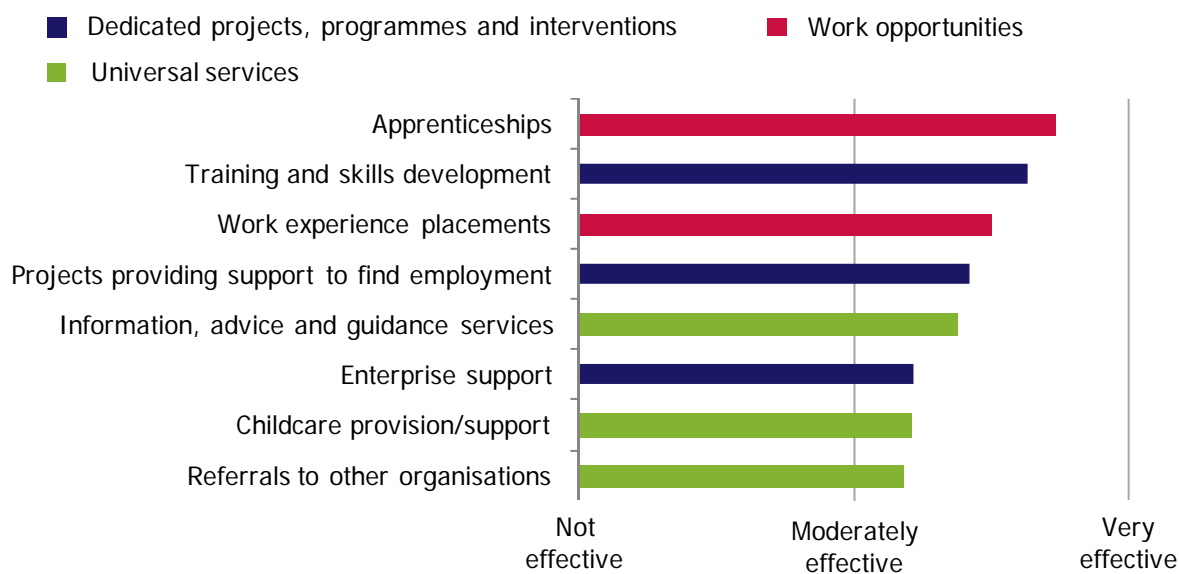
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Again, many housing providers justify their lack of prioritisation by the fact that worklessness activities fall into their wider community work and therefore should not exclude people from participating. Those housing providers that do prioritise certain groups reported trying to focus on the most disadvantaged and excluded people, and pick up those not served by mainstream provision.

## **Capturing value and effectiveness**

Across the range of activities in this area, housing providers surveyed rate apprenticeships, training and skills development projects, and work experience placements as the most effective ways to tackle worklessness, as seen on figure 4. Broader and more universal housing services with a link to boosting employment, particularly referrals to other organisations and childcare, are viewed as least effective for tackling worklessness.

**Figure 4: Housing provider opinions on the effectiveness of interventions, opportunities and services for tackling worklessness (average rating)**



Source: *Inclusion* survey of housing providers, 2011; base = 87

Sixty three per cent of housing providers surveyed report that they have mechanisms in place to review the impact, effectiveness and added value of their efforts to tackle worklessness. The range of ways in which housing providers are doing so is extensive, including: key performance targets; user surveys; management data analysis; feedback forms; impact assessment; cost-benefit analyses; social return on investment analyses; mapping of customer journeys; and distance-travelled tools. Delving further, the way the same mechanisms are approached in different housing associations is often very different. For example, some housing providers base performance targets on the number of customers engaging with activities, while others base targets on the number of customers achieving positive outcomes following activities. The approach to capturing and assessing value and effectiveness appears to be very wide-ranging across the sector.

A number of housing providers are in the process of introducing more sophisticated mechanisms for measuring and benchmarking the value and effectiveness of what they do around boosting employment. For example, they are moving from assessing take-up and customer satisfaction to quantitatively assessing the impact of their activities. This is owing to a greater need to evidence the impact of funding that has been committed; a need to prove success in order to attract further funding; or a desire to learn lessons from previous efforts in order to have a larger impact in the future. Housing providers recognise that measuring effectiveness consistently and well is difficult, and will require time and resources across organisations.

*'Intrinsically housing associations, by the nature of what we do, providing homes and things like that, I think we actually do have quite a big impact on people's lives, and I think it's about understanding exactly what that is. Attributing it to one particular thing is very difficult. You can see that progression, but how to quantify it is very difficult.'*

National housing provider

Despite the challenges, many housing providers are committed to being able to evidence the value of their activities, believing their efforts to tackle worklessness, in combination with the range of other things they do, to be both successful and valuable.

## 4 Taking it further: potential areas for improvement

There is much to be positive about in the way housing providers are approaching worklessness among their tenants and within their communities. The commitment to making a difference and the breadth of ways in which housing providers are endeavouring to do this are crystal clear. What is also clear, from the context provided in chapter 2, is that housing providers tackling worklessness are doing so in an increasingly challenging and fast-changing environment. In this light, some research findings point to areas in which housing providers may be able to develop their approach to tackling worklessness in order to meet the needs of customers, respond to changing policy, and maximise their impact and effectiveness. Far from criticisms, these areas for improvement stem from approaches taken by some housing providers, which could or should be considered for wider implementation across the sector.

### Targeting services and opportunities

There are clear reasons for making services and opportunities around tackling worklessness widely available to both residents and all people in the local area. Most housing providers believe they have a social mission as agents for change within their communities, and extending services beyond their front doors is a key element in this. On the other hand, as noted at the beginning of chapter 2, worklessness is higher among social-housing residents than among those in other tenancies, a discrepancy that endures even when accounting for the labour market disadvantages of many social residents.

Therefore, focusing activities on their own residents is a reliable means by which housing providers can add value and have an impact in terms of addressing known employment disadvantages.

In addition, many housing providers report that the strong and positive relationships they have with their residents are key to delivering employment outcomes, again indicating that targeting tenants is a good way to maximise impact.

Taking these points into account, some housing providers are looking at ways to further target services and opportunities around worklessness at their residents. For example, a few are working harder at outreach and publicity, while others are ring-

fencing a proportion of activities for residents, with the remainder open to people living in the wider local area.

In addition to targeting residents for services and opportunities, there is a similar case for housing providers to prioritise certain groups of customers in order to maximise their impact. For example, many housing providers value the degree of access and influence they have within local communities, and the relationships that they are able to form with typically disadvantaged groups. This may be a good reason to focus worklessness activities on those furthest away from mainstream provision, or those often classified as 'hard to reach' by other agencies and organisations.

## **Building the knowledge base**

Although 88 per cent of housing providers surveyed are involved in tackling worklessness among residents, only 42 per cent report that they know the employment status of their tenants or residents. Delving further, housing providers' information around the circumstances and characteristics of residents who are not working is relatively patchy. With pressure on funding and resources, designing interventions and services that meet residents' needs is essential, and housing providers' ability to do this will be greatly enhanced by further knowledge of the way in which worklessness affects their residents and communities.

Despite the fact that knowledge about worklessness is not always present, many housing providers are endeavouring to collect and track this kind of information. The ways in which they are doing so are varied, including customer surveys, management information data analysis, and estimates derived from national statistics. Housing Benefit claim data is a key way that many social-housing providers derive information on worklessness and benefit receipts among tenants.

In trying to establish a knowledge base around worklessness, housing providers have encountered a number of difficulties. A key challenge is that tenants and residents are unwilling to reveal their employment and benefit statuses to housing providers, fearing negative repercussions. As a result of this, housing providers frequently receive incomplete information from tenants, and some housing providers are concerned about how honest their tenants are being when information about employment is sought. Housing providers find this frustrating, particularly when their efforts are intended to help residents and provide them with opportunities, rather than create conditions and barriers.



*'Many residents find it very hard to understand why their landlord is interested. They're very suspicious and reluctant to give us that information.'*

London housing provider

Housing providers also report that their knowledge base suffers from data being 'virtually out-of-date by the time it's ready', and that they frequently have a lot more information about lead tenants than they do about whole households.

#### **Case study 4: Viridian Housing – Segmentation**

Viridian has undertaken a 'segmentation' exercise in order to better understand and track its clients, and target services accordingly. Since starting this segmentation activity, it has acquired a much better picture of what its tenants' needs are, which has helped it to engage with tenants and their families.

*'Finding out specifically what your residents need against the national profile has been quite a useful exercise for us.'*

Viridian used a consultancy called Data Analytics to assist with this segmentation process. The partnership has enabled Viridian to collect information against a number of indicators about lead tenants and their families, including: benefits claimed, economic status, diversity information, ages and disability status. These indicators have significantly assisted Viridian in targeting employment-related support to those groups in most need.

*'We know which of our segments have the most workless people in them, and that's where we're going to be targeting our activities.'*

In addition to profiling its residents, the segmentation activity has identified that a lot of worklessness among Viridian's residents is 'hidden'. For example, many unemployed residents are not claiming Jobseeker's Allowance, and therefore not receiving support from Jobcentre Plus. Viridian is using this information to make residents aware of all the support that is available and prepare them for forthcoming benefit changes. Viridian is anticipating that issues of 'hidden worklessness' are going to become more apparent, and that this will have significant impacts on particular groups, such as lone parents.

*'We might not think we've got that many people who need to work, but actually those numbers are going to increase when the changes come through.'<sup>14</sup>*

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<sup>14</sup> Quotes: Robert Cooper, Resident Involvement and Community Engagement Manager at Viridian

Despite the challenges, most housing providers see significant value in being able to establish and build a knowledge base regarding resident worklessness. Many use what they know to determine what areas or groups to target activities and projects at; those that do not frequently say they would do so if the data were available. Housing providers also acknowledge that a stronger and more consistent knowledge base around the prevalence and characteristics of workless tenants would help them to attract funding and evidence its use.

## Engaging with mainstream provision

The previous chapter highlighted the extent to which housing providers are building partnerships in order to strengthen their worklessness offer. While there is an evident commitment to partnership working, many housing providers appear somewhat disconnected from mainstream welfare to work provision in the form of support offered through Jobcentre Plus, the Work Programme, mainstream skills provision, and other government initiatives. The Work Programme, the government's flagship welfare to work initiative, is predicted to engage upwards of a quarter of working-age social-housing residents;<sup>15</sup> however, only 28 per cent of housing providers surveyed are engaging with it or linking up to it.

Some housing providers have pursued formal subcontracting relationships with Work Programme prime contractors. Analysis of Work Programme supply chains indicates that there are 35 housing providers known to be involved in delivery – this is around two per cent of the housing sector and around four per cent of known Work Programme subcontractors.<sup>16</sup> It is likely that there are other housing providers who would be well positioned to enter into formal subcontracting arrangements within the Work Programme and deliver sustained employment outcomes within their communities under this crucial initiative. The challenge is for both Work Programme prime contractors and housing providers to build these relationships and maximise these opportunities.

While subcontracting, as it currently operates, is a realistic option for some housing providers, it is unlikely to be a good solution for all. Housing providers express the difficulties they have encountered in trying to subcontract in the past, which in many cases has put them off doing so again.

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<sup>15</sup> *Inclusion* estimates that 27 per cent of working-age social-housing residents will be referred to the Work Programme over the course of the contract. Sources: Labour Force Survey, Office for National Statistics; Work and Pensions Longitudinal Study, DWP/Office for National Statistics; [Work Programme Attachment Profiles](#), DWP; *Inclusion* calculations

<sup>16</sup> Sources: [Housingnet](#); [Work Programme Supply Chains](#) (2011), DWP; *Inclusion* calculations

*'What happened is that we have been caught with large scale contracting procedures and when you needle down these features to smaller organisations the requirements do not seem appropriate.'*

National housing provider

In addition, many feel that the requirements of initiatives like the Work Programme are too broad for them, preventing them from focusing in on their own residents, estates and local communities. For example, one provider wanted to deliver only in wards containing its estates, but the prime contractor required that their subcontractors serve at least one whole local authority. Given the discussion above around targeting services and opportunities primarily at housing providers' residents, this concern is entirely legitimate. Housing providers have also been constrained by the fact that there are two or three prime contractors in each area, to which customers are referred randomly. This local competition makes it more difficult still for housing providers to focus on their own residents and communities within the Work Programme.

Taking the above into account, the challenge is for contractors on the Work Programme and other mainstream welfare to work programmes to offer delivery opportunities to housing that are appropriate for the sector's role and strengths. The rollout of ESF provision for families with multiple problems is likely to be a key area for this kind of approach. The challenge for housing providers is to find ways of working with mainstream contractors, including but not limited to formal subcontracting arrangements, that allow both to share knowledge and best practice, maximise their value and impact, and 'join up' the offer to customers.

#### **Case study 5: the Guinness Partnership – Working with a Work Programme contractor**

The Guinness Partnership and Avanta, a Work Programme prime contractor, are working together to achieve better work opportunities for residents. The partnership between Avanta and Guinness came about through a desire from Guinness to offer a self-employment option to residents, especially hard to reach groups, and an offer from an experienced welfare to work contractor, Avanta, to deliver exactly this. The partnership is operating in two of Guinness Northern Counties' key delivery areas: Newcastle and Manchester.

The unique element of this partnership arrangement is that the two organisations have the ability to pool funding streams and resources in order to deliver a specialist service focused on Guinness residents but open to people in all tenures who are out of work. Some participants are already being supported on the Work Programme; however, this is no barrier to entry on to the course. Guinness has had a significant

level of involvement in the design of the programme and has worked closely with Avanta to ensure that it will meet the needs of residents to achieve positive outcomes.

Both organisations are drawing on the other's ability to deliver on certain aspects of the programme. For example, Avanta receives a stream of eligible customers, and is able to run a tried and tested programme on Guinness's premises. Guinness, with its unique relationships with residents, is leading on recruitment to the programme. This is an example of where a joined-up approach is being used to align funding streams (Skills Funding Agency and Work Programme) to deliver a comprehensive programme of work that could significantly improve employment prospects for residents in a local area.

A few housing providers have developed strong working relationships with their local Jobcentre Plus offices. This typically involves referring customers to one another, running job clubs and enterprise clubs, offering work experience opportunities, co-location, or regular site visits. Housing providers describe these partnerships as effective and something they want to do more of in the future. However, larger housing providers say that they have found it challenging to make unilateral progress in this area because of local differences between Jobcentre Plus offices. Partnerships between the housing sector, and colleges and training providers are similarly patchy. As noted in the previous chapter, a number of housing providers want to build more partnerships and develop stronger links with other organisations in the future. For example, one or two housing providers are working with community budgeting pilots, which are intended to pool programmes and funding at a local level in order to better meet neighbourhood needs.

Many feel that a more co-ordinated approach, for example the housing sector opening up a stronger dialogue with Jobcentre Plus at a national level, will be essential for building effective partnerships.

*'What would make it a lot easier is if there was some co-ordination of welfare to work providers with housing organisations.'*

London housing provider

## **Introducing rewards and responsibilities**

A few local councils in London have updated their housing strategies around encouraging activities related to work and training within fixed-term tenancy offers, addressing employment within tenancy reviews, or encouraging tenants to move out of social housing when earning above certain levels. These moves reflect

government thinking around 'flexible tenancies' outlined in chapter 2 of this report. By contrast, no housing provider surveyed addresses employment or training within tenancy agreements or renewals processes.

### **Case study 6: London councils – Housing strategies**

At least three London boroughs have revised, or are in the process of revising their strategies around housing and work.

**Westminster city council**<sup>17</sup> has drafted a new housing strategy for consultation, with the aims of promoting economic activity, making best use of the stock, and not over-subsidising those that do not need it. Specific proposals include:

- Offering five-year, fixed-term tenancies in the main, with tenancy renewal linked to behaviour and responsibilities
- Linking affordable rent tenancies for non-working households with support to access training and employment
- Using the tenancy renewal process as an opportunity to offer households employment support
- Considering income and capital as a criteria for tenancy renewal – exploring alternatives such as Right to Buy, increased rents (to be reinvested back into social housing), or private tenancies when household incomes have risen.

**Wandsworth council's**<sup>18</sup> housing into work strategy aims to link housing to work and maximise employment and training opportunities for social-housing applicants and residents. Specific proposals include:

- Establishing qualifying terms in the allocations policy that give additional priority to working households and households in training leading to work
- Piloting a housing into work scheme that links the offer of social housing on a fixed-term tenancy to a requirement that the applicant must be in training leading to work or in employment
- Exploring the options for individuals to move into volunteering, training and/or work within tenancy reviews.

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<sup>17</sup> Westminster city council (2012), [Draft Tenancy Strategy for Consultation](#)

<sup>18</sup> Wandsworth council (2011), [Housing into work strategy](#)

**Newham council**<sup>19</sup> has revised its approach in order to make housing policy a tool to lift children out of poverty as parents are supported and encouraged to work. Specific proposals include:

- Giving priority to those who are seeking work within the housing allocation scheme, underpinned by employment projects that link up housing and debt advice with job brokerage and skills support
- Devising a new housing finance model that allows those in work to move up and out of social housing, freeing the scarce resource for the benefit of others.

A number of housing providers feel that more conditionality around tenancies represents a step in the wrong direction, and takes them away from their role in supporting vulnerable people.

Housing providers point out that their ability to sanction their tenants when agreements are breached is relatively limited, especially as they are concerned this may involve re-doing tenancy agreements. Nor do any housing providers want to make rent conditional on activities like seeking work or training, on the grounds that this would breach their financial inclusion strategies and their commitment to empower residents. Finally, housing providers are concerned that tenancy reviews that address income levels could create disincentives for residents to look for work, because tenants who perceive that they may be required to move or pay higher rents when they have entered employment will be less inclined to do so. Housing providers see these kinds of incentives as entirely at odds with both their own efforts to tackle worklessness and the government's commitment to 'make work pay'.

Nonetheless, some housing providers recognise that there is work to be done in this area, and that the challenge is to find ways of moving in line with current thinking that combine the right incentives with reasonable conditions.

*'I do feel that there needs to be some change in the way social housing is run...people get stuck in a rut in social housing.'*

South East housing provider

In terms of defining reasonable conditions, a few housing providers have found ways to do this without marginalising or threatening the people they serve. Those housing providers that have explored these options find it easiest to approach conditions with new tenants, starter tenants or those on their waiting lists, as opposed to imposing new requirements on their existing customers. Even in these circumstances, the

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<sup>19</sup> Newham council (2010), [Housing Newham 2011-2016: The Mayor of Newham's approach](#)

feasibility of including conditions within tenancy agreements may be limited for some housing providers. For example, there is complexity around what can and cannot be stipulated within formal tenancy agreements in order to remain within the constraints of tenancy law.

Where conditions are viable and appropriate, introducing the concept in a non-threatening way and giving tenants appropriate support to meet any conditions around looking for work and engaging in certain activities are viewed as essential.

### **Case study 7: EPIC housing – Applicant coaching programme**

EPIC Housing has taken action to implement a mandatory coaching scheme that encourages and supports out of work applicants to think about their aspirations, including work, as a condition of acceptance onto tenancy waiting lists. This approach requires applicants to engage with the process fully in order for their application to be progressed and seems to have been well received by those involved. EPIC think that a warm introduction to the scheme within face-to-face applicant meetings has been essential in this.

*'The process is there to engage with people, assist them, work alongside them and empower them.'*

The coaching scheme provides applicants with up to 10 personalised one-to-one coaching sessions focused on employment aspirations and goals, as well as other issues. In addition to this and within the scheme, EPIC has been working closely with Jobcentre Plus to refer to a local employment outreach programme called STAR. STAR supports clients to work on hard employability skills and practical steps needed to move closer to the labour market. This has proven to fit very well with EPIC's coaching around goals and aspirations. Jointly, the organisations are offering a wrap-around package of employment-related support for applicants waiting for tenancies.

*'What's really helped us is we don't need to do the whole package. We can share resources and focus on the areas where our expertise lies.'*

Although the coaching programme has only been in place for a short period of time, the approach seems to be working well. It sends a message to potential tenants that work is a necessary and achievable aim, and something that the housing provider is willing to support them in.



In terms of providing the right incentives, the Hills Review recommended that social-housing providers explore ways to offer incentives and rewards for 'good' behaviour as part of a more flexible menu for tenants.<sup>20</sup> One or two housing providers are looking at how they incentivise activities like looking for work or engaging in training, for example, offering small rewards for the completion of courses. One social-housing provider noted that this would also help deal with the issue of low take-up among residents outlined in the previous chapter. In the current climate, the scope for housing providers to offer financial incentives may be limited; however, there are likely to be other ways that housing providers can make worklessness activities more attractive to and build rewards into their relationships with residents.

## **A common approach to assessing impact and effectiveness**

As outlined in the previous chapter, there is a wide disparity in how housing providers measure and communicate their impact and effectiveness around tackling worklessness. At the most technical end of the scale, cost-benefit and impact analyses of efforts to tackle worklessness are being approached very differently. *Inclusion* analysis of these approaches within housing providers reveals that the varied ways in which they are done generally make them inappropriate for comparison between different organisations. Notwithstanding these concerns, the fact that there is so much activity around measuring impact and effectiveness demonstrates the commitment housing providers make to assessing and refining their efforts to boost employment and reduce unemployment.

These findings reflect those of the Third Sector Research Centre (TSRC), who, in a report commissioned by HACT, found wide variations in the approaches used by housing organisations to measure the social impact of their community investment activities. TSRC concludes that there is considerable impetus among housing providers to measure their impact, but little standardisation of practice or approach.<sup>21</sup>

The challenge for the housing sector will be to align more closely the ways it defines, measures, assesses and communicates its achievements around worklessness. As well as communicating successes, this will better equip housing providers to do many of the other things that this report champions: expand the knowledge base, build partnerships, and attract residents to participate in activities.

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<sup>20</sup> Hills, J. (2007), [Ends and means: the future roles of social housing in England](#), Centre for Analysis of Social Exclusion report 34

<sup>21</sup> Wilkes, V. and Mullins, D. (2012), [Community investment by social housing organisations: measuring the impact](#), Third Sector Research Centre Survey Report for HACT



## 5 Conclusions and recommendations

This report provides a snapshot of what housing providers do to tackle worklessness, and the ways in which housing, work, and welfare to work are converging and fragmenting in the current policy and delivery environment. Most housing providers are working to boost employment and reduce unemployment among their residents and in their communities; the commitment of many housing providers to this agenda is full scale. However, the range of approaches taken to tackling worklessness paint a varied and sometimes confusing picture – both for providers themselves and, most importantly, for the workless residents and other individuals they are seeking to serve.

Social-housing providers are facing stronger incentives to:

- Build their evidence base around tackling worklessness
- Target their activities and interventions more acutely
- Demonstrate the impact and effectiveness of what they do.

Housing providers are increasingly committed to meeting these challenges.

Welfare reform and new welfare to work programmes present housing providers with both opportunities and obstacles, to which they need to be flexible and responsive. Housing providers recognise that developing partnerships, both individually and as a sector, will be essential for co-ordinating their efforts within this changing policy and delivery landscape.

Social-housing providers are also facing imperatives to align their approach to boosting employment with their core housing strategies around tenancy length, tenancy conditions, tenancy allocations and tenancy renewal procedures. Housing providers' engagement with their residents on issues of work and training is likely to move further into their main function as a landlord.

On the basis of the findings emerging from this analysis, we have put together recommendations to the housing sector, to welfare to work contractors and to the government. For each stakeholder we have suggested one short-term measure and one longer-term step.

## Recommendations to housing providers

**In the short term, we recommend that housing providers work collectively to develop a framework that benchmarks worklessness among residents, in order to target opportunities and interventions, and link up with mainstream provision.**

The findings in this report make clear that however involved in tackling worklessness a housing provider is, they will always be the 'junior partner' in efforts to boost employment in the community as a whole – behind Jobcentre Plus, the Work Programme contractor, skills provision and the local council. However, housing providers can be, and arguably should be, the senior force in tackling worklessness among residents.

It is for this reason that we recommend that, even if they serve the community as a whole, efforts to boost employment and tackle unemployment should flow from the composition, needs, and mainstream activities of workless residents, in order to have the greatest impact and add the most value.

To do this, we recommend a benchmarking framework that sets out the segmentation or 'breakdown' of worklessness among a housing provider's residents in a common format, and how this compares to the local area, the country and social-housing residents nationally. From this breakdown of resident worklessness flows a picture of which groups of workless individuals are highly concentrated among residents; what these individuals are eligible for; upcoming changes that may affect them; and how they are benefiting, or could benefit, from mainstream provision to boost employment and tackle unemployment. This information can enable housing providers to establish where worklessness is most acute among residents, and where levels of need are greatest – a clear basis for who is being targeted and why. More information on what this segmentation framework could look like and how it might help social-housing providers is detailed in annex 1.

To take this recommendation forward, *Inclusion* has put together an initial benchmarking framework for testing and development in partnership with HACT. The intention is to work with housing providers to produce a tried and tested resource for use across the sector.

**In the longer term, we recommend that the housing sector clearly establishes and articulates its role or roles in a resident's journey from worklessness into employment.**

One of the things emerging from this report is that social-housing providers' role and activities around tackling worklessness are broad and sometimes fragmented – housing providers are doing a number of things, but there is sometimes a lack of 'joining up', both internally and with external organisations.

In order to focus efforts and to co-ordinate more effectively with mainstream provision, we recommend that the housing sector works collectively to establish a typology of roles that housing providers could take in supporting individuals into employment. We recommend that this typology be based around a resident's journey from worklessness into work. The sector has effectively completed this kind of exercise in the past; however, it is necessary to go through such a process again in order to reflect the new delivery environment.

For example, some housing providers, particularly those with dispersed stock in a variety of neighbourhoods, might play a co-ordinating role – advising and referring residents at various points on their journey. Other providers, particularly those with lots of new build and development projects, might play an employer role – providing jobs, apprenticeships, work placements, and volunteering opportunities in their own organisations and within contractors for residents at a certain point along their journey into work. Other housing providers still, particularly those organisations with high concentrations of tenants in deprived neighbourhoods or isolated estates, might play a comprehensive role – supporting residents at all points along the journey and bearing responsibility for mainstream provision in their neighbourhoods.

After establishing the roles that a housing provider could play, we recommend that providers converge into groupings around the various roles in order to share best practice and build appropriate partnerships with other organisations.

## **Recommendations to prime welfare to work contractors**

<p><b>In the short term, we recommend that prime contractors ensure that their subcontracting terms allow housing providers to focus on the areas in which they operate and the groups with which they work best.</b></p>
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The research highlights the impediments that housing providers have experienced in engaging formally with the Work Programme. Many providers want to deliver on this and other welfare to work programmes, but want to be able to do so in the areas where their residents are concentrated, or specifically to the groups they have experience working with. Evidence suggests that the initial process for subcontracting the Work Programme did not offer terms that housing providers were comfortable with in at least some cases. We recommend that prime welfare to work contractors ensure that their subcontracting opportunities are appropriate and

attractive for housing providers with a strong track record of supporting people in their communities into work. For example, prime contractors could offer housing providers the opportunity to deliver only in the wards in which their estates are concentrated.

This challenge may be best met in partnership – the welfare to work sector could coordinate to produce a standard offer, for example an expression of interest form, that is tailored for housing providers.

**In the longer term, we recommend that welfare to work contractors collaborate rather than compete in small areas with high concentrations of social housing, and, where appropriate, contract housing providers to manage delivery in these areas.**

The Work Programme and other welfare to work programmes currently in the pipeline are designed to create competition – contractors can achieve a larger share of the market by achieving better results than the other contractor(s) in their area, which is intended to drive up performance. In general, we support the notion that competition is an effective driver of results in getting people into work; however, it is unlikely to be appropriate in all cases.

Areas with very high levels of worklessness present complex challenges to delivery organisations – challenges that are best met collaboratively. The government has recognised this in its promotion of a community budgeting approach. This encourages various elements of local government and public services delivery organisations to pool funding and resources, in order to meet neighbourhood challenges in partnership. In line with this thinking, we believe that the Work Programme and other similar programmes are likely to see more gains from collaboration than from competition in severely workless neighbourhoods. Therefore, we recommend that welfare to work contractors work together in these areas.

The simplest way to do this within the current design of the Work Programme, for example, would be for the two or three prime contractors in each area to subcontract the same organisation in certain defined areas of high worklessness. In many cases, these areas are likely to have very high concentrations of social tenants, in stock owned by housing providers with a unique and comprehensive understanding of local needs. In these cases, we recommend that Work Programme prime contractors turn to the housing provider or providers to manage delivery as a subcontractor. If subcontracting is not felt to be an option, we recommend that, at the very least, there is a strong and influential partnership between the housing provider(s) and the subcontracting organisation.

This approach will require approval by the government, in order that welfare to work contractors are not penalised for what could be construed as collusion within a competitive market.

## Recommendations to government

**In the short term, we recommend that the government commits to making some information on tenants' receipt of Housing Benefit available to housing providers following the transition to Universal Credit.**

Under the current welfare system, the majority of social tenants have their Housing Benefit paid directly to their landlord, which acts as a rent rebate. As well as helping tenants to manage finances, this has proved a key information source for housing providers in understanding residents' circumstances and deciding how best to support them. Following the transition to Universal Credit, the housing credit element of the benefit will be paid directly to tenants in the vast majority of cases. It is positive that Universal Credit represents a greater degree of financial empowerment for social tenants; however, it is important that this transition does not make it more difficult for housing providers to support their residents.

The Department for Work and Pensions has not yet made clear what, if any, information on residents' financial support towards housing costs will be made available to housing providers following the transition to Universal Credit. To date, Housing Benefit information has proved useful to many housing providers in determining how to design interventions and activities to support residents from worklessness into employment. Therefore, we recommend that the government commits to making this kind of information available following reform. These processes would need to be sensitive to benefit recipients' wish to protect their financial information from their landlords. However, because it reflects the system as it currently operates, we believe it would be feasible to design an information system that is acceptable to both social tenants and their housing providers. Furthermore, the greater automation and more sophisticated IT systems being rolled out as part of the transition would likely make such information sharing more manageable for the government.

**In the longer term, we recommend that the government rewards housing providers for reducing worklessness among residents on a payment by results basis.**

More and more elements of public service delivery are turning to payment by results as a means to achieve better outcomes. This approach has been established within welfare to work and is being explored within education, children's services and the

criminal justice system. As noted above, boosting employment and reducing unemployment among residents is moving further into housing providers' core business activities as social landlords. Therefore, we recommend that, in the context of future rounds of national employment and skills provision, the government explores how payment by results might operate within the housing sector for reducing worklessness.

A payment by results option would not be appropriate for all housing providers. However, it likely would be for those working intensively with high concentrations of workless residents in deprived areas or isolated estates – those playing the 'comprehensive' role described in the recommendations above. Those housing providers could be tasked with the goal of reducing worklessness among their residents, and rewarded financially for their successes in achieving this aim. Because stock expansion is not and should not be a priority for housing providers in all areas of the country, we judge that these financial incentives would work best as operational funding subsidies, rather than being linked to capital grants.

A payment by results system for housing and worklessness would need to guard against 'gaming' risks. For example, housing providers must not be paid for reducing worklessness among residents artificially by changing tenancy allocation or renewals policy. Accounting for resident churn within the design of the payment by results structure would ensure that the government only rewards providers for real positive outcomes in terms of moving individuals from worklessness into sustained employment.

## **Next steps**

*Inclusion* and HACT will continue to work with housing providers to develop the tools and knowledge base around tackling worklessness and to showcase the range of approaches that are achieving results. We will also work to support the development of relationships between housing providers, welfare to work contractors and the government, in order to maximise the impact of efforts to tackle worklessness within the housing sector.

## **Annex 1: Developing a framework to maximise value and impact**

As well as capturing the status quo in terms of housing providers tackling worklessness, this report also seeks to suggest ways in which those housing providers that wish to do so among residents can be equipped with the tools and knowledge base they need to develop effective approaches. This annex sets out one recommendation for a framework that housing providers could adopt, both individually within their own organisations and collectively. There will be many ways in which housing providers can maximise the value and impact of their worklessness activities – this initial framework is being put up for debate as a first step towards 'joining up' efforts across the sector.

In light of the policy context and research findings outlined in previous chapters, we have sought to establish a framework that helps housing providers use the resources they commit to tackling worklessness as effectively as possible. To do this, we recommend a benchmarking framework that sets out the segmentation or 'breakdown' of worklessness among a housing provider's residents in a common format, and how this compares to the local area, the country and social-housing residents nationally. We recommend that this framework is driven by a standard set of questions or categories around which housing providers collect and track information about their tenants and residents. We recommend that housing providers work in partnership to develop these questions and categories.

From this segmentation of resident worklessness flows a picture of what these individuals are eligible for, upcoming changes that may affect them, and how they are benefiting, or could benefit, from mainstream provision to boost employment and tackle unemployment. This information can enable housing providers to establish where worklessness is most acute among residents, and where levels of need are greatest – a clear basis for who is being targeted and why. An initial framework for segmentation along these lines is as follows:



**Table A1: Draft segmentation framework for tackling worklessness among social-housing residents**

<b>Resident segmentation</b>	<b>What this group is eligible for; mainstream provision; changes affecting this group</b>
<b>Working age residents</b>	
<b>Working age residents in households receiving housing benefit</b>	Transition to Universal Credit from October 2013 onwards, including direct payment of housing credit
<b>Workless residents</b>	
<b>Claimants of out of work benefits</b>	Some level of Jobcentre Plus Advice and Support; transition to Universal Credit from October 2013 onwards
<b>Aged 16-17</b>	Mainstream funding for apprenticeships, education and training
Those not in employment, education or training (NEET)	Participation age to be raised to 18 by 2015; payment results programme for NEETs to be introduced
<b>Aged 18-24</b>	Mainstream funding for apprenticeships, education and training
Jobseeker's Allowance (JSA) claimants	Jobcentre Plus advice and support
Claiming for at least 3 months	Enhanced advice and support from Jobcentre Plus: possibility of work experience opportunities, sector-based work academies, early entry to the Work Programme
Claiming for at least 9 months	Mandatory referral to the Work Programme
<b>Aged 25-64</b>	
JSA claimants	Jobcentre Plus advice and support
Claiming for at least 12 months	Mandatory referral to the Work Programme
<b>Workless for at least 12 months</b>	
<b>Long-term health conditions and / or disabilities</b>	Learner support for those with disabilities; enhanced tax credit entitlement; Disability Living Allowance eligibility due to change from 2013 onwards
Employment and Support Allowance (ESA) / Incapacity Benefit (IB) claimants	Jobcentre Plus advice and support; mandatory/voluntary referral to the Work Programme; voluntary referral to Work Choice
ESA claimants	Jobcentre Plus advice and support; mandatory/voluntary referral to the Work Programme; voluntary referral to Work Choice
IB claimants	All IB claimants due to be reassessed by 2014 and transferred to ESA and other benefits; voluntary referral to the Work Programme
<b>Parents</b>	Learner support for parents; enhanced tax credit entitlement; support with childcare costs
Lone parents	
Claiming Income Support for lone parents	No longer entitled when youngest child is aged seven or over, due to be reduced to youngest child aged five or over in 2012; voluntary referral to the Work Programme
Living in households experiencing multiple problems	ESF support for families with multiple problems
<b>Ex-offenders</b>	
Recent prison leavers	'Day one' referral to the Work Programme



It is not expected that all housing providers currently can, or indeed will ever be able to capture all of this information about their residents. Therefore, we recommend that this benchmarking framework helps housing providers to generate estimates and proxies where data is unavailable. We also recommend that the framework provides comparative data derived from published statistics relating to housing providers' communities, all social-housing tenants nationally, and the country as a whole. In this way, the framework will help housing providers to identify groups, or segments, that are particularly highly concentrated among their residents or within their communities. The intention is that this information drives the development of housing providers' efforts to boost employment and tackle worklessness.

A framework along these lines would address many of the findings coming out of the research in this report. It would be a tool for housing providers to build their knowledge base; it would be a means for housing providers to target their services and opportunities; it would help housing providers to engage with mainstream provision through what they do, and perhaps do not do, for their residents; and it would highlight the areas in which housing providers might want to strengthen their external partnerships.

*Inclusion* and HACT are working together to develop and test a framework of this nature.

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For more information about HACT's 'Benchmarking approaches to worklessness' project, contact: [John.Coburn@hact.org.uk](mailto:John.Coburn@hact.org.uk).