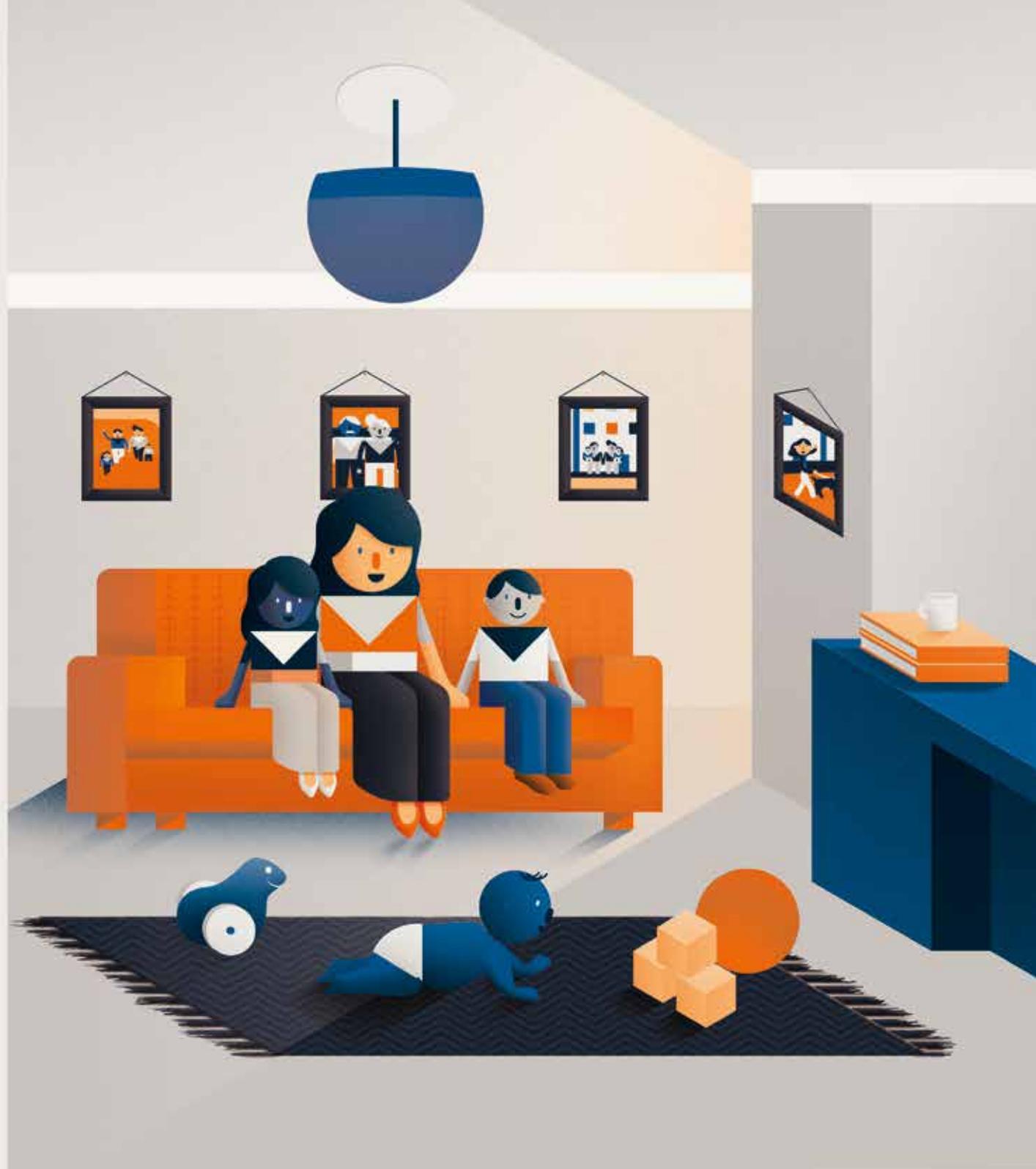




# The value of a social tenancy

A socio-economic evaluation based on Hyde's housing portfolio

2018-19



# Foreword



Polly Neate

**Chief Executive, Shelter**

**The UK's housing crisis is a national emergency and its fallout can be seen everywhere. From the increase in young families and older people trapped in unaffordable privately rented homes, to the growing homelessness, so painfully evident on our streets and the hidden desperation in hostels and B&Bs, in cars, on buses and in all-night restaurants.**

More social housing is the only way to solve this emergency, but not everyone can see this.

That is why we are so pleased to see the wider health, educational and societal benefits of social tenancies now being evidenced.

The research the Hyde Group and Bates Wells have undertaken is a very valuable addition to an overlooked area. Crucially, it draws on how tenants and staff view social housing and the impact it has on their lives.

It provides proof that a secure social home is not just a benefit: it is the foundation for more stable, productive and happier lives. And it benefits our wider economy. A social tenancy is much more than a house or flat; it is a key pillar of our national infrastructure and can support our country's future prosperity.

## Making the case for social housing

With stigma still lingering around the sector, and an acute lack of government investment, we all need to be making the case for more social housing. This will only be strengthened when the positive benefits of social housing are evidenced well and the sector has the data, tools and models it needs to show what it can do.

The findings of Hyde's research provide an important blueprint for other social housing providers to assess the value of their own tenancies – and we urge them to do so.

The open access of this model means the more housing associations, local authorities and other providers that use it to calculate their own tenancy values, the stronger the evidence for the wider value of social housing will become.

A home is the foundation of individual success in life. By providing secure, long term homes we can all benefit from the wider societal benefits social housing can bring.

This national emergency has one answer, for those at the sharp end, and for us all.

## The value of a social tenancy

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**Putting a value on the impact social housing can have, not only in creating safe and sustainable communities, but also in reducing the burden on emergency services, healthcare and local authorities, clearly demonstrates that social housing saves money and impacts positively on the economy. People's life chances are improved, helping them thrive, enabling them to realise their potential, work meaningfully and contribute to their community.**

This document presents the value of a Hyde social tenancy in 2019, updating the original research carried out in 2018. This year, we have refined the model to better-reflect the lives of our residents and have updated the costs used in our calculations, as well as considering the number of homes we built and maintained in the past 12 months.

### Sharing our approach

The value of a social tenancy approach is designed to help inform impact-based investment decisions, performance management, engagement with residents and delivery partners, and to highlight social housing providers' achievements.

As a result, we are keen that other social housing providers use our social value model, to help develop and improve it, as well as to develop consistent measurement across the sector.

To find out more, please contact us via our website:  
[www.hyde-housing.co.uk/value-to-society](http://www.hyde-housing.co.uk/value-to-society).





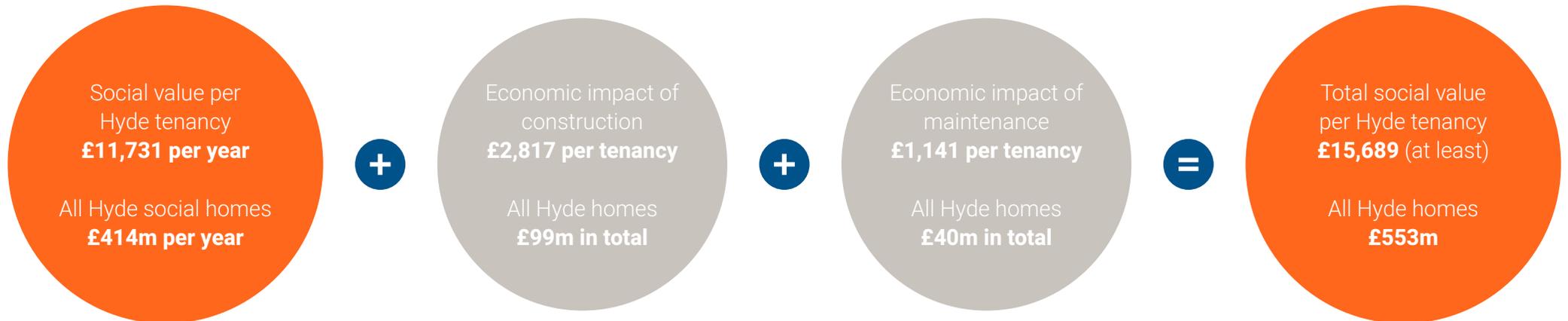
the moon drifts through the open window  
and stars are twinkling sky is dark above  
the shadows cast in his neighborhood  
And they wonder what was going on  
each beautiful night

## The value of a Hyde social tenancy

**Social value is generated from a combination of better outcomes for individuals, savings to public services, economic value created and more efficient use of resources.**

Having considered how the value differs between people with and without social housing, the direct social value of a Hyde social tenancy has been calculated as £11,731 per year (a total of £414m across all our social tenancy homes).

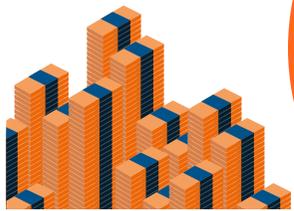
Together with the economic impact of our construction and maintenance activities, which varies annually (depending on the number of homes we complete), this gives a total social value of a tenancy of £15,689. As a whole, we deliver a total value of £553m a year.



↑  
This includes £5m Hyde Foundation contribution

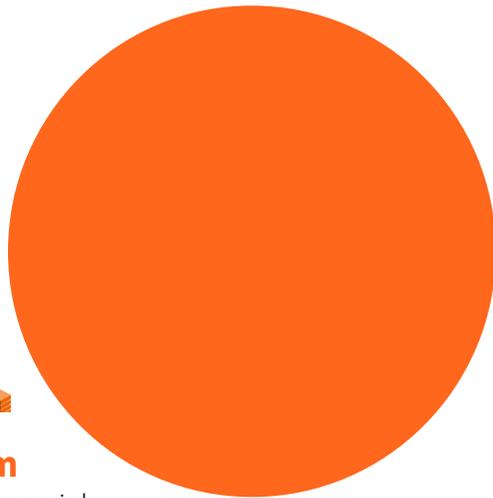
## The £414m direct benefits of Hyde's social tenancies explained

The annual direct benefit of all Hyde's social tenancies is £414m (ignoring construction and maintenance activities, which vary according to how many homes we complete in a year) and is shared between a number of sectors: local authorities; police and justice; education; the National Health Service; the Department for Work and Pensions; the economy; the fire service and banks and creditors.



### Economy: £186m

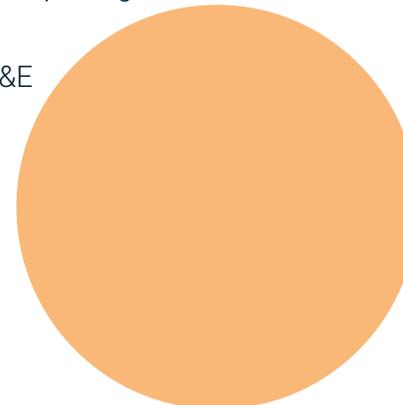
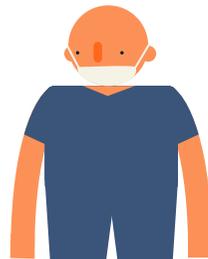
- 8,559 adults living in social housing were able to get back to work, generating **£171m** (comprising £21,944 FTE and £13,150 of local economic activity per individual)
- Social tenancies reduce presenteeism, valued at **£4m**
- Social tenancies halve absenteeism to ten days a year, valued at **£11m**.



### NHS: £91m

People living in social housing have improved physical and mental wellbeing, resulting in:

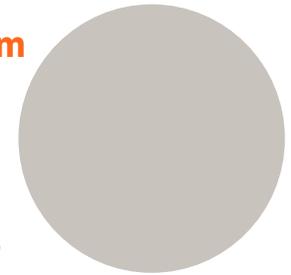
- Fewer drug and alcohol issues
- Fewer falls for the elderly
- Reduced incidence of childhood asthma due to damp living conditions
- Fewer GP and A&E attendances.



### Police and justice: £57m

People living in social housing are less likely to be involved in, or be victims of, crime. This:

- Reduces the number of police callouts not resulting in an arrest, saving **£13m**
- Results in 7,302 fewer incidents, saving **£44m**.

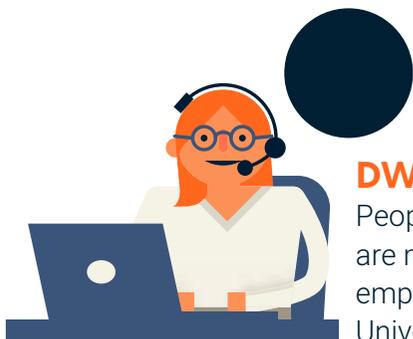




### Local authority: £51m

These savings are the result of:

- Moving 6,346 residents out of temporary accommodation, saving **£40m**
- Helping the elderly stay independent for longer, delaying a move into residential care, saving **£10m**
- Children living in social housing being less likely to be on the Child Protection register, saving **£1m**.



### DWP: £15m

People in social housing are more likely to be employed, reducing Universal Credit claims.

### Banks and creditors: £2m

People living in social housing are less likely to have problem debt.



### Education: £10m

Children living in social housing are more likely to attend school (the cost of being out of education is estimated at **£10,000** per child, spread over eight years of school from seven years old).



### Fire service: £2m

Secure, safe and high quality social housing (along with housing association support) reduces the risk of domestic fires.

### Read the full report

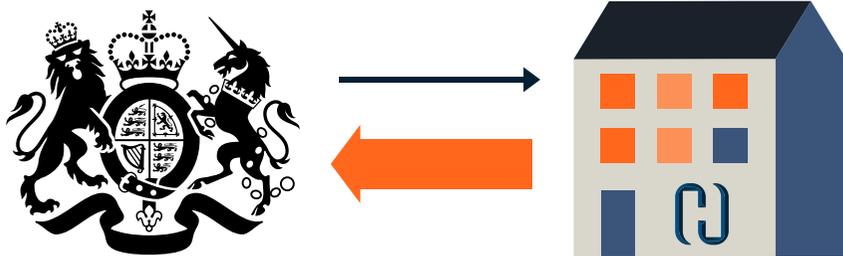
The value of a social tenancy report is available on our website:  
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## The value of Hyde social tenancies to the Treasury

**In the past year, we have seen a shift in government support for social housing, with increased grant funding to enable the sector to build more genuinely affordable homes.**

Our research demonstrates that it is certainly in the Treasury's interest to consider increasing funding for social housing: there is a direct relationship between the additional return generated (to both public finances and to the UK economy) and the number of social tenancies the Treasury enables. For every extra 100 tenancies, the benefits multiply by 100.

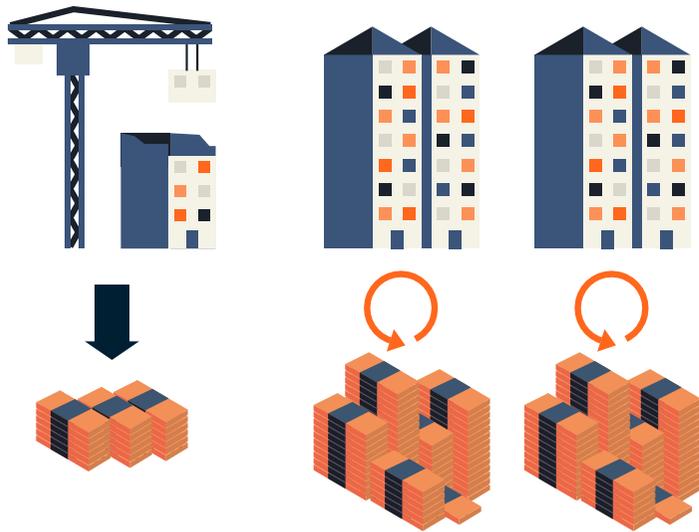
Hyde social tenancies generate at least £5,518 per tenancy, per year, for the Treasury, directly to government agencies. Combined with broader economic gains of £10,171, this means the total impact per tenancy is £15,689 per year.



	Cost type (per tenancy £)			
	Total impact per tenancy	Treasury and other LA agencies	Economic gain	Other gains eg insurance
Financial wellbeing	1,629	1,564	-	64
Physical health	2,539	2,539	-	-
Mental health	32	32	-	-
Education	267	28	126	113
Social justice*	1,668	1,040	314	314
Family	314	314	-	-
Employment	5,281	-	5,281	-
Social value totals	11,731	5,518	5,721	492
Construction impact	2,817		2,817	
Maintenance impact	1,141		1,141	
<b>Total by cost type</b>	<b>15,689</b>	<b>5,518</b>	<b>9,679</b>	<b>492</b>

\*Note that social justice includes 'the average cost of crime'. This is a compound cost and is assumed to be split 50% treasury, 25% economic gain and 25% other gains.

At least £7,811 of the benefits are seen immediately (construction gain is a one-off impact during building), with £5,061 of additional social value being realised every year after the first year of the tenancy. This total benefit of £12,872 is seen for each year the tenancy is maintained.



	Take up period of costs (per tenancy £)	
	Total impact per tenancy	Treasury and other LA agencies
Financial wellbeing	1,201	1,629
Physical health	2,125	2,539
Mental health	-	32
Education	-	267
Social justice*	1,668	1,668
Family	-	314
Employment		5,281
Social value totals	4,994	11,731
Construction impact	2,817	
Maintenance impact		1,141
<b>Total benefit seen straight away</b>	<b>7,811</b>	
<b>Total stabilised benefit seen from the end of year one</b>		<b>12,872</b>

## The five pillars of wellbeing

When measuring the value of a social tenancy, we analyse our tenants' situations according to five pillars of wellbeing. The degree of wellbeing in each determines an individual's reliance on services and the contribution they can make, in terms of employment and to their community.

### Financial wellbeing

Social housing tenants are less likely to have problem debt, due to affordability of rent, no agency fees and charges; because of a less punitive approach to arrears and access to landlord services, such as benefits checks and debt counselling.

#### How we measure it:

- Household income
- Hyde payment profile.

### Mental wellbeing

Stable, secure and affordable housing improves the mental wellbeing of residents significantly and reduces the burden on healthcare and the police. Additional support is delivered through our network of health and social care teams and other organisations.

#### How we measure it:

- If someone is being treated, or seeking help, for a mental health condition<sup>1</sup>.

<sup>1</sup> Note that mental health has not been used to inform the 2018/19 segmentation because of the lack of strong, reliable data. However, the segmentation model does allow for this to be measured if and when this data is complete and becomes available.



## Physical wellbeing

Physical wellbeing improves (or at least does not further deteriorate) as a result of stable and secure homes that are well-maintained and energy-efficient, with good quality indoor and outdoor space. Residents' financial situations also improve, enabling them to buy better food and heat their homes.

### How we measure it:

- A health condition/disability that compromises daily living
- Behaviours impacting on health eg smoking, alcohol dependence, exercise.

## Relational wellbeing

A stable and uncrowded home environment reduces stresses and strains on family and personal relationships and can provide a starting point for the formation of new ones. There is a clear link between good and stable housing and the quality of relationships between parents and children.

### How we measure it:

- If someone feels isolated, rather than being part of the community
- The number of ASB cases.

## Purpose

Affordable, stable and secure housing, supportive relationships, plus tenancy support, provide opportunities to develop a sense of purpose, which is linked to a longer life, achievement at school and better employment. Parents support children better, ensuring they attend school, and people are more likely to volunteer or care for others, contributing to community wellbeing and reducing demand for support services.

### How we measure it:

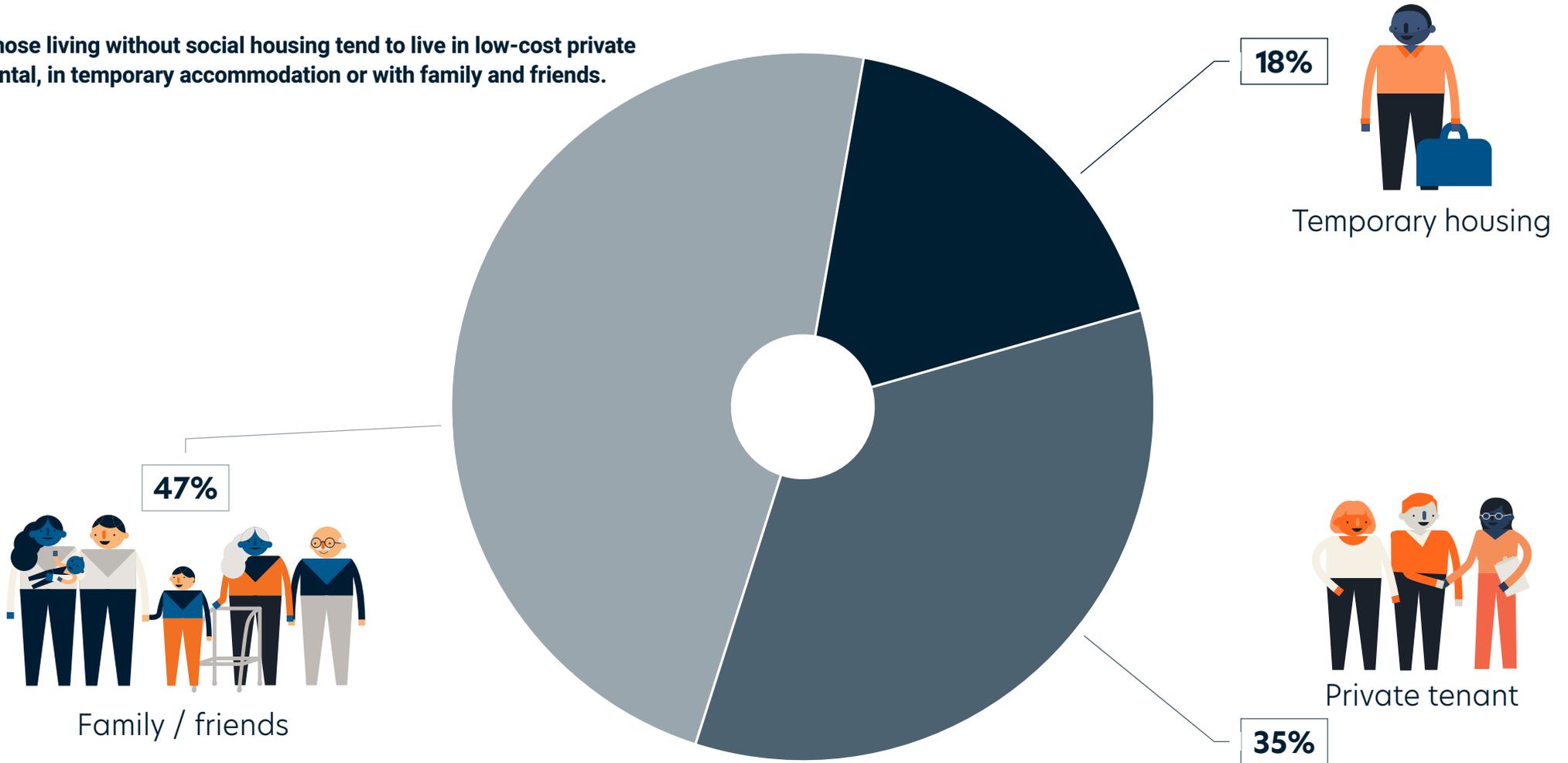
- Employment status
- Community group involvement
- Satisfaction with life, job and health.



## Comparing life with and without social housing

### Where do those without social housing live?

Those living without social housing tend to live in low-cost private rental, in temporary accommodation or with family and friends.



## What is the effect of social housing?

Whether living in social housing or not, people can be split into three lifestyle profiles (based on the five pillars of wellbeing): **Struggle**, **Squeezed** or **Comfortable**. Our research shows that people living in social housing are less likely to be **Struggling** or **Squeezed** (and more are **Comfortable**).



## Definitions of the three profiles

### Struggle

People in this group are more likely to be at risk of eviction, be a victim or perpetrator of crime and use emergency services. They may be in extreme financial difficulty; their children may struggle at school; they may not have a support network and may be unaware of services that could help them.

### Squeezed

People in this group are worse off than national averages financially and are 'getting by'. They may have unstable employment; struggle to pay rent and bills regularly and may have issues with affording healthy food and parenting (impacting their health); and their children are more likely to struggle at school.

### Comfortable

Incomes are in line with national median and those in secure tenancies may be better-off than those in other housing. They have stable employment (or are financially stable); children achieve GCSEs in English, maths and science; disabilities or long-term care is well-managed and they have a support network of friends, family and neighbours.

## What is social value?

Using the measures for each pillar allows us to give a value to people's circumstances (based upon the costs to public services and financial gains to the economy).

The difference in value between those living with social housing and those living without it gives the 'core' value of a social tenancy.



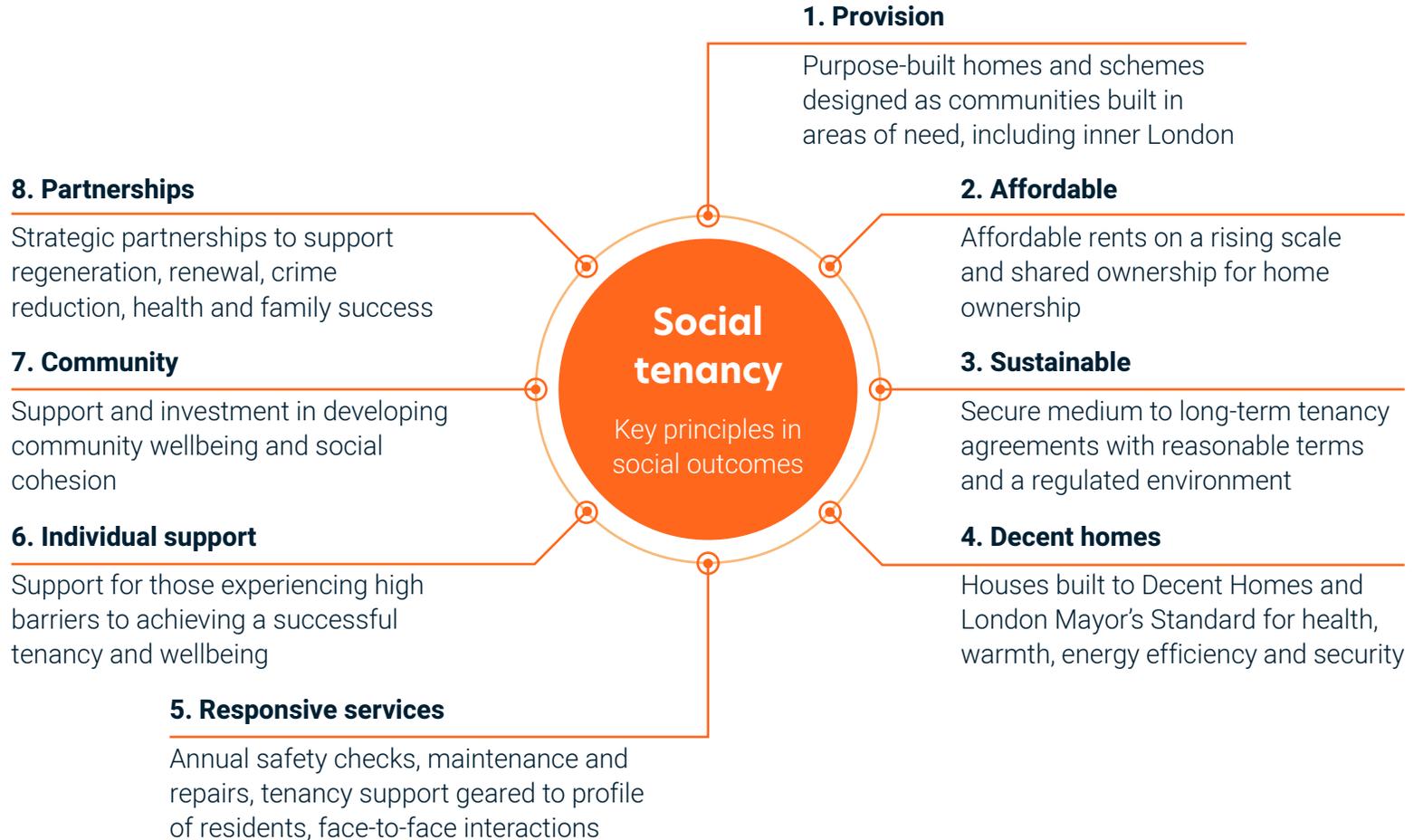
## How Hyde's services create social value

**Our eight core areas of services work together to deliver social value under the five pillars of wellbeing: financial, mental, physical, relational and purpose.**

We do not just provide homes - we provide affordable sustainable tenancies that meet the Decent Homes Standard. We then wrap responsive services, individual support, structured and supportive communities and a range of strategic partnerships around tenancies, to make them work.

Our activities, from building homes to providing landlord services, work together to improve wellbeing for residents, communities and society as a whole.

We ensure people have greater levels of stability in their lives, through decent, well-maintained homes, longer tenancies, advice and support.



## Measuring the impact of a social tenancy

### Eight core areas of services

(Provision, Affordable, Sustainable, Decent Homes, Responsive services, Individual support, Community, Partnerships)

	Financial wellbeing	Mental wellbeing	Physical wellbeing	Relational wellbeing	Purpose
Individual	Debt reduction	Greater stability	Fewer GP visits	Improved family wellbeing	Increased attainment & growth
	Access benefits & employment	Reduced isolation	Fewer falls	Timely social service support	More able to act as a carer
	Reduced fuel poverty	Improved addiction/recovery	Fewer childhood accidents & deaths	Less vulnerability	Participation & volunteering
	Improved living standards	Improved life chances	Reduced respiratory disease, CVD <sup>1</sup> , EWDs <sup>2</sup> , suicides	Reduced offending	
Community & society	Capital for regeneration	Greater participation	Reduced strain on health & social care	Reduction in costly service demand	Increased agency
	Contribute to meeting housing demand	Improved community wellbeing	Reduction in costly service demand	Generation effect	Healthy interdependence
	Boost to employment	Reduction in costly service demand	Reduced health inequalities	Greater social & cultural capital	
	Boost to economy	Increased service capacity	Increased societal participation	Place-based change	

1. Cardiovascular disease  
2. Excess winter deaths (through cold etc)

## Melanie's story

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### **A Hyde home has given Melanie and her family the financial stability and security they desperately needed, after years of uncertainty living in private rented accommodation.**

When her relationship with the father of her 14-year-old daughter ended, Melanie had to move out of their Royal British Legion accommodation (her ex was in the Army). She had no choice but to find private rented accommodation, despite having no money.

Melanie, who has lived in Maidstone for 17 years, was forced to move four times in six years, juggling four jobs and racking up thousands of pounds in debt, as she struggled to make ends meet, while paying expensive rent and tenancy fees each time she moved.

Melanie met a new partner and they have three-year-old daughter. The family continued to struggle financially because she and her partner both work (Melanie is part-time nursery worker and he is a forklift driver), so they were not entitled to any benefits. This also meant, despite sometimes having just £10 a week for food, they could not be referred to a foodbank. They also could not afford school uniform and Christmas presents were donated by the Salvation Army.

The family's situation was becoming desperate but fortunately, after six years on the waiting list, they finally qualified for social housing and moved into their Hyde home in November 2018. With rent just over half of what she was paying before, Melanie says the family is much better-off and no longer has to rely on friends and loans for essentials. But she adds that the benefits are not just financial.

"It's the security our Hyde home gives us," she explains. "It's great to know that we won't have to move every year and have to pay tenancy fees each time. We also don't have to constantly be on the lookout for another place to live and the children don't have to change schools again. It's going to take us another three to four years to get out of debt, but I know we can do it."

"We are so grateful to Hyde. We love our home – it's perfect. There is a real sense of community where we live: there are lots of children the same age as ours and we have supportive neighbours. Plus, we are five minutes away from the centre of Maidstone and near my daughters' nursery and school. I feel like I have won the lottery living here. We're so happy."

Melanie says the improved financial situation means she can now afford the occasional treat for the children.

"My eldest daughter has a dairy allergy and now I can afford to buy her dairy-free cheese for her school lunches. She is also obsessed with Harry Potter and I was able to pay for her to join the school trip to the Harry Potter Studio tour this summer. When I told her I'd paid the trip deposit last Christmas, she said it was the best Christmas present ever."



**"I am so grateful to Hyde. This home is perfect for us. I feel like I have won the lottery - we're so happy."**

Melanie, Maidstone

## Sam's story

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### **Moving into a Hyde home, close to family and friends, has given Sam and his young family the opportunity to put down roots in a safe and welcoming community.**

Twenty-three-year-old Sam, his partner Nina and their daughter Maisy moved into their new home in Chichester in February 2019, after spending a year in a private rented flat in Tangmere.

Bathroom and kitchen design consultant Sam, who grew up in a social housing home in Chichester, explains that the couple struggled to make ends meet because of the "extortionate" rent.

"Nina and I both work but most of our salaries was going on rent and bills," he says. "So, when we got the call from Hyde that a house had come up in Chichester, near where I grew up, we were really happy.

"The rent on our new home is much more affordable. It's about half of what we were paying to the private landlord, which means we have more money to spend on other things. It's made life much easier and that's particularly important now, as we are expecting our second child in December."

But more importantly, Sam says their new home gives the family some much-needed security and stability.

"With Hyde, we know we will always have a roof over our heads. When you live in private rented accommodation, there is always a chance that you could be kicked out, should you get into financial difficulties.

"However, we know Hyde will work with us to solve any money problems – they wouldn't want us on the streets – they work for their customers, not themselves. Hyde have been very supportive throughout, sorting out issues very quickly – I've got nothing negative at all to say about being one of their customers."

Because Sam grew up in the area, he and Nina also have a strong local support network, with family and friends close by.

"I know the area inside out," Sam says. "It's a fantastic place and quite a few people from my childhood still live here; my brother is just two minutes away. It's really important to have family around and knowing there's always someone to help. It's great to feel part of the community.

"It's a lovely location, that I'm very familiar with. It's a safe area. I'm sure I won't be worried when Maisy is older, and wants to go out to play with her friends, because there will be people we know to keep an eye on her. Everyone is so nice here."

And while Sam admits to being quite anxious when picking up the keys – "we knew there was lots to do" – he says decorating and refurbishing the house has been the best bit about having their own place.

"It's about making a house your home. We really love it here and are really proud of what we have done so far. One of the first things we did was to decorate Maisy's bedroom – it's amazing for her to have her own room. We also spent three months sorting out the garden that was quite overgrown, which will make a great play area for Maisy next summer."

Next up is the bathroom, Sam says. "Because of my job, I can get a good price on a new bathroom. I've always fancied a whirlpool bath and we have the space, so we'll see!"

He adds that he and Nina are not looking to buy a house anytime soon.

"We've seen how hard and stressful it is for young couples and families to buy their first home. If our family grows further, then we would be happy to stay with Hyde, who we're sure would help us find a bigger place to live.

"Moving into our Hyde home is one of the best things that's ever happened."



**“We will always have a roof over our heads. When you live in private rented accommodation, there is always a chance that you could be kicked out, but Hyde wouldn’t want us on the streets - they work for their customers, not themselves.”**

Sam, Chichester



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### Read the full report

The value of a social tenancy report is available on our website:  
[www.hyde-housing.co.uk/value-to-society](http://www.hyde-housing.co.uk/value-to-society)

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## About the Hyde Group

The Hyde Group was established in 1967 to provide homes for those left behind by the market. We are an award winning provider of homes, combining social purpose with entrepreneurial drive and professionalism.

Hyde is one of the largest housing associations working in England, owning or managing about 50,000 homes in London, Kent, Surrey, Sussex,

Hampshire, the East of England and East Midlands. This means that more than 100,000 residents have homes at prices they can afford, with long tenancies that enable them to improve their life chances.

The homes that we build, as well as the ones we already own, include those for shared ownership, for social rent, for outright sale and for private rent.

Hyde Housing Association is a not-for-profit organisation but our family of companies, which makes up the Hyde Group, includes charities and profit-making subsidiaries. The money that we make is used to build more homes for those excluded from the market.

**To find out more about the Hyde Group visit [www.hyde-housing.co.uk](http://www.hyde-housing.co.uk)**

## Bates Wells

BW's Advisory & Impact department works co-productively with social good organisations to help them identify opportunities for social impact and develop pragmatic impact measurement frameworks for integrated reporting. BW also specialises in conducting impact studies to evaluate, value and articulate social outcomes that organisations achieve through their work.

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If you would like this document in one of Hyde's community languages or another format please contact us.