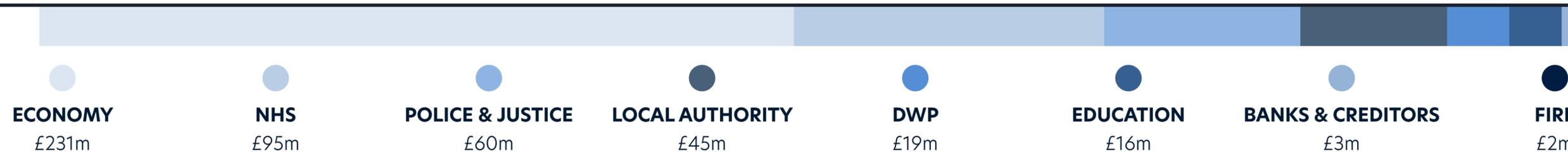


Value of a social tenancy to the Treasury 2019/20



Summary

A social tenancy is worth at least £21,001 pa, of which £13,682 is derived from the social value arising from improved tenant wellbeing, £5,992 from construction spend and £1,327 from maintenance spend.*

This value attributable to different stakeholders is illustrated in the bar chart above. These stakeholders map into seven areas of wellbeing: financial, physical, mental, education, social justice, family and employment.

These figures have been updated from 2018/19, in the light of new customer and cost data and Hyde's 2019/20 construction and maintenance spend.

In 2018/19, the value of a social tenancy was at least £15,689 pa, of which £11,731 represented the social value arising from improved tenant wellbeing, £2,817 from construction spend and £1,141 from maintenance spend.

Benefit to the Treasury

The adjacent table breaks down the value of a social tenancy by cost type against each of the seven areas of wellbeing.

The Treasury sees a total value of at least £5,698 per annum per tenancy directly to government agencies and a further £14,617 in broader economic gains.

Cost line: seven areas of wellbeing	Cost type (per tenancy £)			
	Total impact per tenancy	Treasury and other LA agencies	Economic gain	Other gains eg insurance
Financial wellbeing	1,763	1,697	-	66
Physical health	2,719	2,719	-	-
Mental health	34	34	-	-
Education	467	41	198	228
Social justice [†]	1,811	1,027	392	392
Family	180	180	-	-
Employment	6,708	-	6,708	-
Social value totals	13,682	5,698	7,298	686
Construction impact	5,992		5,992	
Maintenance impact	1,327		1,327	
Total by cost type	21,001	5,698	14,617	686

* Figures taken from our report The Hyde Group: The Value of a Social Tenancy: 2019/20 Annual Update. This report is available to read at www.hyde-housing.co.uk/value-to-society.

[†] 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.

Value of a social tenancy to the Treasury 2019/20



Cost line: seven areas of wellbeing	Take up period of costs (per tenancy £)	
	Immediate Immediate impact in construction phase and immediate impact to a resident when they take up a social tenancy	From end of year one A consistent and annual benefit
Financial wellbeing	1,202	1,763
Physical health	2,245	2,719
Mental health	-	34
Education	-	467
Social justice	1,811	1,811
Family	-	180
Employment	-	6,708
Social value totals	5,258	13,682
Construction impact	5,992	
Maintenance impact		1,327
Total benefit seen immediately	11,250	
Total stabilised benefit seen from the end of year one		15,009

Benefit to the Treasury (continued)

These 'benefits' are then split into those which occur immediately and those which build up over the first year of the tenancy, with the total benefit seen each year in a steady tenancy.

There is an immediate gain of at least £11,250 (note that the construction gain is a one-off impact seen during the building phase of a social tenancy) with an impact of £15,009 seen thereafter each year.

Conclusion

The Treasury can create additional return to both to public finances and to the UK economy by enabling the creation of additional social tenancies.

Each tenancy creates at least £5,698 pa direct positive effects on public spending, and at least £15,303 of broader economic and other gains. This research shows there is a direct relationship between the additional return generated and the number of social tenancies the Treasury enables.

Of the total gains, around three quarters occur immediately, and the other quarter builds up over the first year of a new tenancy.



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More information

Contact the Hyde Group, on **0800 328 2282**.

For more detail on the value of a social tenancy visit www.hyde-housing.co.uk/value-to-society.

Note on COVID-19

The data presented in the report runs through to 31 March 2020. As such, the impact of COVID-19 for Hyde tenants has not been factored into the modelling.