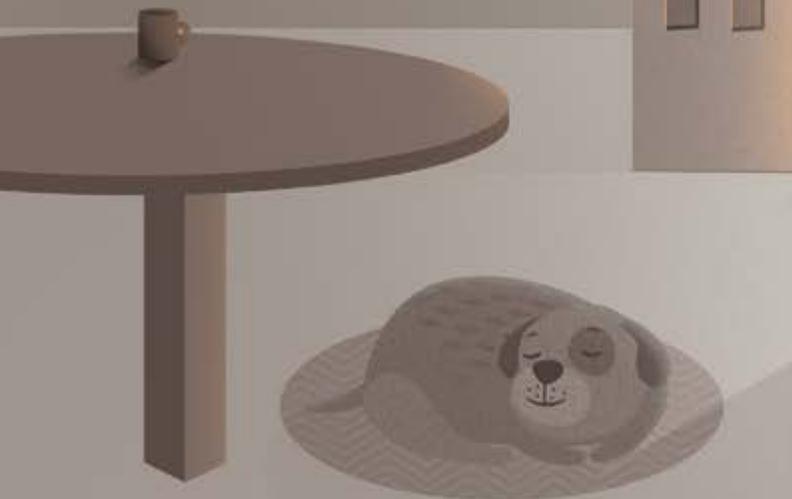




The value of a social tenancy

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



2019/20

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 Sonnet Advisory & Impact CIC 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

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 2020, updating the original research carried out in 2018. We aim to review and update our model regularly, to make improvements and learn from best practice.

This year, for example, we have been able to calculate the proportion of working age adults, older people and children living in our homes more accurately. This greater understanding of our customers has led to an increase in our estimate of the number of adults in employment, which in turn has resulted in a significant increase in core social value per tenancy, from £11,731 to £13,682 (a 9% increase).

We have also updated the cost data used in our modelling, applying inflation where no new data was available. This has resulted in an increase of about £800 in social value.

We also spent more on building and maintaining our homes over the past twelve months, which is reflected in the increase in the economic impact from these activities, from £2,817 to £5,992 and from £1,141 to £1,327 respectively. This has meant the total social value per Hyde tenancy is now estimated to be £21,001, compared with £15,689 last year.

Also note the impact of COVID-19 was not factored into our modelling, which used data available at 31 March 2020.



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, visit the *Our value to society* pages of our website: www.hyde-housing.co.uk/value-to-society.



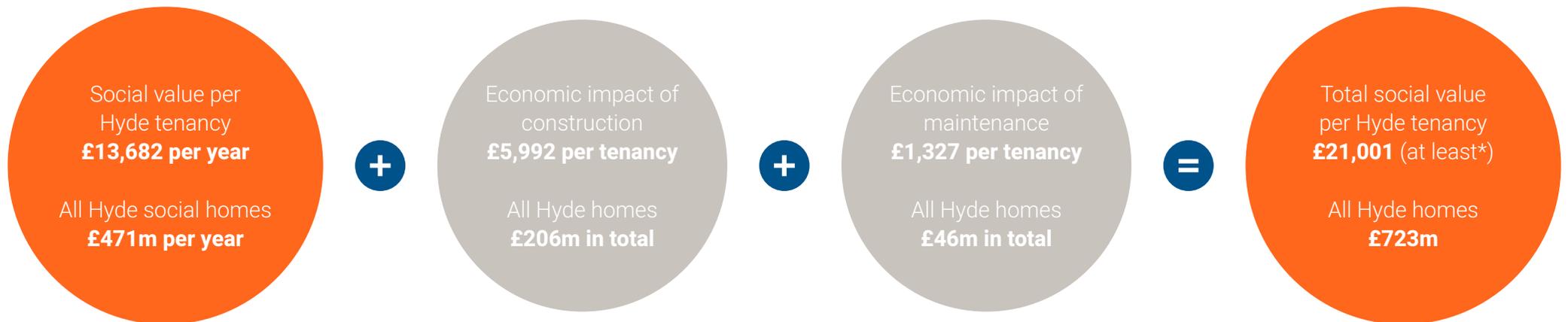
The music drifted out through the open window
and into the evening sky. It drifted across
the rooftops, over to his neighbours.
And they wondered WHO was playing
such beautiful music?

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 £13,682 per year (a total of £471m 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 £21,001. As a whole, we deliver a total value of £723m a year.



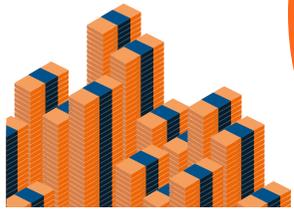
This includes £3m Hyde Foundation contribution

*We believe the value of a social tenancy is 'at least' this amount because figures have been discounted by 5%, reflecting that benefits may arise without a social tenancy, and by a further 40%, because other factors, individuals and agencies contribute to delivering these benefits.

Furthermore, only data obtained from reliable sources has been included within our research; there are aspects of social tenancies that we know generate value but, to date, we have not been able to measure them accurately.

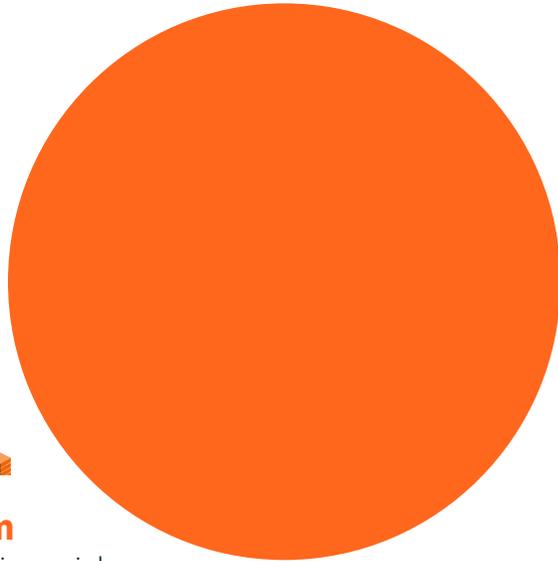
The £471m direct benefits of Hyde's social tenancies explained

The annual direct benefit of all Hyde's social tenancies is £471m (excluding 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: £231m

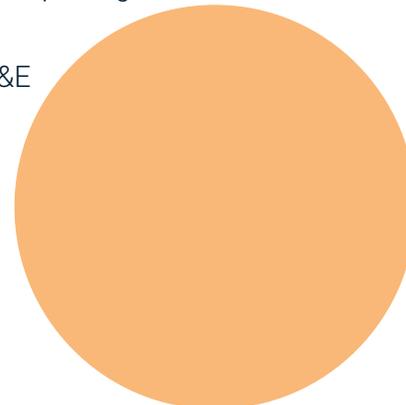
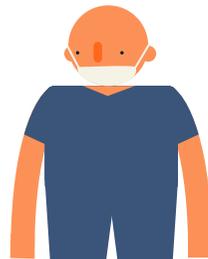
- 10,363 adults living in social housing were able to get back to work, generating **£212m**
- Social tenancies reduce presenteeism, valued at **£5m**
- Social tenancies halve absenteeism to ten days a year, valued at **£14m**.



NHS: £95m

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

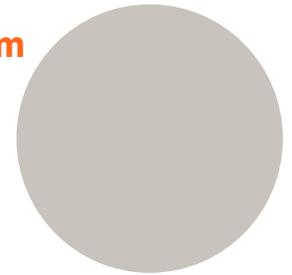
- Fewer drug and alcohol issues
- Fewer falls for the elderly
- Reduced incidence of childhood asthma due to damp living conditions
- Fewer GP and A&E attendances.



Police and justice: £60m

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 **£6m**
- Results in 8,728 fewer incidents, saving **£54m**.





Local authority: £45m

These savings are the result of:

- Moving 6,135 residents out of temporary accommodation, saving **£39m**
- Helping the elderly stay independent for longer, delaying a move into residential care, saving **£5m**
- Children living in social housing being less likely to be on the Child Protection register, saving **£1m**.



DWP: £19m

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

Banks and creditors: £3m

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



Education: £16m

Children living in social housing are more likely to attend school and have improved earning potential.



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

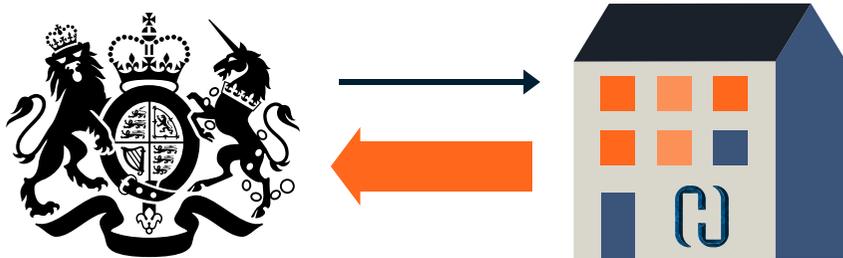
The value of a social tenancy report is available on our website:

www.hyde-housing.co.uk/value-to-society

The value of Hyde social tenancies to the Treasury

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.

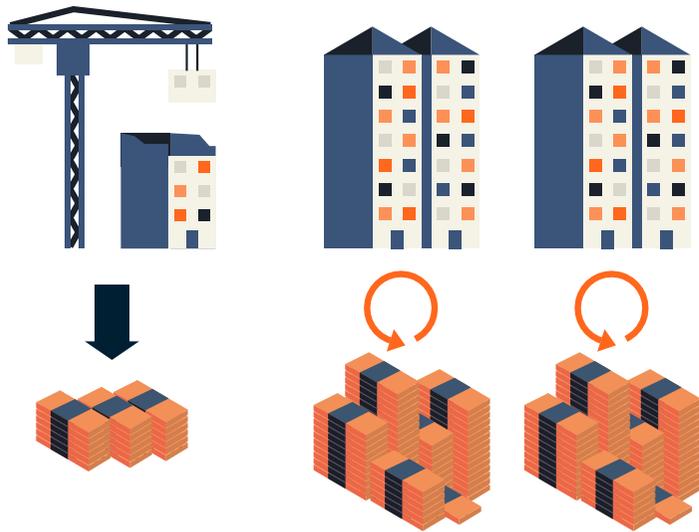
Hyde social tenancies generate at least £5,698 per tenancy, per year, for the Treasury, directly to government agencies. Combined with broader economic gains of £15,303, this means the total impact per tenancy is £21,001 per year.



	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

*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 £11,250 of the benefits are seen immediately (construction gain is a one-off impact during building), with £3,759 of additional social value being realised every year after the first year of the tenancy. This total benefit of £15,009 is seen for each year the tenancy is maintained.



	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 straight away	11,250	
Total stabilised benefit seen from the end of year one		15,009

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 condition¹.

¹ Note that, in line with the approach followed in 2018/19, mental health has not been used to inform the 2019/20 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:

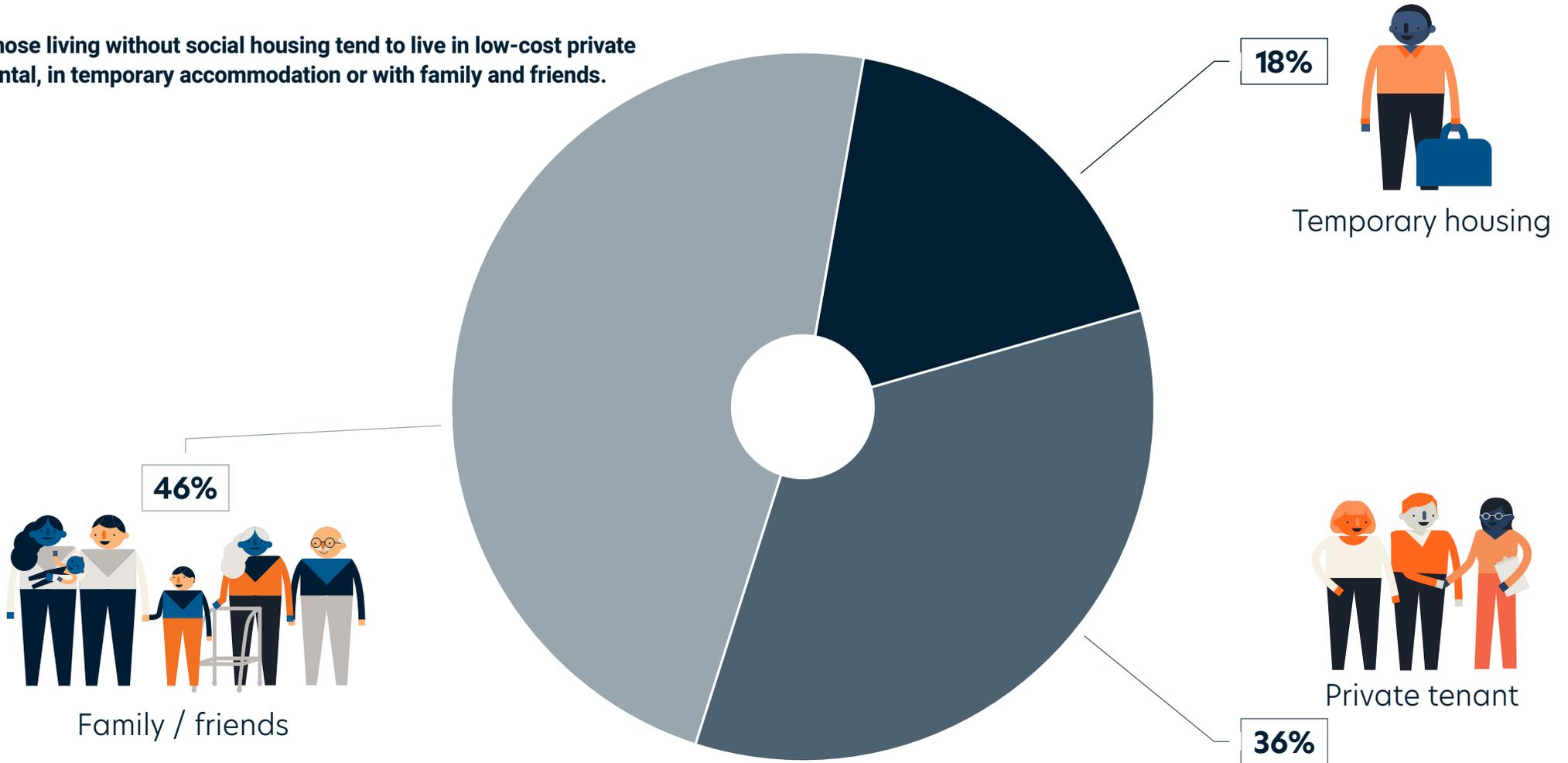
- Employment status
- Community group involvement
- Satisfaction with life, job and health.



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.



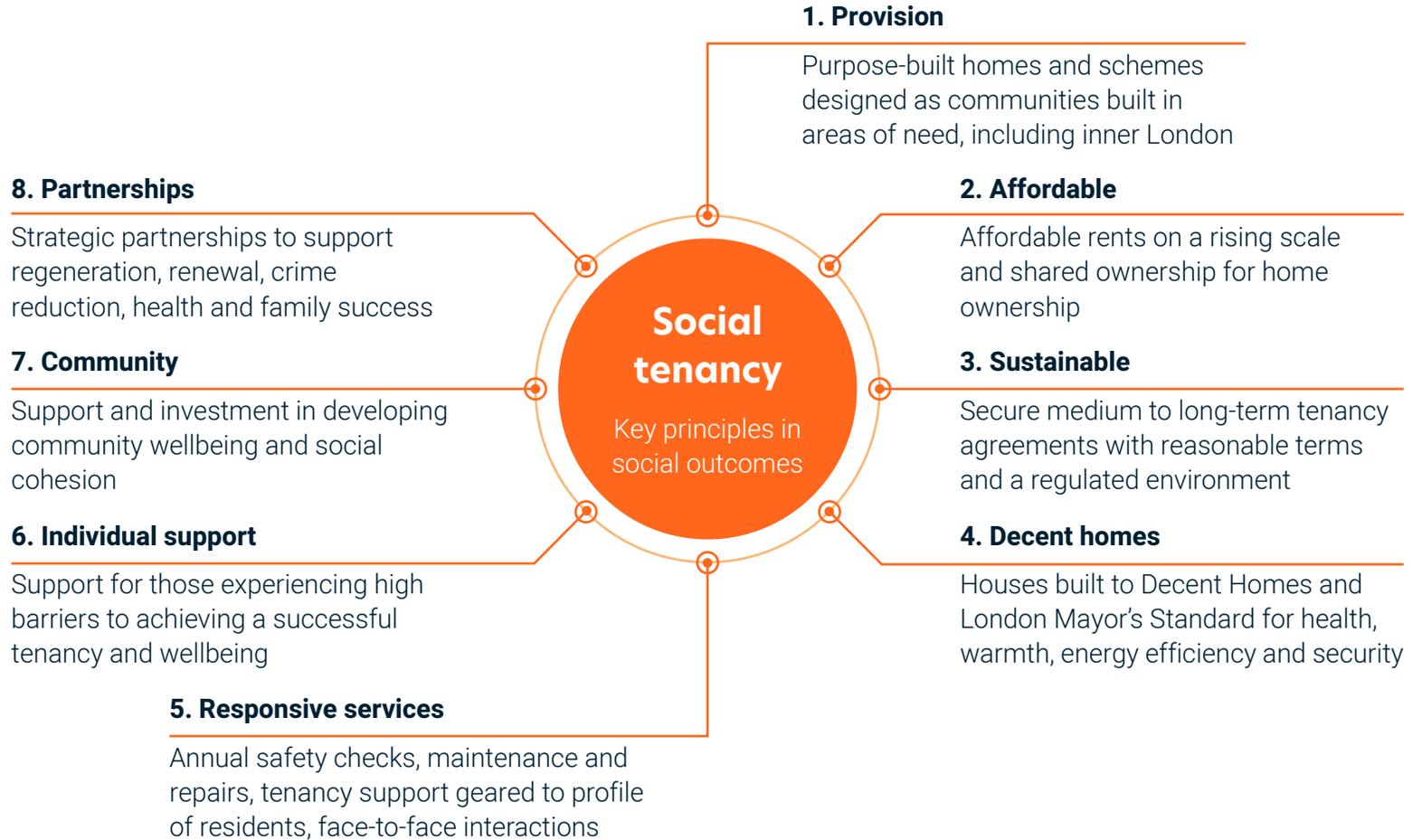
How Hyde's services create social value

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 ¹ , EWDs ² , 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

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 eldest 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 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 had a daughter together. The family continued to struggle financially because they were not entitled to benefits, as both Melanie and her partner work (she is a part-time nursery worker and he is a forklift driver). 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, nor could they afford Christmas presents, which 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. I was also able to pay for her to join school trips, including one to the Harry Potter Studio, which she said 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

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.

Sam and his young family 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.”

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 my kids are older and want to go out and play with their

friends, because there will be people we know to keep an eye on them. Everyone is so nice here.”

And while Sam admits to having been 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 my daughter’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.”

He adds that he is 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



Read the full report

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

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

Sonnet Advisory & Impact CIC

Sonnet Advisory & Impact works with organisations to help them identify opportunities for social impact and develop pragmatic impact measurement frameworks for integrated reporting. We also specialise 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.