

Building opportunity

How social housing can support skills, talent and workforce development

Summary for housing associations

November 2022

Why have we produced this report?

This report was produced by the Learning and Work Institute and the Institute for Employment, with support from the National Housing Federation, Communities That Work, and the National Federation of ALMOs. It uses case studies from six social landlords to draw out key lessons in how social landlords are working with residents to improve jobs, incomes and wellbeing, and identify key challenges and opportunities for the future.

Just over half of people who live in social housing work despite significant barriers to employment. However, there is also a greater proportion of people in social housing who are deemed “economically inactive” as compared to the general population. The case studies compiled for this report highlight what is possible when people are supported in their own community and in a way that is tailored to their needs. For the first time in at least thirty years, the workforce has stopped growing and may be getting smaller. Now more than ever, employers and the government will need to find new ways to raise participation in the labour market, engage people further from work, and improve job retention, security and progression. As our case studies highlight, social landlords can play a key role in working to address these challenges, by supporting their residents and others in their local communities to prepare for, find, secure and progress in decent work.

Employability and social housing tenants

We know that we are facing a housing crisis in the UK. Across all tenures and income levels, there is a shortage of affordable, secure, and decent accommodation. Due to this acute shortage, social housing, the most affordable tenure available, is often only accessible to those in the most extreme housing need that cannot be met in the private rented sector or through home ownership. Overall, one in seven people of working age in England live in social housing, or around five million adults.

Tenants in social housing are more likely to be facing a long-term health condition, have a disability, or be a lone parent. They may be coming from severely overcrowded housing or be on a low income. Often they have experienced homelessness. Put simply, with demand as it is, to be prioritised now as a new tenant social housing today means that you are more likely to be facing a challenging set of personal and financial circumstances. It is perhaps no surprise, therefore, that often these circumstances can also act as barriers to the labour market.

Due to these barriers, social housing tenants are twice as likely to be out of work as those in other tenures, and nearly half of all tenants are living in relative income poverty. But tenants in social housing are also talented and aspirational. To not support them into work is to miss a trick at a uniquely challenging time for employers. Raising employment for people in social housing was an economic and social imperative before the pandemic, but should be a necessity now – to boost supply and help meet labour and skills shortages; to help families and communities to deal with the cost of living crisis; and to tackle inequalities between people and places.

What role do social housing providers currently play?

Social landlords take a range of approaches that vary according to their objectives, funding landscape and local needs. These can be grouped around three broad models:

- **Core employment services** – most case studies offered one-to-one help around job hunting. In some cases, these are self-funded by the landlord; in others, funded through combinations of local grant and contract funding.
- **Specialist support for those further from work** – specialist support is generally determined by the needs of residents and funded from a range of sources including the European Social Fund, DWP funding and the National Lottery.
- **Direct employment, apprenticeships and use of ‘social value’ clauses** – landlords using their own resources and local leverage to create opportunities for disadvantaged residents.

Why are social housing providers the solution?

- **Wide community reach** – housing associations have regular contact with their tenants and are relatively well trusted in their communities so can build relationships throughout a community.

- **Deliver personalised support** – housing associations can be personalised to their needs and deliver support in a tailored way that is more flexible than mainstream employment services.
- **Build strong partnerships and co-ordinate activity locally** – housing associations play a key role within local communities and can bring together services, align provision, and deliver more joined-up, person-centred support.
- **Enable residents to access wider support** –tenants are able to access a range of services and supports. This included training and skills, health and wellbeing, and help around issues like welfare, tenancy, digital skills, travel to work and more.
- **Leverage landlords’ roles as ‘anchor institutions’** – housing association can use their roles as large local employers and commissioners of services to drive change in their communities.

There are a range of challenges to going further

- **Continuity of funding** – short-term funding, peaks and troughs make it hard to plan, deliver services over the long-term and recruit staff. A particular concern was around the end of ESF funding and the gap to the Shared Prosperity Fund.
- **Fragmentation, duplication and gaps in delivery** – a complicated, fragmented landscape for funding and delivery risks duplication across services and people slipping between gaps. A related issue was a lack of awareness among commissioners, funders and local policy makers of the needs of social residents and the services that social landlords could provide.
- **Inflexible commissioning and delivery models** – housing associations feel they are sometimes delivering services in spite of, rather than because of, different funding and commissioning approaches.
- **Effective engagement with employers** –there is an inherent bias against social tenants in recruitment processes, often related to work experience and skills.
- **Recruitment and retention** – it is proving harder in the current tight labour market, and with the short-term and uncertain nature of programme funding, to recruit and retain staff to deliver employment support services.

How can we overcome these barriers?

1. A new plan for jobs, growth and incomes

The crises that we are facing now are different to those that we faced when the Plan for Jobs was launched. We need a new plan that can invest in specialist employment support for those who want to work, broaden access to employment services and strengthen local partnerships. This research demonstrates the critical importance of involving social landlords in the design, development and delivery of new services alongside other partners.

This should include focusing on engaging social residents, commissioning in ways that support local partnership, and bringing forward to 2023 the employment and skills strand in the Shared Prosperity Fund (and ensuring that funding at least matches the European Social Fund).

2. More support for partnerships and co-ordination

We must go further to support local co-ordination. This should include stronger guidance and governance, for example through local boards and outcome agreements, placing 'duties to co-operate' on statutory services like Jobcentre Plus, and including tenants and social landlords in local planning e.g. Local Skills Improvement Plans. As part of this the government and local and combined authorities should ensure regular data on performance is available on a local level.

3. Sector action to build capacity and capability

There is also scope for the housing sector to do more on building capacity, sharing practice and raising awareness of the role that social landlords can play. This should be sector-led and identify new opportunities and challenges.

4. Supporting innovation

We need innovative approaches to employment and skills support that can be delivered through social landlords. This would improve the evidence base around supporting those furthest from work, and would build capacity, capability and local partnerships. Similar models already exist in the 'what works' network, and a similar model of challenge and innovation funding could be delivered through the Shared Prosperity Fund. This could be underpinned by an Employment and Skills Data Lab, modelled on the Justice Data Lab,

As a starter, there would be significant value in trialling the 'Jobs-Plus' model in the UK, a well evidenced approach to supporting people out of work in the most disadvantaged communities, taking a place-based, joined-up and work-focused approach.