



Sir Andrew Green's Presentation to the National Housing Federation on 23 September, 2009

Social Housing

[\[See also the PowerPoint Presentation\]](#)

1. Introduction

I am grateful for this invitation to your conference.

I have long thought that we need a fuller and franker discussion of the linkage between immigration, population and housing.

The rate of immigration is absolutely critical to housing demand and it is the only factor that the government can directly influence.

For far too long it has been the elephant in the room.

It is the role of Migrationwatch to set out the facts of the case so that people can draw their own conclusions.

We hope that, in due course, the political system will respond to informed opinion. I am glad to note that the Minister for Immigration said in Parliament recently that he had no problems with Migrationwatch's interpretation of ONS figures.

Let me make two points absolutely clear from the start.

First, that we are not opposed to immigration, and we are certainly not anti-immigrant. We recognise both the major contribution that immigration has made and the benefits of continuing immigration.

To take two examples:

- the value of skilled immigrants to industry and commerce
- the value of the bonds formed with overseas countries by students who have studied here. I have been the beneficiary of that myself.

So this debate is not about the principle of immigration, but the scale of it.

We believe that immigration should be both controlled and limited in the interests of our society as a whole.

I note here that a recent Yougov poll found that two thirds of our BME communities wanted to see

a sharp cut in immigration, to 100,000 a year or less.

Secondly, this is not a race issue – for three reasons:

(i). Half of our ethnic communities were born here so they are not immigrants at all and we should not imply that they are.

(ii). One third of those who are immigrants are white

(iii). The immigration system is built on nationality, not race.

- so a black Frenchman has free access as a European citizen

- and a white American is subject to immigration control.

So let us put those issues aside and examine the facts.

I propose to tackle the subject in three sections;

- the impact of immigration on population

- the effect on housing demand generally

- the special case of the demand for social housing

I will, of course, focus on the immigration aspects. You are all experts in housing so you don't need me to tell you about that.

2. Immigration and Population

Let me stress first that all the numbers which I shall quote (except opinion polls) are the government's own numbers.

So I am not talking about "myths" referred to in the title of this session but about the facts in so far as they can be known.

First, large-scale immigration is a new phenomenon in Britain (slide 2).

It is interesting that public concern tracks it (slide 3).

The impact on population is illustrated in this diagram (slide 4)

There are three factors in determining population:

- the death rate, which is declining slowly but steadily

- the fertility rate which is more difficult.

It is now rising and has reached 1.96, close to the replacement rate of 2.1. This increase is partly due to the higher birth rate of foreign born mothers.

- Much more difficult is the third factor - the impact of immigration.

It is necessary to make some assumption.

The ONS assume that net immigration will fall from the 2007 level of 237,000 to 190,000 and will stay flat for the rest of the projection period.

This would give a UK population of 70 million in 20 years time.

Of the nearly 10 million extra population, 70% will be due to immigration and over 90% will be in England. This 70% is equivalent to roughly seven times the population of Birmingham.

The official net immigration figure for 2008 has not yet been released but we expect it to be about 150,000. It has fallen because of the departure of more EU citizens. There has been no significant fall in inward migration from outside Europe.

However, even if the net immigration assumption is reduced to 150,000, we will still have a population of 70 million in 25 year's time.

The government have no response to this. They are simply in denial. They say that they do not believe the ONS. Yet, for the past 50 years, population projections at the 20 year range have been accurate to 2.5%.

3. Immigration and Housing

It is here that public discussion has been lacking and the government has been reticent.

The latest household projections made no mention of immigration in their summary (slide 5).

You had to go to page 7 to discover that the difference between the principal projection and the projection assuming zero net migration was 99,000 households per year. That is 39% of new households and is a rough guide to the extra homes needed.

None of this is apparent at local level. Local government is just told how many houses they must build.

It was not even apparent to a former Home Secretary. When I told him that 33% of all new households were down to immigration (the figure at the time), he was incredulous!

Of course, that there are many other factors in the demand for housing:

- divorce
- more adults
- more single households
- more pensions

It would be a mistake to oversimplify this complex field.

However the bottom line is incontestable;

- immigration is the major factor (slide 6)
- it is also the only factor, as I mentioned which the government can directly influence

4. Immigration and Social Housing

That is the wider context.

I come now to the third and last section. This question of social housing has become highly politicised, partly because of the stress placed on it by the BNP.

We have been warning, literally for years, that unless the major parties address the issues around immigration, the field will be left wide open to the BNP. That is exactly what is happening.

Before I address the issue of the allocation of social housing, it is critical to put this in the context

of the **supply and demand for social housing**.

(i) Supply and Demand

The simple fact is that supply has not risen to meet the increased demand for social housing – which in turn has turned the focus of debate onto the allocation of housing.

If we look at the supply of social housing we find that there has been only a small and declining number of completions in recent years, on average about 20,000 a year. (slide 7).

This is tiny compared to the stock which, in England, has actually fallen from 4.4 to 3.9 million in ten years. (slide 8). The government's recent announcement of an extra 2,000 social homes, billed as the largest social housing programme in 20 years, is a drop in the ocean.

So it is quite clear that no provision has been made to take account of the massive levels of immigration that the government have permitted, even encouraged in recent years.

The result has been that the waiting list for social housing in England has risen by 80% in six years (slide 9) to 1.8 million, with a sharp peak in 2003-4 (page 10). Indeed recent research by the National Housing Federation, published in March, suggests that the waiting list could approach 2 million in 2011.

Is immigration the cause? Here is net foreign immigration over the period (slide 11). You will notice a sharp rise in 1997 of people who, four or five years later, would qualify for social housing.

This, of course is NOT proof. Correlation is not causation. But in a time of rising living standards, it is hard to think of another explanation.

What is clear is that the failure of the government to increase the supply of social housing in line with the massive levels of immigration which they have encouraged, means that some immigrants have been given social housing that would otherwise have been available for British born applicants.

Had there been a proper debate on immigration, this might have been foreseen.

Migrationwatch have obtained from the ONS labour force data since Q4 1999 on the number of foreign born and UK born people in social housing in the UK up to the end of last year.

Only broad conclusions are possible from this data. However, it seems that, in this ten year period, the number of foreign born tenants in social housing has increased from 800,000 to 1.1million - an increase of over 300,000 or 38%.

At the same time, the number of UK born social tenants has fallen by about 1.2 million. Also, the total number of people in social housing has fallen as housing stock has been sold off. As a result, the **proportion** of foreign born has increased from 7.2% to 11.1% - an increase of 54%.

A key point to note is that this does NOT include the net number of 1.5 million migrants who arrived here in the last five years, who are not refugees but who will become eligible for social housing in coming years.

It is a simple point of fact: if you increase demand for housing but not supply, some people wanting a house will not get one.

(ii) The Allocation of Social Housing

But given the rise in demand, the letting of housing has been thrown into sharp relief, with accusations of bias favour of immigrants.

Are those allegations correct?

Not necessarily. It may just be that immigrants are in greater need. But that brings you back to how you define "need".

If you give high priority to poor or overcrowded housing conditions of families with children, then family size itself can be a factor which would give a certain kind of result.

According to the ONS, in 2001, women born in Pakistan, but living in the UK, had an average of 4.7 children in their lifetime. Those born in Bangladesh had 3.9, in India 2.3 while mothers born in the UK had, on average, 1.6 children.

So the question comes back to what definition of "need" you consider to be fair.

The issue is not whether the rules are administered fairly. But whether they lead to an outcome that is accepted as fair.

A very significant proportion of those directly affected do not think so.

A DCLG sponsored focus group study published earlier this year found that 32% of the public disagreed that the allocation of social housing was fair.

For those who said that they knew a lot about the matter, the figure was 64%.

For social renters themselves it was 42% who thought that the system was unfair.

This is a disturbing number. Could they be right?

A very interesting recent study was made by the Young Foundation - a social studies group that is very far from being right wing.

They had conducted a social study in Bethnal Green 50 years previously and, in 2006, they went back to assess the changes. They were clearly disturbed by what they found.

They described how a social housing policy introduced in the 1970's on the basis of "need", as defined by Whitehall, had had the effect of breaking up the social structure of the white working class while replacing it with an equally strong social structure of people of Bangladeshi origin. I stress that that is not my opinion, it is the conclusion of a major study by the Young Foundation.

If that is broadly right, it should be no surprise that there is a perception that social housing policy has favoured immigrants.

So are all these people wrong? Do they believe in a "myth"?

(iii) The IPPR Study

A recent study carried out by the IPPR attempted to show statistically that it was "a myth" that the system was biased in favour of immigrants.

Their headline claim was that

"Less than 2% of all social housing residents are people who have moved to Britain in the past 5 years."

The think tank, Civitas, have issued a paper by Professor Stone which effectively demolishes this claim.

There are two major weaknesses in the IPPR report:

a) The IPPR only addressed the allocation of social housing to the foreign born who had arrived in the last five years. The net number is about 1.5 million. Yes, 1.5 million.

However, it takes 4-5 years to qualify even to go on the waiting list so most of these immigrants will not yet show up in the numbers.

The only ones who would be those granted asylum or humanitarian protection. Between 2003 and 2007 they numbered 72,000 principal applicants.

So the study included less than 10% of immigrants who arrived in the last 5 years.

b) This relatively small number was then compared, not with the UK born granted social housing over the same period, but with the total of indigenous people who had qualified over their lifetime for social housing.

It is not, therefore, a surprise that this came to the tiny figure of 2%.

However, it tells us nothing useful as to whether the outcome is fair or not.

As I said earlier, the fact is that the proportion of foreign born in social housing has increased by 54%.

(iv) Government Policy

To tackle this situation and the perceptions that stem from it we should look at adjusting the rules so that, only in exceptional circumstances should newly arrived immigrants move ahead of UK born applicants who have waited years on the list and who have close local connections. This is, broadly, the policy in the Netherlands.

It rather looks as though the government have come round to that view themselves.

The latest guidance, issued in July, says this:

"In some areas this guidance will mean giving more priority to people who have been on the waiting list for a long time or more priority for people with strong local connections". (Slide 12)

If there really is no problem with the guidelines, why is the government so anxious to change them? This is surely an implied admission that something has been going wrong.

5. Conclusion

Access to social housing is hugely important. Not only does it provide housing for life but it can also sometimes be handed on to the next generation.

Nor is it only a matter of a roof. The quirks of the benefit system mean that someone in social housing on the average wage has a take home pay of £340 a week while the same worker in private rented accommodation with a housing allowance takes home £285. At that level £55 a week is a lot of money.

It is not enough to leave such a key issue to some Quango to commission some friendly think tank to produce a statistical comparison which turns out to be completely irrelevant.

The issue must be addressed squarely and honestly. The government themselves should conduct a full study and publish the results.

In conclusion, I would like to take a step back, and make three points on the bigger picture.

1. First, the population of the UK is growing rapidly - twice as fast as in the 1990's and three times as fast as in the 1980's. 70% of this increase is due to immigration.
2. Second, immigration is the major factor in household formation – 40% or, on average, nearly 2,000 new households a week - and it is the only one that can be influenced by government. We should be franker about that. And we should take action to bring immigration down to manageable levels.
3. Finally, in regard to social housing, no allocation system will be able to cope with the pressures unless there is a massive new build. Either we take serious steps on immigration to prevent our population reaching 70 million or we need to have a proper debate as to how we will pay for, and where we will build, the millions of extra homes needed.

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