

# Policy: discussion paper

## No place like home?

Addressing the issues of housing and migration



# Shelter



# Foreword

Eddie MacDonald



Immigration receives a great deal of policy, political and media attention. Questions about who comes, where they come from, and how long they stay for are at the heart of an ongoing debate. However, beyond the discourse on numbers, there is a more fundamental question: if immigration is here to stay – and labour market economics, as well as EU rules, say that it is – how do we manage the housing and other support needs of migrants while they are here?

In recent years, high levels of migration from new EU accession states have thrown this debate into sharp relief, particularly as EU migrants have dispersed to a much wider geographical area than traditional migration patterns. Evidence indicates that the housing response has been inadequate to date. Problems created by the proliferation of tied accommodation and houses in multiple occupation (HMOs), and increases in rough sleeping, have had negative impacts on migrants themselves, and also served to exacerbate tensions with resident communities.

Shelter believes that there needs to be a more focused and strategic approach to planning and providing for the housing and wider needs of migrants coming to the UK. The range of policy responses must be appropriate to the differing needs of migrant groups, whether they are short-term seasonal workers, longer-term skilled workers, asylum seekers or refugees. This is without doubt a complex area, and one which requires input from a range of different agencies. In this discussion paper, Shelter seeks to clarify the current situation as we see it, as well as suggest options for reform. We are keen to use this as a platform for further constructive debate with relevant partners.



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# Summary

‘It is housing, which is by common consent, that acts as the crucial determinant of the newcomer’s future in this country, and that of his family’.  
(EJB Rose, Colour and Citizenship.)

There is currently a national debate over the numbers of migrants in the UK. In recent years a major overhaul of the immigration system has taken place, seeking to simplify the law and strengthen UK borders.

## The media and public perceptions

The public debate has previously been focused on those coming to the UK to seek asylum. However, since the expansion of the EU in 2004, this media angle has shifted towards those arriving primarily in search of work.

- A common perception is that migrants jump social housing queues, although the evidence does not support this theory. Tensions often arise in local communities on practical issues, such as public services. A recent Citizenship Survey revealed that 25 per cent of white people think they are treated worse by their council housing department or housing association than people from other races.
- According to a 2007 MORI poll, migration was the issue of greatest public concern, higher than worries about crime or terrorism, and a further poll indicated that over 40 per cent of those surveyed felt that there were too many migrants in the UK.

## Housing and migrants

The differing legislative frameworks that categorise migrants in the UK, define the extent to which they can expect any assistance with housing once they are here.

- Migrant workers from outside the EU are generally required to accommodate and support themselves. EU migrant workers have differing levels of access to housing and benefits but any entitlement is bound up with work. Asylum seekers have no rights to mainstream housing or benefits at all, and are provided for under an entirely separate system run by the Home Office.
- For some migrant workers, their accommodation is provided by employers, employment agencies, or gangmasters. Migrants whose housing is tied to their job in this way are particularly vulnerable to poor housing conditions and unlawful deductions from wages. The Gangmasters

Licensing Authority (GLA) is restricted in its remit and only requires some gangmasters to comply with licensing standards.

- The law around any entitlement to housing is extremely complicated and difficult to understand. The Government is currently simplifying the legislative framework into a more cohesive set of statutory measures. However, the current lack of clarity means that migrants often fail to realise any assistance they may be entitled to.
- The evidence suggests that many migrants are falling through the gaps in welfare provision and that the levels of destitution are increasing. If the Government implemented measures such as lifting the prohibition on work for asylum seekers, some migrants may be able to support themselves and reduce their dependency on state provision.

## Current government policy

- Under new government proposals, only those who have earned British citizenship will have full access to UK housing and welfare assistance.
- The Government has announced plans to introduce a new fund to manage the impacts of migration. Newcomers will be required to contribute financially to help the UK manage the transitional impacts of migration. This money will be used to relieve short-term pressures on public services. However, this measure may negatively impact upon community cohesion, rather than enhance it.
- The Gangmasters Licensing Authority standards are currently under review. This is an opportunity for the GLA to strengthen its powers and remit over providers of migrant workers, in addition to implementing further regulations to improve the conditions of houses in multiple occupation.

The affordability crisis, combined with questions over the timescale for delivery of new social housing, has created an environment in which immigration-related concerns can easily be fanned into flame. To counter rising community tensions and inaccurate perceptions of preferential treatment in the allocation of social housing, the Government must take steps at a national level to reduce disadvantage and deprivation.

# Introduction

Given the level of confusion and numerous issues related to migrants and their entitlement to housing, Shelter was inspired to create a discussion paper to stimulate debate around this topical area.

In April 2008, the House of Lords Select Committee on Economic Affairs published the findings of their inquiry<sup>1</sup> into the economic impact of migration, concluding that the economic benefits to the resident population of net migration are small, especially in the long run. In response, the Government has argued that the benefits are not as insignificant as the Select Committee claimed. In June 2008, the Secretary of State for Communities and Local Government, Hazel Blears, set out a range of actions the Government is taking to manage migration, to maximise the benefits for the whole of the UK and minimise the negative impacts.<sup>2</sup> The debate continues over the positive and negative effects of immigration to the UK.

A recurring theme in this debate is the housing impact of immigration. Is immigration the primary driver of housing demand? Do migrants receive unfair preference in the allocation of social housing? Public perceptions do not necessarily match the evidence, but it is undisputed that both low-income migrants, as well as those competing with them for scarce housing resources, are likely to suffer most. An increase in the number of migrants who find themselves homeless and destitute has raised further questions. Should migrants who become destitute have to leave the country? Should there be some form of welfare safety net for all, regardless of immigration status? If so, who should pay for this?

Shelter does not seek to comment on the wider aspects of immigration law or border control. Yet the housing questions raised by in-migration to the UK require attention. The aim of this discussion paper is to develop and clarify a public policy response to these housing questions.

For the purpose of this paper, the terms migration and immigration are used interchangeably. Both are used to refer to international inward migration, including subsequent movement within the UK of those arriving from abroad. No distinction is inferred regarding the reason for arrival here.

The term 'asylum seeker' is used to describe a person fleeing persecution in another country who has come to the UK and made a claim for asylum but who has not yet received a definitive decision from the Home Office.

A refugee is a former asylum seeker who has received a positive decision on their asylum claim.

1 House of Lords Select Committee, *Economic impact of immigration*, HL 80–1, First report of session 2007–08, vol I: report, TSO, 2008.

2 Communities and Local Government (CLG), *Managing the impacts of migration*, 2008.

# The housing situation for migrants coming to the UK

The social housing sector in the UK is under increasing pressure, and the shortage of affordable housing is significant. Shelter identifies, below, various groups of migrants coming to the UK, and their often limited rights and entitlements to access our welfare system.

## The housing situation in the UK

Migrants who arrive in the UK, for whatever reason, need somewhere to live while they are here.

The housing picture in the UK is one of extremes. The evidence shows that the past 30 years have led to increased poverty in the UK, combined with a vast and growing gulf between the top and bottom of society.<sup>3</sup> Although the past decade has been a boom time for the British housing market, this has resulted in a seemingly unbridgeable gap between those who have benefited from soaring property prices, and the people left behind.

House prices have now begun to fall but, even if this trend continues, this does not necessarily mean that low-income households will find it easier to purchase a home. The credit crunch means lenders have increased interest rates on loans, household bills have risen, and mortgage lenders have tightened their lending criteria. Half of the households living in poverty are homeowners, yet only a weak safety net exists for those who fall into mortgage arrears. There has been an overall increase in repossessions rising from 8,200 in 2004 to 26,200 in 2007. The Council of Mortgage Lenders predicts this will rise to 45,000 by the end of 2008.<sup>4</sup>

Some high-income migrants will be among those who have bought properties and gained from the boom. However, most will be on lower incomes seeking rented accommodation.

There is mounting pressure on the social rented sector. Since the introduction of the Right to Buy scheme in England in 1980, over 1.75 million council properties have been sold. At the same time, nearly 1.7 million households in England are on local authority

housing waiting lists<sup>5</sup>, an increase of almost two-thirds in the past ten years. The combination of social housing shortage and unaffordable home ownership has put further pressure on the private rented sector (PRS). This has meant that there is not a readily available pool of properties that are appropriate to the needs of migrants arriving in the UK.

## Profile of migrants arriving in the UK

Between 2001 and mid-2007, the UK population grew by an average of 0.5 per cent per year. Until the mid-1980s, the number of people leaving the UK for countries such as Canada, Australia and New Zealand outnumbered those who arrived. However, this trend has now reversed. The UK population currently stands at 60.9 million. According to the Office for National Statistics, net migration has been the main driver of UK population growth since mid-1999<sup>6</sup>, accounting for around 60 per cent of growth.

Some migrants enter the UK with a definite job, or to look for work; some come to join family or to study; and others come to seek refuge from persecution abroad. It is widely acknowledged that statistical data concerning the number of migrants in the UK is weak. However, despite inadequacies in the way in which these figures are collected, there are several sources of information that give an overview of the current situation. Some data is collected on the number of foreign-born people resident in the UK – currently, this accounts for approximately ten per cent of the total population (just under six million people).<sup>7</sup> However, it is important to remember that many foreign-born people in the UK will be British citizens who have lived here much of their lives and would

3 Joseph Rowntree Foundation (JRF), *Poverty, wealth and place in Britain 1968 to 2005*, Policy Press, 2007.

4 [www.cml.org.uk/cml/home](http://www.cml.org.uk/cml/home)

5 CLG, *Housing strategy statistical appendix*, 2008.

6 Office for National Statistics (ONS), *Components of population change in the UK*, 22 August 2007, [www.statistics.gov.uk](http://www.statistics.gov.uk) - I couldn't find this on their website.

7 Organisation for Economic and Co-operative Development (OECD), *International migration outlook*, 2007.



not necessarily be considered, or consider themselves, migrants.

There are also estimated figures on the number of foreign nationals working in the UK. In 2007 this figure reached two million<sup>8</sup>, significantly less than the number of foreign-born residents. While the majority of media attention has been devoted to the arrival of workers from the new European accession states, the largest numbers of foreign nationals who come to the UK are Commonwealth citizens. In 2006, it is estimated that approximately one-third of migrants coming into the UK (more than 200,000 people) were from the Commonwealth countries.

Different groups of immigrants have been the focus of media attention at various times. Throughout the 1990s, those seeking asylum were singled out for harsh treatment from much of the press. At its peak in 2002/03, approximately 100,830 people sought asylum (including dependants) in the UK.<sup>9</sup> By 2007/08, this figure came down to 28,860. These numbers are small in comparison with the total volume of people arriving in search of work, or the number of UK nationals emigrating abroad.

Migrant workers are concentrated at the higher and lower skilled ends of the occupation distribution. The City of London illustrates this range of occupations, where migrants are widely found among the cleaning or restaurant staff serving financial executives, many of whom are also migrants.<sup>10</sup>

Historically, immigration to the UK has been concentrated in London and the South East. However, recent immigration has been more widely distributed across the UK, and some regions have experienced relatively rapid inflows of migrant workers where previously this was unknown.

## Rights and entitlements of migrants

The differing legislative frameworks that categorise migrants in the UK, in turn define the extent to which migrants can expect any assistance with housing once they are here.

### Migrant workers from outside the EU

For a long time the UK has operated a system of managed migration whereby those from outside the EU wishing to work here can apply for a work permit. Generally, the granting of a work permit correlates

to the skills needs of the labour market at any time, and is granted on the condition that the individuals accommodate and support themselves without recourse to public funds. This means there is no assistance to housing or housing-related benefits.

However, housing assistance may be available for migrant workers from the EU, and for those seeking asylum.

## EU nationals

EU nationals are not required to apply for a work permit and have the right to freedom of movement within the EU. Their rights stem from European Council directives and they are not restricted by the UK legislation governing migrant workers from outside Europe. The interface between immigration status and housing entitlement is complex and those with seemingly comparable circumstances may have quite different entitlements to assistance.

However, any entitlement EU workers may have to homelessness or housing assistance from local authorities is almost invariably bound up with their need to prove they are a worker. Limited entitlement to benefits means that migrants who fail to find jobs, or who lose their jobs unexpectedly, can become homeless. Destitute European nationals are not entitled to even the most basic homelessness services in many cases.

### Migrant workers from states that were members of the EU prior to 2004

Migrant workers from the EU states that were members before the accession states joined, and Cyprus and Malta, have the same rights to benefits and housing as UK nationals, provided they are working. In certain circumstances, some of these workers retain their rights to housing and benefits, even when not employed.

### Migrant workers from the new EU accession states

There are different rules again restricting eligibility to housing and benefits for workers from the A8 and A2 states, which have joined the EU since May 2004.<sup>11</sup> A8 migrant workers have to prove they are working and registered on the Worker Registration Scheme; A2 migrant workers have to prove they are working and registered on the Worker Authorisation Scheme. Only then are they eligible for public funds (see Appendix 1). Once registered on the schemes, they

8 Salt, J, *International migration and the United Kingdom: report of the United Kingdom SOPEMI correspondent to the OECD*, University College London, 2007.

9 Home Office, *Asylum statistics: 1st quarter 2008*, 2008.

10 *Economic Impact of Immigration*, op cit, para 30.

11 A8 countries are Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia – they joined the EU in May 2004. A2 countries are Bulgaria and Romania – they joined the EU in January 2007.

are eligible to apply for welfare assistance, including housing, immediately.

However, once A8 nationals cease to work, they cease to be registered as a worker, and their eligibility is lost. Only if they have completed 12 consecutive months on the Worker Registration Scheme are they allowed to apply for housing and benefits on the same terms as other EU nationals from the older EU member states. A8 nationals are only permitted to take one break of a maximum of 30 days off work in the 12-month period, and the number of days off work must be added on to the end of the 12-month period to ensure that the worker has completed 365 days on the scheme.

Any breaches require the A8 migrant worker to re-register, and any time already accrued on the scheme is lost. Many A8 nationals are employed in seasonal work, with gaps in between jobs that easily lead to deregistration and therefore ineligibility for housing and benefits.

Different rules again apply to workers from the A2 states. These workers are required to obtain a specific post and register on the scheme before they arrive in the UK. Once working, and registered, they are entitled to apply for housing and benefits. However, if they lose the job to which they have been assigned, they lose these rights and are not at liberty to take on alternative posts without seeking permission first.

Therefore, A8 and A2 nationals may go in and out of entitlement. The complexity of the system of entitlement to welfare assistance is illustrated by the fact that the rules even vary within the UK. An A8 worker who loses their job when resident in Scotland retains their eligibility for social housing, whereas in England, they would lose it.<sup>12</sup> In Wales, the homelessness legislation makes no mention of A2 nationals in the list of those eligible for assistance, whereas in England it does.

The criterion requiring A8 workers to demonstrate 12 full months on the Worker Registration Scheme is time limited until May 2009. The Government may apply to the European Commission to extend the scheme for a further two years until 2011. For A2 nationals, the restrictions under the Worker Authorisation Scheme will apply until 2012, and again the Government may apply to extend the scheme for an extra two years until 2014.

## Asylum seekers and refugees

In the UK, the Home Office is responsible for decisions on applications for asylum. International obligations towards people seeking asylum are based on the 1951 United Nations Convention Relating to the Status of Refugees (the 1951 Geneva Convention). The UN Convention requires signatories to make social welfare provision available to those who seek asylum. Those who seek refuge here with no financial means to house or sustain themselves, have little choice but to rely on the Government to support them, as there are significant limitations on their right to work.<sup>13</sup>

Asylum seekers have no rights to mainstream housing or benefits at all. The UK Border Agency (UKBA) is the government body responsible for looking after people who are seeking asylum in the UK. Under the New Asylum Model (NAM), those with an existing asylum claim are entitled to apply for housing and support until their claim is fully determined, including the exhaustion of any appeal process. Housing and cash is provided on a no choice basis anywhere in the country. Usually this is accommodation with shared facilities. According to Home Office statistics, at the end of the first quarter of 2008, there were fewer than 34,000 asylum seekers, including dependants, in receipt of asylum support.

If a positive decision is made on the application for asylum then asylum support ceases after 28 days and the individual and their dependants may claim mainstream housing and benefits, subject to the usual conditions. If a negative decision is made those with dependent children may remain in their accommodation until they leave the UK or until their children reach 18. For those without children, support ceases after 21 days. The only option remaining for these failed asylum seekers is to apply for assistance under section 4 of the Asylum and Immigration Act 1999 (also known as 'hard cases support'). Under these provisions, some failed asylum seekers may receive accommodation and food vouchers, but no cash.

<sup>12</sup> Fitzpatrick, S, and Stephens, M, *An International review of homelessness and social housing policy*, 2007, para 2.37.

<sup>13</sup> Those who apply for asylum in the UK are not permitted to work for the first six months. After that, the principal asylum seeker may apply for permission to work, although there is no guarantee it will be granted. No one else in the household is eligible to apply for work.

# Perceptions and the reality of the housing impact of migrants

The complex system for migrants to access housing is often misunderstood and perceived in the public eye as giving those coming to the UK quick and easy entitlement to the provisions of the UK welfare state. This section aims to clarify some of the key facts around migrants and housing, while examining the impact that the current system has on both the migrants themselves, and the local communities they live in.

## Perceptions v reality

There is a common misconception that some migrants receive more from the state than they contribute – perceptions of entitlement play an important role in shaping public opinion. Some people believe the entitlement of migrants to be greater than it is, and this can have a detrimental impact on community cohesion. According to a MORI poll conducted in January 2007, migration was the issue of greatest public concern, overtaking concerns on crime and terrorism. In November 2007, a further poll showed record levels of public concern about the number of migrants living in Britain – 41 per cent of those surveyed stated that there were too many migrants.<sup>14</sup>

In May 2007, the then Trade and Industry Minister, Margaret Hodge MP, fuelled the debate on migration by claiming that migrants were gaining access to social housing at the expense of British households.<sup>15</sup> In April 2008, a further poll highlighted the fact that 56 per cent of British adults believe that some groups (in particular, asylum seekers, refugees and immigrants) receive unfair priority access to public services.<sup>16</sup>

The findings of the recent Citizenship Survey, carried out by the Government, revealed an increase in the proportion of white people who think they would be treated worse than those of other races by council housing departments or housing associations. In 2001, 15 per cent of white people thought this; in 2007/08, this had climbed to 25 per cent. Council housing departments or housing associations are also the only organisations where perceptions of

racial discrimination are higher among white people (25 per cent) than they are for people from minority ethnic groups (11 per cent).<sup>17</sup>

## Social housing

The common perception that some foreign nationals jump social housing queues led the Equality and Human Rights Commission and Local Government Association to commission research into whether migrants are given unfair access to social housing. The interim findings show no evidence that social housing allocation favours foreign-born residents over UK-born residents.<sup>18</sup> In fact, the evidence is that migrants have scarcely gained access to social housing at all. CORE data collected from all housing associations with more than 250 units gives an indication of who is actually allocated social housing, including the proportion of non-UK nationals gaining allocations, dividing these between European and non-European states. In 2006/07, approximately 4.4 per cent of all lettings were to non-UK nationals. This breaks down as follows: 2.5 per cent non-European, 0.9 per cent A8 nationals and 0.95 per cent other European nationals.<sup>19</sup>

## Housing supply and demand

There are also differing reports as to the extent to which immigration is fuelling the demand for new homes to be built. While net immigration may be the main factor causing population increases, it is not the main cause of increased demand for housing. Housing estimates are based on household

14 cited in House of Commons CLG Select Committee, *Community cohesion and migration*, Tenth report of 2007/08, page 5.

15 Hodge, M, 'A message to my fellow immigrants', *The Observer*, 20 May 2007.

16 Ipsos MORI, *Rivers of blood survey*, 2008. Available at: <http://www.ipsos-mori.com/content/rivers-of-blood-survey.ashx>

17 CLG, *Citizenship survey: 2007-08, April 2007 – March 2008, England and Wales*, June 2008, page 14.

18 <http://tinyurl.com/4fn3ul>

19 CORE annual digest 2006/07.

projections, rather than population projections. The latest 2004-based household projections indicate that household formation in England is expected on average to be 223,000 a year to 2026, with net international migration accounting for around one-third of that household growth. Therefore, while migration is an important driver of household growth, demand for housing is influenced more by the increase in the number of single person households and the ageing population than by migration.<sup>20</sup>

Furthermore, although in 2006 a report from the Treasury<sup>21</sup> predicted that high levels of migration into the UK are set to continue, there is now evidence that the number of migrant workers arriving from A8 and A2 countries is decreasing.<sup>22</sup> Recent research found that the number of A8 migrants arriving in the UK has started to slow substantially, with 17 per cent fewer Worker Registration Scheme registrations in the second half of 2007 than during the same period of 2006. The research also estimates that around half of all A8 migrant workers arriving since 2004 have already left.<sup>23</sup> The extent to which migration will continue to be a significant factor in household projections is unclear.

## Impact on local communities

### 'Winners' and 'losers'

While there is little to back up claims that migrants are given preferential treatment where the allocation of social housing is concerned, there appears to be evidence that some groups are more disadvantaged than others by increased immigration. An integral part of the Government case for immigration to the UK is that it creates large economic benefits, including increased wages for existing workers. The Government has said that migration contributed around £6 billion to the growth of the economy in 2006. However, not everyone has been as convinced as the Treasury that high levels of migration are a good thing. The House of Lords Select Committee on Economic Affairs has argued that the overall size of an economy is not an index of prosperity, but rather that there should be a focus on the GDP per capita of the resident population. Their overall conclusion from existing evidence is that immigration has had a minimal impact on GDP per capita. The Committee

found that, in the short term, immigration creates 'winners' and 'losers' in economic terms. While some highly-paid migrants, and their employers, may be among the 'winners' in the UK, those in low-paid jobs and those directly competing with the new migrant workers are likely to be the 'losers'.<sup>24</sup>

Since 2004, the arrival of several hundred thousand new migrant workers from the enlarged European Union has intensified the public debate as to whether an open-borders policy is positive, or whether it results in scarce resources being spread ever more thinly, to the detriment of existing resident households. Both the scale and the speed of immigration have had an impact on host communities. In particular, A2 and A8 nationals have moved to areas beyond London and the South East, mainly following vacancies in agricultural and food processing work. Between May 2004 and December 2007, East Anglia had the greatest number of A8 workers registering with employers (15 per cent of the total were A8 workers), followed by the Midlands (13 per cent). London and the South East still have the greatest overall number of migrants; however, the impact on community cohesion of a small number of new arrivals in an area with no history of migration can be significant. The CLG Select Committee has recently stated that public concerns about the effects of migration cannot simply be dismissed as racist. Tensions often arise on real practical issues, such as housing and public services.<sup>25</sup>

Inadequacies in immigration data cause difficulties for local authorities expected to provide services to migrant communities. Allocations of government resources to councils to provide public services are calculated on formulae that are directly affected by migration estimates, which are widely acknowledged to lag behind the true picture. Nationally, local authorities have called for an extra £250 million a year in central government funding to cope with strains caused by unexpected inflows of migrants.<sup>26</sup>

The impact of migrants on a local housing market will vary from place to place. In some areas, new migrants have filled the vacancies in the local housing market, often created by other residents moving to more desirable areas. However, in areas of high housing demand, vacancies are few and far between. There is intense competition for a scarce resource

20 *Managing the impacts of migration*, op cit, pages 27–28.

21 HM Treasury, *Trend growth: new evidence and prospects*, 2006.

22 For example, UK Borders Agency, 'Eastern European migration falls', Media release 20 May 2008 and Society Guardian, 'Migration from new EU states past peak', 23 May 2007.

23 Pollard, N, Latorre, M, and Sriskandarajah, D, *Floodgates or turnstiles? Post-EU enlargement migration flows to (and from) the UK*, Institute for Public Policy Research (IPPR), 2008.

24 *Economic impact of immigration*, op cit, para 221.

25 *Community cohesion and migration*, op cit, page 11.

26 *Economic impact of migration*, op cit, para 149.

and migrant workers compete with other low-waged workers for properties at the bottom end of the private rented sector (PRS).

### Houses in multiple occupation (HMOs)

Migrants may initially arrive in a neighbourhood in large numbers due to the actions of one local employment agency, employer or large landlord. In some areas, employers have increased the available housing stock by creating HMOs to accommodate workers. The Housing Act 2004 introduced mandatory licensing of some HMOs, yet duties to licence and inspect are not fully enforced. Some local authorities have found themselves struggling to keep up with inspections due to the rapidly increasing number of new multiple occupancy properties appearing in their areas.

Local residents may find themselves affected by the problems associated with the proliferation of HMOs, such as the increase in fly-tipping and uncollected rubbish, or people coming and going at night due to shift work.<sup>27</sup> Councils are encouraged to apply for extended licensing powers where appropriate. However, some local authorities find this process long and excessively bureaucratic (see Peterborough's evidence to the CLG Select Committee<sup>28</sup>).

At the point the current licensing thresholds were introduced, only 20 per cent of HMOs were covered by the mandatory scheme. Shelter and many others argued strongly that this would leave far too many potentially dangerous HMOs outside the licensing scheme. The evidence shows that the risk of injury or death as a result of fire increases significantly in properties of three or more storeys.

### Impact on migrants themselves

According to recent research, new migrants have little choice of the type and location of housing they live in during their early years of settlement. Their circumstances are dominated by constraining factors and often bear little relation to the settlement patterns of long-standing residents.<sup>29</sup> The housing experience of many new migrants is characterised by instability.

### The private rented sector (PRS)

Interim research from the Equalities and Human Rights Commission found that more than 60 per cent of foreign-born residents who arrived in the UK in the last five years are housed in private rented accommodation.<sup>30</sup> A report to the Migration Impacts Forum in January 2008 found that approximately 90 per cent of people who arrived in the UK over the last two years are living in the PRS, often accepting poor and overcrowded conditions.<sup>31</sup> In addition, within the early months and years of residence, new migrants may have to move several times because of the temporary nature of their accommodation.

While migrant workers make a net contribution to the economy, many take home very low wages and live in sub-standard accommodation. An analysis of earnings for A8 migrants registered on the Worker Registration Scheme suggests that their average earnings are somewhere between 47–63 per cent of UK average earnings.<sup>32</sup> Seventy-five per cent of A8 migrants earn between £4.50 and £5.99 per hour.<sup>33</sup> This is a full-time annual equivalent of £8,190 – £10,901 per annum. However, many migrant workers are not employed full-time or for the whole year without breaks. Their low wages often oblige them to live in accommodation at the bottom end of the PRS.

An investigation by the Local Authorities Coordinators of Regulatory Services (LACORS) has found that more than half of all local authorities have noted problems with private landlords exploiting migrants. The survey results were an early evaluation of the new licensing powers given to local authorities for HMOs. Most councils surveyed expressed concerns about the housing conditions of migrant workers, a concern which was particularly prevalent in rural areas. For example, in Yorkshire 93 per cent of councils said that they had an issue with the housing of migrant workers, as did 75 per cent of councils in the North West. The survey described some officers finding, 'appalling and overcrowded conditions in which some workers are forced to live, exceeding the legal occupancy limit and endangering the safety of those living there'.<sup>34</sup>

27 *Community cohesion and migration*, op cit, page 14.

28 *Ibid*, para 20.

29 Robinson, D, Reeve, K and Casey, R, *The housing pathways of new immigrants*, JRF, 2007.

30 <http://tinyurl.com/4fn3ul>

31 [www.communities.gov.uk/documents/communities/pdf/651075](http://www.communities.gov.uk/documents/communities/pdf/651075)

32 LSC, *Migrant workers and the labour market*, 2007, para 29.

33 UK Borders Agency, *Accession monitoring report May 2004–June 2008*, page 16.

34 *Migrant workers present housing challenge for councils*, Press release, LACORS, July 2007, <http://tinyurl.com/3warkg>

## Tied accommodation

For some migrant workers, accommodation is provided by employers, employment agencies or gangmasters. Migrants whose housing is tied to their job in this way are particularly vulnerable because rent is generally subtracted from their wages. In situations where workers lose their jobs, they also become homeless, often with very little notice. A survey commissioned by the TUC (Trades Union Congress) and published in September 2007 claimed that migration has reintroduced the 'tied cottage' into the British labour market, with employers providing accommodation – at a cost – and using it to increase their power over migrant workers. The survey found that 31 per cent of migrant interviewees were living in accommodation that was found for them, or provided, by their employers, and over 40 per cent of those working for more than 48 hours a week were in accommodation provided through their employer. Individuals reported that they had little control over working excessive hours because their employment was linked to their accommodation, and more than half of those who described their living conditions as poor or very poor were in accommodation provided through their employer.<sup>35</sup>

According to a report by the Commission on Vulnerable Employment (CoVE), migrant workers face being provided with sub-standard housing and are more likely than other workers to face illegally high deductions for accommodation provided by the employer. In some cases, conditions are so bad that they meet internationally agreed definitions of forced labour.<sup>36</sup>

## Need for, and provision of, advice

The gulf between the perception and the reality of housing and welfare entitlements is also perplexing for the migrants themselves, who may well be at a loss to find their way around a confusing system with only limited opportunities to seek advice. Often those who most need to understand their rights find it hardest to access appropriate advice. Low-income migrants in poor housing will have additional obstacles to overcome in seeking and accessing housing advice and better accommodation, particularly if they struggle to communicate in English. Those working very long hours, being

transported to and from work by their employer, and living in tied accommodation, may find that there is little opportunity to seek out help and assistance. Those in the asylum process may be dispersed far from friends and communities who could assist.

Furthermore, those more vulnerable to social exclusion tend to report more problems than others.<sup>37</sup> The complexity of entitlements relating to different groups of migrants means that many front-line staff, who might routinely come into contact with migrants, may themselves be unclear and therefore unable to advise appropriately. There is a clear need for specialist housing and immigration advice for vulnerable migrants.

However, there have been significant changes to publicly-funded legal advice over recent years. Launched in April 2000, the Community Legal Service was intended to provide a seamless network of legal information, advice and representation services throughout the country. However, pressure on the legal aid budget has resulted in a 22 per cent reduction in civil legal aid spending since 1997. Legal aid is now delivered through a tightly-controlled system of contracts, and in recent years there has been considerable financial pressure on those providing legal aid services to cut costs. Many have stopped doing publicly-funded work. Between 2000/01 and 2005/06, the number of legal aid suppliers holding a contract to deliver immigration advice was reduced by 24 per cent; over the same period the number of housing advice contracts reduced by 30 per cent.<sup>38</sup> This decline in the supplier base has led to a much narrower distribution of legal advice services across the country. 'Advice deserts' are getting bigger, with some communities having almost no advice agencies or legal aid firms at all.<sup>39</sup> This is happening at the same time as asylum seekers and migrant workers are more widely dispersed around the UK than ever before. Evidence has emerged recently that the cuts in the legal aid budget have led to an increase in asylum seeker appellants appearing unrepresented at hearings.<sup>40</sup>

Research commissioned by Shelter found that there were a number of barriers to housing advice for black and minority ethnic (BME) communities, in particular the limited availability of advice provided in appropriate community languages for migrants.<sup>41</sup>

35 Anderson, B, Clark, N and Parutis, V, *New EU members? Migrant workers' challenges and opportunities to UK trades unions*, Trades Union Congress (TUC) Report, 2007.

36 TUC Commission on Vulnerable Employment, *Hard work, hidden lives*, 2008, page 53.

37 Pleasence, P, Balmer, NJ and Tam, T, *Civil justice in England and Wales: report of the 2006 English and Welsh civil and social justice Survey*, Legal Services Commission, 2007, LSRC Research Paper No 19, page iv.

38 House of Commons Constitutional Affairs Committee, *Implementation of the Carter review of legal aid*, HC 223-1, Third report of session 2006-07, vol 1, May 2007, para 39.

39 See [www.accesstojusticealliance.org.uk/issues.htm#issues](http://www.accesstojusticealliance.org.uk/issues.htm#issues) and *Implementation of the Carter review of legal aid*, op cit, para 42.

40 Independent Asylum Commission, finding 3.6, <http://www.independentasylumcommission.org.uk/>

41 Shelter, *The advice gap: a study of barriers to housing advice for people from black and minority ethnic communities*, 2007.

The new fixed-fee arrangements for legal aid work have raised concerns that particularly vulnerable clients may be disadvantaged in accessing advice services if providers 'cherry pick' simpler cases. Those with little command of English are likely to require more time from the adviser and therefore there is a risk that longer cases will be considered uneconomic.

There has been an increase in funding for telephone advice as a way to help the hardest to reach groups. However, research has shown that vulnerable groups, and those most likely to be socially excluded, prefer face-to-face advice.

## Destitution

In 2006, Homeless Link published the findings of a survey which revealed that a significant minority of people using services such as night shelters, day centres and outreach teams are from Central and Eastern Europe.<sup>42</sup> It questioned whether homeless Eastern European migrants should be using homeless services meant for vulnerable homeless people in the UK. The Government is currently providing £200,000 to Homeless Link to co-ordinate action to reduce the numbers sleeping rough among recent EU migrants to London – essentially an extensive information campaign in accession state countries to discourage those who are unlikely to be able to find work from coming to the UK in the first place. The Homeless Link Action Plan<sup>43</sup> contains proposals to expand the 'return home' schemes. Central Government has also provided funding to support local authorities to help accession state nationals travel back to their own countries in cases where they are unable to find work. As of March 2007, the City of Westminster, the borough most affected, has helped over 450 individuals return home.

In April 2008, CLG published a new strategy for rough sleeping in which it estimated that migrants without recourse to public funds, including Eastern Europeans not in work, account for 15 per cent of those on the streets of London.<sup>44</sup> By June 2008, CLG claimed that, 'evidence from street counts in London suggests that up to 20 per cent of rough sleepers in the capital are accession state nationals'.<sup>45</sup> This increasingly visible group of people are not only roofless but are unable to find or sustain work and, without any safety net of benefits or housing support,

they are effectively destitute.

This compounds the picture which has been forming for some time of increasing levels of destitution among the asylum-seeking population. The vast majority of those who seek asylum in the UK are rejected. Once an applicant's claim has been rejected and there is no outstanding appeal, they are expected to leave the country within 21 days. Standard asylum financial support and accommodation are cut off for single adults and childless couples, and they are prohibited from working. Families with children continue to receive financial support and accommodation. For a number of reasons many of those losing support and accommodation do not leave, but remain in the UK and become destitute.

Evidence reveals gaps in the provision of accommodation for asylum seekers, which is leading to an increase in destitution. Some of those who find themselves destitute have fallen through the net in the provision of asylum support while their case is being still being assessed. This clearly falls below the Government's own standards. Professor John Hills has likened Government policy which excludes asylum seekers from welfare assistance to the punitive principles of the Poor Law era.<sup>46</sup>

Authorities will often deny that there is any need for destitution among asylum seekers because of the existence of section 4 support. Asylum seekers whose claims have been refused are expected to either leave the country straight away, or apply for section 4 support which, if granted, provides basic accommodation and food vouchers, usually on condition that the individual makes arrangements for voluntary return. However, the majority of refused asylum seekers do not sign up for section 4 support. Some are unaware that it is available, while others believe if they sign up for voluntary return, the authorities will deport them regardless of whether it is safe or not. Others who do apply are refused it.

In 2006, the Joseph Rowntree Charitable Trust carried out research into destitution in Leeds. The survey was based on first-hand evidence from people accessing local voluntary services and was published in March 2007. Eighteen months later a follow-up survey was carried out, with the aim of assessing whether there had been any change in the number of people living destitute in the city. The findings show that the problem is chronic, with more vulnerable

42 Homeless Link, *A8 nationals in London homelessness services*, 2006.

43 [www.homeless.org.uk/policyandinfo/issues/EU10s/actionplan](http://www.homeless.org.uk/policyandinfo/issues/EU10s/actionplan)

44 CLG, *Rough sleeping 10 years on: from the streets to independent living and opportunity*, 2008, para 9.

45 *Managing the impacts of migration*, op cit, pages 32, 37.

46 Hills, J and Stewart, K, *A more equal society? New Labour, poverty, inequality and exclusion*, Policy Press, 2005.

people lacking either the right to work or the safety net of statutory support, and that the number of people living destitute in Leeds had risen. Also, the number of people who are destitute while still in the asylum system has risen since the introduction of the New Asylum Model (NAM) in April 2007.<sup>47</sup> The number of destitute asylum seekers, refused asylum seekers and refugees rose 180 per cent between the first and second survey. In addition, 90 per cent had been destitute for more than a year, showing that destitution among this group had become more chronic and entrenched.

The most common reason cited for people becoming destitute was a delay in section 4 support. Waiting times for section 4 decisions have increased since 2006, particularly for those applying on medical grounds. Delays often lead to destitution, as those receiving a negative decision are only entitled to stay in their housing for a further 21 days, and there are no interim arrangements. Housing contracts with UKBA are now more tightly monitored; there are financial penalties and no payment for an 'overstayer'. Therefore, housing providers have to choose whether to evict someone in the interim period or, at their own cost, allow someone to stay and remove the property from the contract, which may not be economically viable.

The proportion of people becoming destitute whilst still in the asylum process substantially increased from 2006-2008. The fourth most common reason was administrative error and support stopped during the asylum process. Significantly, Leeds was a NAM pilot area from April 2006, one year earlier than the model was rolled out nationwide. It was introduced to speed up the asylum process and manage cases to their conclusion of either integration for refugees or removal of refused asylum seekers.<sup>48</sup> However, the survey in Leeds shows that those processed through NAM have become destitute in Leeds at all stages of the end-to-end process. Concerns were also raised about the worsening mental health issues of the long-term destitute. It was claimed that they were increasingly expressing 'no hope' or 'no reason for living'. Similarly, a survey of agencies that deliver services to asylum seekers in the UK shows a high proportion of NAM cases nationally who are destitute, despite having ongoing claims.<sup>49</sup>

An Independent Asylum Commission report published in June 2008 estimates that only 9,365 refused asylum seekers are on section 4 support, when there are an estimated 283,500 refused asylum seekers remaining in the UK.<sup>50</sup> In November 2006, Amnesty International and Refugee Action launched reports highlighting how UK Government policy on refused asylum seekers does not work and forces many of them into abject poverty.<sup>51</sup>

The picture painted is one of housing insecurity, deprivation, and disadvantage for many migrants. There is evidence that many are falling through the gaps in welfare provision, and that the levels of destitution are increasing. This presents a clear policy challenge for the Government.

47 Joseph Rowntree Charitable Trust, *More destitution in Leeds*, 2008.

48 Home Office, 'The new asylum model: swifter decisions – faster removals', press release, 18 January 2006.

49 Fullegar, S and Smart, K, *The destitution tally: an indication of the extent of destitution among asylum seekers and refugees*, 2008.

50 Independent Asylum Commission, *Safe return*, 2008, page 31.

51 Amnesty International, *Down and out in London: the London road to destitution for rejected asylum seekers* and Refugee Action, *The destitution trap: asylum's unsold story*, 2006.



# Current government policy and the subsequent implications for migrants

Legislation and government policy on assistance for migrants has been rapidly changing. Restrictions on, and the removal of, entitlement have been implemented for asylum seekers and new members of the EU from Eastern Europe. Such welfare reform has had a substantial impact on the quality of life for migrants and the hurdles they have to overcome to access support.

## Removing mainstream assistance for asylum seekers

Over the last 10–15 years, there have been dramatic changes in the direction of Government policy regarding immigration and housing. Until 1993, those who applied for housing or homelessness assistance would have had their applications assessed according to the same criteria as everyone else. There was no specific test of eligibility on grounds of immigration status; housing was assessed according to need.

Asylum seekers were the first to feel the tightening of the criteria for assistance. Since 1993, there has been a marked division in housing policy towards asylum seekers and other migrant groups, as well as the creation of different categories of asylum seekers, with differing policies towards each. Some migrants have been granted assistance from the state, others allowed none. Throughout the 1990s, cut-backs in the welfare state, combined with increasingly strict immigration rules, resulted in policies that saw a significant reduction of the housing entitlements of migrant groups.

Asylum seekers' entitlement to housing was severely curtailed by legislation passed in 1993 and 1996.<sup>52</sup> These policies continued under the New Labour Government. In 1999, an entirely new set of arrangements was introduced for supporting asylum seekers, which had at its core the forced dispersal of asylum seekers around the country and

the introduction of large-scale contracting out of the provision of accommodation for this group.

In 2002, further legislation was passed to limit the entitlements of homeless asylum-seeking households even further. The Government sought to deny any support at all to those who were unable to convince the Home Office they had claimed asylum 'as soon as reasonably practicable after arrival in the UK'. From January to December 2003, section 55 of the Nationality, Immigration and Asylum Act 2002 denied asylum support to 9,415 destitute people on the basis that they had failed to apply for asylum 'as soon as reasonably practicable'.<sup>53</sup> A series of legal challenges finally led to a ruling that section 55 was in breach of asylum seekers' human rights, however the intention of the Government to end housing and welfare assistance to this group was beyond doubt. This has had the effect of creating a further rung of destitution at the bottom of the housing ladder, below homelessness.

## Removing mainstream assistance for other migrants

Policy to restrict the rights of migrants to claim welfare assistance has continued apace. In 2006, the Government carried out a review of the immigration system and made a public commitment to radically simplify immigration law. The 'Simplification Project' seeks to replace the existing ten statutes governing immigration with a new streamlined Act. In 2007,

<sup>52</sup> The Asylum and Immigration Appeals Act 1993 modified the definition of homelessness used when assessing applications for assistance, but only for asylum seekers. It narrowed the definition and limited the help given. The local authority duty was changed from a full duty to secure settled accommodation (usually permanent social housing) to a duty to provide temporary accommodation only. Three years later, the Asylum and Immigration Act 1996 and Housing Act 1996 redefined asylum seekers' entitlements even further by creating a distinction between those who claimed asylum immediately on arrival in the UK at the port of entry and those who made an asylum application in country, after passing through entry controls. In-country applicants had their rights to welfare benefits and homelessness assistance removed. Those who claimed asylum at the port of entry were still allowed to receive certain benefits, albeit a more restricted list, and were still offered assistance under the homeless legislation.

<sup>53</sup> Stevens, D, 'The Nationality, Immigration and Asylum Act 2002: secure borders, safe haven?' (2004) 67 *Modern LR*, vol 4, pages 616–631.

the Government ran a consultation setting out the principles for simplification<sup>54</sup>, and in February 2008 published a joint Green Paper consultation, *The path to citizenship*, covering new proposals concerning citizenship and simplification of the law.<sup>55</sup> In July 2008, hot on the heels of the Green Paper, the Government published both a response to the consultation and announced an Immigration and Citizenship Bill in the draft legislative programme for 2008/09.<sup>56</sup>

The Draft Immigration and Citizenship Bill sets out a new three-stage journey for migrants from arrival to naturalisation as a British citizen:

- temporary residence
- probationary citizenship
- British citizenship or permanent residence.

It is proposed that at each stage of the naturalisation process any newcomer should earn the right to stay and meet the requirements for progression to the next stage. In summary, these requirements are:

- a good command of the English language
- payment of taxes; and
- obeying the law; no criminal offences, including minor offences

A further desirable, but not essential, criteria is:

- active participation in the community.

Migrants in the temporary residence and probationary citizenship categories will have no access to mainstream benefits, social assistance, local authority housing or homelessness assistance.

This is to be reserved for those who have 'earned' the right to British citizenship or permanent residence.

CLG has stated:

'Our Earned citizenship proposals also commit us to reviewing access to benefits for EEA migrants including the eligibility of EEA migrants for social housing, to ensure that the rules support free movement and discourage abuse.'<sup>57</sup>

## Welfare reform

In line with the citizenship proposals, the Department for Work and Pensions (DWP) is currently examining the rights of nationals from the EEA (European

Economic Area) to access benefits. Specifically, the review, due to report in late 2008, is considering:

- current benefit rules for EEA nationals
- the impact of those benefit rules on UK nationals and on EEA nationals, and
- future options for managing eligibility for benefits to support the aim that EEA nationals should make a positive contribution to the UK.<sup>58</sup>

CLG plans to publish a Housing Reform Green Paper in late 2008 which it contends will set out clear proposals for the reform of housing services, taking into account the impact of migration on housing. CLG has indicated that it will seek to improve transparency in housing allocations.<sup>59</sup>

## Population estimates

At present, local authority funding is based on inaccurate population estimates that do not take into account any sudden changes in local populations. The Government is seeking to improve statistical data on population estimates. New electronic border controls will count people in and out of the country, giving a clearer picture of who is here. However, this will not identify where in the country migrants may be at any particular time. A comprehensive programme of work led by the ONS (Office for National Statistics) is underway, working to improve population and migration projections. The cost of the project is being shared between the ONS and various government departments, although there is no extra investment from Central Government to improve immigration data. The programme will deliver improved local estimates and projections by 2010 in time to calculate the next three-year local government finance settlement from 2011/12. However, it will take an estimated seven years for the ONS planned improvements to have an effect.<sup>60</sup>

## Proposed migrant tax

Following on from a proposal in the 2008 *Path to citizenship* Green Paper, the Government has acted swiftly to promote the idea of a new migrant tax. Even before the response to the consultation was published, the Government announced the introduction of a new fund to manage the impacts of migration, due to commence in April 2009.<sup>61</sup> The

54 Border and Immigration Agency, *Simplifying immigration law: an initial consultation*, 2007.

55 Border and Immigration Agency, *The path to citizenship: next steps in reforming the immigration system*, 2008.

56 A partial draft of the Bill detailing the proposals is on the UK Borders Agency website: <http://tinyurl.com/63od39>

57 *Managing the impacts of migration*, op cit, page 27.

58 Ibid

59 Ibid, pages 8, 27.

60 *Community cohesion and migration*, op cit, page 46.

61 *Managing the impacts of migration*, op cit, pages 7, 36.

proposals will require newcomers to contribute financially to help the UK manage the transitional impacts of migration. The funds will be raised through additional fees being charged on top of existing application fees and, as such, will not apply to EEA nationals or refugees. Migrants will be required to make a contribution each time they make an immigration application. Those who bring dependants will pay an additional fee per dependant.

The Government estimates that these fees will raise tens of millions of pounds and will be used to relieve short-term pressures on public services, such as education and healthcare. The fund is to be allocated on a regional basis through government offices for the regions, with each region receiving allocations according to the proportion of inward international migration. All local service providers, including the police, local authorities, and primary care trusts, will be eligible to benefit from the fund. In terms of housing, the Government suggests that local authorities could use the fund to enforce housing regulations to address cases of overcrowding in housing used by migrants, which has, in turn, led to reports of community tensions.

## The Gangmasters Licensing Authority (GLA)

In February 2004, the media coverage of the cockle pickers drowned at Morecambe Bay in Lancashire exposed the extensive exploitation of migrant workers. In response, the Government passed an Act of Parliament to set up the Gangmasters Licensing Authority (GLA). The GLA opened for business in April 2006, and its main task is to operate and enforce a licensing system for labour providers.

All gangmasters operating within the GLA's remit can have their licenses revoked if they breach licensing standards.<sup>62</sup> Some of the licensing standards relate to the provision of accommodation for workers. However, a major shortcoming of the Gangmasters Licensing Authority is that it only licenses labour providers in specific sectors: agriculture, horticulture, shellfish gathering, food processing and packaging. It has no powers to intervene to stop unscrupulous labour providers elsewhere in the UK economy. By the end of its first year of operation, only 17 per cent of those registered on the Worker Registration Scheme were working in these sectors. Gangmasters unwilling to pay for licences can simply move outside of the GLA remit into areas such as construction, cleaning or hospitality – all of which are sectors where many migrant workers are employed.

Licensing Standard 2 requires a gangmaster to pay the minimum wage, taking into account the rules on accommodation charges.<sup>63</sup> Failure to do so constitutes a 'critical' failure of the standard and therefore an automatic revocation of the licence.

However, other criteria which would impact on a migrant worker's ability to be appropriately housed, score very lightly in the GLA standards. For example, if the gangmaster fails to provide itemised accurate payslips for each pay period, this alone would not result in revocation of their licence. Yet, the absence of appropriate wage slips would prevent the worker claiming income-related benefits to which they may be entitled.

Licensing Standard 4 is concerned with workers' accommodation. The guidance to inspectors makes it clear that any accommodation provided by the gangmaster should conform to current legislation. There should be no evidence of poor or overcrowded conditions, or any failure to conform to local housing regulations on HMOs. If inspectors find evidence that the gangmaster fails to provide appropriate facilities (eg water, power, heating, bedding, sanitation), or fails to provide tenants with copies of current gas safety certificates, there would be an automatic fail and a revocation of the licence.

However, it is much less clear how the GLA and local authorities work together to identify abuses. Local authorities have the Housing Health and Safety Rating System, which is intended as a tool to identify risk in residential properties; they also have powers with regard to the licensing of houses in multiple occupation. The GLA, for its part, has to ensure that there is no breach of minimum legislative standards when issuing or renewing a licence.

## Implications for migrants

### Unfairness

The Government's proposals will restrict mainstream housing and benefits assistance to those granted citizenship or permanent residence. The criteria for earning citizenship are laid out, however it will arguably be more difficult for some groups of migrants to meet the criteria than others. The introduction of the new citizenship proposals will, in practice, further restrict the chances of migrants accessing housing assistance in the UK. Despite claims of fairness, the proposals impose an excessively tough regime. Claims of abuse are largely unsubstantiated and many of the proposals seem to

62 For further information on GLA licensing standards, see: [http://www.gla.gov.uk/embedded\\_object.asp?id=1013285](http://www.gla.gov.uk/embedded_object.asp?id=1013285)

63 The current accommodation offset is £30.10 per week. See Department of Trade and Industry (DTI), National minimum wage and accommodation offset, 2007.

be openly responding to a perception that migrants gain unfair access to welfare resources, despite the lack of an evidence base to support this. The number of migrants offered homelessness assistance is very small. Those A8 nationals who have been allocated social housing would appear to be more self-sufficient when compared to those in new lettings overall. One in five are benefit-dependent, compared to one in two in new lettings generally.<sup>64</sup>

### English language skills

An ability to speak English is an important asset for migrants, whatever their reason for coming to the UK. Low-paid migrants in poor housing will have additional obstacles to overcome in seeking and accessing advice and better accommodation, if they struggle to communicate in English. The House of Lords Select Committee recently highlighted the importance of English language skills in determining wage levels, and called on the Government to consider whether further steps are needed to help give migrants access to English language training when they take up employment in the UK.<sup>65</sup> The CLG Select Committee also called on the Government to do more to make English for Speakers of Other Languages (ESOL) accessible to those in greatest need.<sup>66</sup>

However, despite the widespread acknowledgement of the need for proficiency in English, funding for ESOL is declining. A universal entitlement to free ESOL training up to level 2 was removed in August 2007. Instead, reduced or waived fees will be available only to priority groups. Employers who have recruited workers from outside the UK will be expected to bear the cost of English language training for their workforce, although this will be voluntary. This may inhibit the ability of low-income migrants to attend the very classes which would help them to gain the levels of proficiency required for day-to-day living.

Not all migrants will want to become British citizens. However, there is a clear intention that the Government will expect those who intend to remain for the medium- to long-term to do so. Those low-paid migrant workers who wish to do so may find it very difficult to meet the English language requirements necessary for progression to the next stage in their citizenship journey. As citizenship will be a key determinant in eligibility to housing and welfare assistance, this may have the effect of certain migrant groups facing long-term exclusion.

### Community involvement

Active participation in the community will be viewed favourably for those seeking citizenship, yet studies have revealed that migrant workers are less likely to be engaged with the local community. Recent research has highlighted the need for more joined-up policies at local and national level to get community involvement and community cohesion agendas working together effectively. New communities face barriers, such as difficulties in the use of English, and often have no formal community representation. The study found that groups particularly at risk of not having their views heard were new migrant workers from Eastern Europe, as well as refugees and asylum seekers.<sup>67</sup> Given the barriers, it is less likely they will be able to achieve this criteria for citizenship, even if they stayed and worked for many years.

### Migrant tax

Although those from outside of the EU have had to support and accommodate themselves for a long time, these are the migrants who will be the main contributors to the proposed migrant tax. However, the proposed tax may well not raise the sums the Government is anticipating. Press reports claim it will only raise £15 million, equating to only 0.001 per cent of total local government expenditure in 2005/06, and yet the fund is considered adequate to cover all local public services used by migrants, including the police and NHS, not just local government.<sup>68</sup>

The Government states in its proposals that there is a perception that some migrants receive more from the state than they contribute, and this can adversely affect community cohesion. However, this is only a perception. Evidence shows that migrants are net contributors to the economy and pay more in tax than they consume in public services. Research on fiscal contribution of migrants indicates that this contribution is substantial and disproportionately higher than that of the non-migrant population. Migrants make a net contribution to the Exchequer when tax receipts are compared with expenditure. To establish an additional form of taxation for some groups of migrants in order to appear fair, when in fact it would be hugely unfair to those required to pay, is flawed policy-making. Rather than countering myths and antipathy to migrants, it is likely to confirm the perception that migrants are a burden and the cause of scarce public resources.

64 Robinson, D, *European accession state migrants in social housing in England*, People, Place and Policy online, vol 1, issue 3, 2007.

65 *Economic impact of immigration*, op cit, para 38.

66 *Community cohesion and migration*, op cit.

67 Blake, G, Diamond, J, Foot, J, Gidley, B, Mayo, M, Shukra, K and Yarnit, M, *Community engagement and community cohesion*, JRF, 2008.

68 *Community cohesion and migration*, op cit, para 125.

# Options for reform

There are various options for the Government to pursue in attempting to ensure greater harmony between suitable housing provision for migrants, while also maintaining community cohesion. Shelter outlines below some of the options available, including our own recommendations.

## Improved planning and resources at a national level

Many current debates and press reports concerning immigration often associate an increasingly diverse population with reduced community cohesion. The Government has developed a new standard form of measurement of community cohesion.<sup>69</sup> The main indicator on cohesion, which has been used for a number of years, is ‘the percentage of people who believe people from different backgrounds get on well together in their local area’. However, recent research on immigration and social cohesion suggests that issues of deprivation, disadvantage and long-term marginalisation (unrelated to immigration) must also be considered, as well as how people relate to each other to ensure social cohesion. Discussing how people get on with each other without dealing with inequalities will not work. Housing is often cited as the scarce resource for which both migrant and settled communities compete. However, there is evidence which shows that there is no set pattern of the influence of housing on social cohesion in different localities with similar housing provision. Rather, where appropriate resources follow new migrants into an area and improved facilities are made available also to the settled population, neighbourly relations can be improved. In areas characterised by poor resources, negligible agency involvement and overcrowding in sub-standard accommodation, little space exists for good relations and the tendency to stigmatise all new arrivals is increased.<sup>70</sup>

The CLG Select Committee has acknowledged that there is no straightforward relationship between number of migrants and levels of community cohesion.<sup>71</sup> In fact the Citizenship Survey recently carried out by the Government showed that people’s perception of community declined where there was a greater extent of deprivation in their area.

- Shelter has identified a current high degree of housing insecurity in the UK. The affordability crisis, combined with questions over the timescale for delivery of new social housing, creates an environment in which immigration-related concerns can easily be fanned into flame. In order to counter rising community tensions and inaccurate perceptions of preferential treatment in the allocation of social housing, the Government must take steps at a national level to reduce disadvantage and deprivation. While an understanding of the situation at a local level is essential, certain decisions need to be taken nationally.

## The private rented sector (PRS)

Current government policy promotes the PRS as the primary sector to absorb surplus housing need, at least in the short to medium term. Those on low incomes and unable to access owner occupation are increasingly being encouraged to see renting privately as a solution to their housing difficulties. The sector is used in homelessness prevention, as discharge of duty for those in temporary accommodation, to house asylum seekers awaiting a decision on their application, and is increasingly seen as an alternative to long waits for larger social rented homes for overcrowded tenants. However, it is a relatively small sector and the availability of private rented accommodation varies hugely from area to area. Furthermore, it is the most expensive and least secure of rented options and has some of the worst conditions. Yet it is where many migrants find themselves – leaving them in an insecure tenancy with few housing rights.

- The Government could introduce measures to improve the PRS generally, for all tenants who live there, not just migrants. Shelter’s vision for the wider PRS includes enhanced security of tenure for tenants for whom this is important, safe and

69 Public Service Agreement (PSA) 21

70 Hickman, M, Crowley, H and Mai, N, *Immigration and social cohesion in UK*, JRF, 2008, page xi.

71 *Community cohesion and migration*, op cit, pages 11–14.

appropriate housing conditions to protect and enhance the wellbeing of tenants, and rebalance the landlord-tenant relationship, combined with enhancing the professionalism of the sector.<sup>72</sup>

At present there are an estimated 700,000 empty homes in England, equivalent to three per cent of all homes. According to the Empty Homes Agency, the majority of these properties are in areas of housing need. Approximately 85 per cent of these properties are privately owned, and over 300,000 homes have been empty for more than six months.<sup>73</sup> The Housing Act 2004 introduced local authority powers to bring empty properties back into use. However, there is evidence to suggest that these powers have scarcely scratched the surface of the problem.

- Shelter suggests that there is scope to explore ways in which empty properties can effectively be brought back into use to increase the wider supply of private rented property available overall. This may also provide opportunities to develop accommodation specifically in asylum dispersal areas or in areas where seasonal work is the norm, and to create emergency accommodation for those who would otherwise find themselves homeless and destitute.

### **Mandatory HMO licensing**

Shelter is concerned about reports of migrant workers living in overcrowded and poor conditions<sup>74</sup>, and that only some HMOs are covered by the mandatory licensing regime. Local authorities can introduce selective licensing to cover all HMOs in a designated area, if the area suffers from low housing demand or high levels of antisocial behaviour. However, some local authorities find the process excessively cumbersome and this can act as a disincentive to further licensing. The CLG Select Committee report into community cohesion and migration also highlighted this problem and called on the Government to review the effects of migration on HMOs, and to make it easier for local authorities to regulate HMOs. The Government has said that the Rugg review of the PRS is examining the effect of migration and has said that it will work with local authorities to develop discretionary licensing schemes in those local authorities with high numbers of properties housing migrant workers.

- The Government should extend mandatory licensing to cover all HMOs. Now that the number of HMOs appears to have risen and the evidence of poor conditions is emerging, the case for

mandatory licensing of all HMOs is stronger than ever. This would not only improve conditions and fire safety in HMOs, it would also help to reduce public concern about migration triggered by overcrowded and poorly managed housing. This would also improve asylum seeker housing conditions because they are mainly accommodated in private rented accommodation, including HMOs, under the asylum support provisions.

### **Gangmasters Licensing Authority (GLA) and tied accommodation**

Migrants whose housing is tied to their job are particularly vulnerable and there are many recorded instances of gangmasters exploiting workers through tied housing provision. If the licensing of HMOs were made mandatory, there would be a more systematic approach to dealing with many problem properties. Both the GLA and the local authority would be able to identify licensed properties with much greater ease. This would ensure that inspections could take place routinely, rather than in response to problems which have already arisen.

- In the absence of mandatory licensing of HMOs, a framework for closer joint-working between the GLA and councils could mean selective licensing of certain areas where abuses are suspected, and an increase in the number of abuses identified. The Government should consider developing protocols for joint working and referral between local councils and the GLA.
- The remit of the GLA should be extended to cover all areas with high levels of agency employment, and specifically construction, cleaning and hospitality, as a priority.
- GLA licensing standards are currently being reviewed. Shelter recommends that Licensing Standard 2 should be preserved as a 'critical' standard to adhere to, and that gangmasters failing to pay at least the minimum wage, taking into account accommodation charges, should have their licences revoked. In addition, a failure to provide accurate payslips should be a critical breach of the licensing standards.
- Shelter supports Licensing Standard 4 warranting an automatic revocation of the GLA licence where there is evidence of poor or overcrowded housing conditions, or a failure to conform with local housing regulations on HMOs. Shelter thinks that the rigorous implementation of this standard should be continued following the upcoming review.

<sup>72</sup> see Jones, E, *Fit for purpose? Options for the future of the private rented sector*, Shelter 2007.

<sup>73</sup> [www.emptyhomes.com/usefulinformation/policy\\_docs/edmos.html](http://www.emptyhomes.com/usefulinformation/policy_docs/edmos.html)

<sup>74</sup> eg Lanz, S and Gullen, R, *The extent, size and characteristic of the migrant workforce in the Vale of Evesham: final report*, Mercia research and strategy, 2006. Also, Slough Council has found up to 20 Polish workers living in three-bedroom houses and fire officers there have reported regularly entering houses with migrants sleeping in corridors and kitchens. See <http://tinyurl.com/5yakwk> page 39, footnote 6 (footnote 6 is on page 102), see also the Gangmasters' Licensing Authority (GLA) website: [www.gla.gov.uk](http://www.gla.gov.uk)

- The guidance in the GLA standards says that details of any accommodation provided should be given to the worker, including the terms on which it is offered and the cost. However, the inspection test makes no mention of the need for the gangmaster to give a written tenancy or licence agreement to the worker. The test applied during inspection should require the gangmaster to show evidence that tenancy/licence agreements have been provided to the worker, where accommodation is provided.

## Preventing homelessness and destitution

Since 2002, the Government's homelessness prevention approach has sought to anticipate and prevent homelessness, and has contributed to declining numbers of homeless applications and the numbers of people in temporary accommodation. However, despite the emphasis on homelessness prevention for UK nationals, there appears to be no parallel government priority to address homelessness and destitution among migrants.

### Improve street counts

Rough sleeper counts are widely acknowledged to be inadequate at identifying trends in destitution, particularly related to the nationality and/or immigration status of rough sleepers. Furthermore, those who work closely with rough sleepers believe that rough sleeping among certain groups, including migrants, is more likely to be hidden and not revealed in standard counts. In our response to the Government's recent discussion paper, *Rough sleeping 10 years on*, we raised concerns over the weaknesses in the methodology used for street counts.<sup>75</sup>

- There must be a clear attempt to quantify the problem of destitution and rough sleeping among migrants. When carrying out street counts, increased use must be made of front-line services, such as soup runs, day centres and night shelters, to provide a better picture of the profile of those who find themselves destitute and who may not be visible using current methodology.

### The case for a national safety net

As the benefits and homelessness safety net has been restricted for migrants, there has been a corresponding increase in destitution among these groups. Shelter believes that everyone should have a

home and that the prevention of homelessness and destitution needs to be built into public policy making for everyone. Shelter does not support the further dismantling of the welfare safety net for those unable to accommodate and support themselves. There is a clear case for some form of welfare safety net with a low threshold for assistance to those who are homeless or threatened with homelessness and that access to this assistance should be based on need.

- Shelter urges Government to reconsider its proposals to further limit entitlement to housing and welfare assistance by making citizenship a pre-requisite.
- There is also a strong case for simplifying the rules around entitlement to public funds for migrant workers. Shelter calls for the phasing out of the Worker Registration Scheme in 2009 and the Worker Authorisation Scheme in 2012. This would then put A8 and A2 workers on the same footing as workers from the older European states.

One way of improving protection for those currently excluded from the homelessness safety net would be to consider offering emergency accommodation to any homeless or destitute household, while a full assessment of needs is carried out. This would bolster rather than dismantle the safety net. The Government's recent discussion paper on rough sleeping is based on a principal aim to reduce rough sleeping by using preventative approaches to decrease the flow of new rough sleepers on the streets.

- The Government could reduce rough sleeping through extending the provision of interim emergency accommodation to all those who would otherwise be homeless or destitute. Accommodation developed under suggestions for reclaiming empty properties could be used for this purpose.

### EU nationals and destitution

It is important that sufficient information is provided to accession state nationals to discourage those without work, or without the ability to work, from coming to the UK. However, Shelter is concerned at the suggestion that people from Eastern Europe who find themselves homeless in the UK may be less deserving of a service than any other homeless person. The policy of 'reconnecting' destitute migrants to their home countries may be beneficial for some people. However, others may have specific needs that mean they have to remain in the UK longer and maintain access to appropriate housing and services.

<sup>75</sup> See <http://tinyurl.com/3z2zkc>

- Enhancing the national safety net for those who may find themselves homeless and/or destitute would allow a comprehensive assessment of need, before any recommendation to 'reconnect' takes place. The provision of emergency accommodation pending assessment would help those able to work to find their feet; those in need of support would benefit from a comprehensive assessment of need and referral on to other agencies, including those in their own countries where appropriate.

### Asylum-related destitution

- Any accommodation provided for destitute asylum seekers should be safe, decent and appropriate, and those responsible for assisting asylum seekers should be trained in recognising housing and support needs.
- By lifting the prohibitions on work, the Government could enable asylum seekers to support themselves and reduce their dependency on state provision. By neither providing fully for their needs, nor allowing them to work, government policy contributes to destitution among this group.
- For those unable to work (due to age or ill health, for example), Shelter supports the provision of accommodation and cash until the asylum claim has been fully determined and, if unsuccessful, the applicant has left the country.

### Provision of advice for migrants

- Shelter recognises that the current contracting system for publicly-funded advice work needs to build in safeguards to ensure a wide geographical spread of specialist housing and immigration advice services. Fixed-fee arrangements need to ensure that providers are not inadvertently encouraged to pass over vulnerable clients whose problems may take longer to resolve.
- The Government should provide official induction materials in appropriate languages for migrants at points of entry into the UK. This material should cover their legal rights to housing, and the sources of support and advice available.<sup>76</sup>

### Migrant tax

There have been calls from the Local Government Association, backed by the CLG Select Committee, to establish a contingency fund to be used to support local government services that are under pressure in areas experiencing inward migration. Local authorities argue that they need an additional £250m to cover costs where there is particular evidence of pressure

on services from migration. This represents one per cent of the overall funding allocation to local government and reflects an approximate one per cent underestimate of the actual population. The main argument is that it provides a mechanism to respond to rapid population change in between decisions on three-year settlements. However, the Government is opposed, arguing that the current funding allows for contingencies.<sup>77</sup> The Government prefers the creation of a tax on migrants themselves.

- A tax on migrants themselves is unfair and Shelter does not support this proposal. However, Shelter recognises that introducing further measures to tackle migrant destitution and improve housing services for everyone will require resources.
- Shelter supports the idea of a contingency fund in the short term to address sudden and unexpected demands on local services caused by immigration. However, in the medium to long term, a more comprehensive funding mechanism needs to be established to improve both housing and support provision to migrants. Shelter thinks this money should come from Central Government, potentially raised through taxing, in particular, the businesses that benefit so substantially from migrant labour.

In the debate over an open borders policy, many have argued against any significant restrictions on migrant labour. In the face of increasing tensions around immigration, the Confederation of British Industry suggested a breathing space before allowing A2 nationals full access to UK jobs market, ie very limited restrictions.

Company profitability in the UK has stood at record levels in recent years – over 15 per cent for the non-financial sector, including 10 per cent for manufacturing. As the share of GDP going to profits increases, then other sectors must be losing. Goldman Sachs estimates that around 40 per cent of the increase in profits between 2001 and 2006 has been taken from wages and benefits.<sup>78</sup>

As supply chains become longer, enforcement of rights is more difficult, and clarity around responsibilities is harder to establish. However, despite the multiple layers of service providers in any supply chain, there are clearly businesses and sectors that gain significantly from migrant labour.

- Central Government should seek to explore ways of capturing some of the benefits of migration to Britain, considering opportunities to tax directly those businesses and sectors which benefit most from the ready availability of migrant labour.

<sup>76</sup> *The advice gap: a study of barriers to housing advice for people from black and minority ethnic communities*, op cit.

<sup>77</sup> *Community cohesion and migration*, op cit.

<sup>78</sup> Financial Times, 'The wages of growth may yet be too costly', 29 July 2006.



# Conclusion

Many of the recent debates on immigration have focused on the real and perceived housing demand created by migrants. An appropriate supply of affordable housing is essential to community cohesion. If it is in short supply or is in poor condition, then tensions will arise between those competing for scarce resources. The crisis in affordability combined with underinvestment in social housing over decades has resulted in a shortage of affordable homes in many parts of the country. Shelter believes that community cohesion and the integration of migrants needs to be addressed in the context of the overall need to tackle the shortage of good quality affordable homes.

For the foreseeable future, the UK will operate a system of managed migration. Shelter believes that there must be a parallel process of planning and managing the housing and welfare needs of those who come to the UK, as well as those already resident. There are short, medium and long term opportunities to bring about improvements to the housing conditions in which both migrant and non-migrant communities find themselves.

Recent evidence highlights that leaving the provision of appropriate accommodation purely to the housing market has caused a number of problems, both for migrants themselves and for the resident population. It is therefore incumbent on national and local government, together with employers, to develop a more strategic approach to addressing the housing needs of migrants to the UK.

# Appendix: EU accession states

In May 2004, the European Union expanded to include ten new countries from Eastern Europe. Two new member states were granted full EU rights (Cyprus and Malta) but the others were restricted on their automatic right to work (the A8 states).<sup>79</sup>

Existing EU member states were given the option of implementing transitional arrangements to restrict the right of the new A8 nationals to work for a transitional period. However the UK was one of only three of the existing member states to open its border and allow full access to UK labour markets.<sup>80</sup> A Worker Registration Scheme (WRS) was set up for A8 nationals seeking work. The WRS is not to be confused with the work permit scheme. The WRS does not limit the applicant to particular types of work or allocate points before allowing work. Rather it requires A8 nationals to register within one month of starting work. On payment of a fee, a registration card and certificate are issued to the worker. On changing jobs, the migrant worker is obliged to apply for a new certificate.<sup>81</sup>

Later, when Bulgaria and Romania became members of the EU on 1 January 2007, the Government opted to place restrictions for a transitional period on access to the UK labour markets for nationals from these two countries (A2 states). They are subject to a different Worker Authorisation Scheme that limits A2 nationals to working in certain sectors, unless they are able to find 'highly skilled' work, and they must obtain an accession worker card before commencing employment.

<sup>79</sup> These countries are Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia.

<sup>80</sup> The other two were Sweden and the Republic of Ireland.

<sup>81</sup> Details and requirements of the scheme are set out in the Accession (Immigration and Worker Registration) Regulations 2004, SI 2004/1219.



## Everyone should have a home

We are one of the richest countries in the world, and yet millions of people in Britain wake up every day in housing that is run-down, overcrowded, or dangerous. Many others have lost their home altogether. Bad housing robs us of security, health, and a fair chance in life.

Shelter helps more than 170,000 people a year fight for their rights, get back on their feet, and find and keep a home. We also tackle the root causes of bad housing by campaigning for new laws, policies, and solutions.

Our website gets more than 100,000 visits a month; visit [www.shelter.org.uk](http://www.shelter.org.uk) to join our campaign, find housing advice, or make a donation.

**We need your help to continue our work.  
Please support us.**

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