

Draft Interim Housing Supplementary Guidance Consultation Response from the Nation Union of Students

Summary

1. NUS (National Union of Students) is a voluntary membership organisation which makes a real difference to the lives of students and its member students' unions. We are a confederation of 600 students' unions, amounting to more than 95 per cent of all higher and further education unions in the UK. Through our member students' unions, we represent the interests of more than seven million students nationally, and between 380,000 and 400,000 students in London. Our mission is to promote, defend and extend the rights of students and to develop and champion strong students' unions.
2. Overall we welcome the Greater London Authority and the Mayor's Office efforts in formulating a policy for student housing in the London Plan, and we are grateful for the opportunity to contribute to the consultation process.
3. We have formulated our response to the consultation independently, however we are in agreement with a number of the proposals and comments put forwarded by colleagues in the Higher Education sector, namely University of London, and London Higher. Throughout this submission reference will be made to that of University of London and London Higher in instances where we support and endorse their proposals.
4. We have chosen to respond to specific sections of the Draft Interim Supplementary Guidance which are of interest to, or have particular impact on, our membership. We have made clear which sections of the Guidance we intend to respond to using the paragraph references.
5. Our response is informed by research we have conducted with our members- the Accommodation Costs Survey, and NUS policy passed at National Conference (websites for both of these sources are linked at the end of this document)

6. The Accommodation Costs Survey

- a. The Accommodation Costs survey is a sector-wide survey of universities and private providers of student accommodation which aims to an accurate picture of the affordability and type of accommodation on offer in the UK. It is a longitudinal piece of research which has been carried out by NUS on a routine basis since the 1970s.
- b. We believe there is now a significant mismatch between the nature of provision of accommodation, and the nature of demand from students and their capacity to pay. According to the most recent research, carried out in the 2012-13 academic year, the rent for direct let private purpose-built accommodation (PBSA) in London had reached £220.97 per week, equal to £10,680.42 per year¹. This compares to weekly rents of £135.70 offered by universities, and, due to shorter contract lengths, an annual rent of £5,354.70. Those offered through a nomination agreement between an

¹ NUS/Unipol (2012) *Accommodation Costs Survey* Available at:
<http://www.nus.org.uk/Global/Campaigns/Accommodation%20Costs%20Survey%20V6%20WEB.pdf>

institution and a private provider formed an intermediary price position between the two, with weekly rents of £167.29 and annual rents of £7,590.52.

- c. For most, a standard room in a private development is likely to cost more than their entitlement to student support. In the 2012-13 academic year, a student studying a 39 week course in a London institution, from a household with an average level income, would have been eligible for a total of £9,095 in maintenance loans and grants².
- d. We are currently repeating the Accommodation Costs survey for the 2015/16 academic year, and we anticipate that our research will show a continuation in this trend towards higher rent levels, which exceed the average rate of income for a typical student. We would be happy to share the findings from our more research with the GLA and the Mayor's Office in due course.

7. Working with Stakeholders (Para 1.2.52)

- a. We support and endorse the position outlined in the submission made by University of London and London Higher with regard to this aspect of the Guidance. We welcome the recommendation in the Guidance for partnership working to facilitate better communication and relationships between stakeholders, and specifically where policies are being developed locally with regard to student housing.

8. Affordable Student Accommodation (Para 3.1.84)

We support and endorse the position outlined in the submission made by University of London and London Higher with regard to the need for clarity in terms of the exemptions afforded from the affordability criteria.

9. The Definition of Affordable Rent (Para 3.1.85).

- a. Whilst we strongly support the introduction of a standardised method for calculating 'affordability' in student accommodation, we are keen to ensure that the experience and voice of students is represented in its development.
- b. NUS members recently voted at National Conference for a proposed rate of 'affordable' rent as being 50% of maximum student finance loan/grant/ bursary awarded to students. This differs from the proposed 55% of income outlined in the Guidance.
- c. Furthermore, we believe that an affordable rent should be set in relation to the financial support available to the student, for the duration of their license or tenancy, without the inclusion of potential additional earnings from 'summer vacation work' if they are not residing in the property during the summer vacation period. For example, a student with a 38 week license with an accommodation provider would not be resident at the accommodation during the summer period, is likely to be residing elsewhere, and reasonably we can assume they will be paying rent at their residence as well as meeting their general living costs. We therefore suggest that income earned during periods where a student is not resident in their accommodation should not be taken into account when calculating an affordable rent level.
- d. In practice, as a worked example based on future maximum loan awards for a student studying in London and residing away from home of £10702, this would create an affordable rent of £141 per week, based on a 38 week license.

² NUS (2012) *Student Finance Data Digest 2012/13*, available on request

10. Amount of affordable accommodation (3.1.90)

- a. We would endorse the proposal that boroughs take into consideration the percentage of all students in England that receive the means-tested maintenance grant (which is currently proposed to become a loan) for living expenses when determining the level of affordable accommodation required. However we are mindful that any changes in the way maximum loan awards are means tested may impact on the level of affordable accommodation deemed necessary.
- b. At NUS National Conference our members voted to agree a proposed minimum rate of provision of affordable accommodation of 25% of all bed stock.

11. Ancillary use (Para 3.1.91)

- a. We support and endorse the position outlined in the submission made by University of London and London Higher with regard to this aspect of the Guidance. Ancillary use of accommodation should be considered as a method for providers to subsidise the provision of affordable accommodation, although due care should be taken so as not to limit the provision for students that may require a room beyond a 38 week period, for example students who need accommodation over the summer.

12. Allocations guidance (Para 3.1.92 and Para 3.1.93)

- a. We support and endorse the position outlined in the submission made by University of London and London Higher with regard to this aspect of the Guidance. We believe that the allocation of affordable accommodation must be achieved using a transparent and fair process. Our research³ has clearly shown that the cost of a direct let standard room in PBSA from a private provider is more than an average student can afford, so it follows that the provision of affordable accommodation would benefit the majority of students, not just those from lower-income households. However, as the level of affordable accommodation is likely to be limited, we believe it is necessary to introduce a method for allocation affordable rooms to those considered to be in most need.

³ NUS/Unipol (2012) *Accommodation Costs Survey* Available at:
<http://www.nus.org.uk/Global/Campaigns/Accommodation%20Costs%20Survey%20V6%20WEB.pdf>

References:

NUS Policy passed by National Conference 2015

<http://beta.nusconnect.org.uk/resources/national-conference-2015-resolutions>

NUS/Unipol (2012) *Accommodation Costs Survey*

<http://www.nus.org.uk/Global/Campaigns/Accommodation%20Costs%20Survey%20V6%20WEB.pdf>

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