

**Independent Examination Forest Heath District Council  
Site Allocations Local Plan**

**Matter 4 – The Spatial Distribution of Housing in the Market  
Towns: Brandon, Mildenhall and Newmarket**

**Response on behalf of :-  
Jockey Club Estates Ltd**

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# Matter 4 – The Spatial Distribution of Housing in the Market Towns: Brandon, Mildenhall and Newmarket

## Issues

### Question 4.1 In relation to all the proposed sites in the Market Towns:

- Are the criteria in the allocations policies necessary, relevant and deliverable?
- Is the extent of each site correctly identified?
- Are the detailed requirements for each of the sites clear and justified?
- Are the allocated sites deliverable?

- 1.1 This statement seeks to assist the Inspector by providing further information on allocated site SA6(c) Land at Philipps Close and grassland south-west of Leader's Way/ Sefton Way, Newmarket. Although we support the allocation we have objected to policy SA6(c) because details within the policy text are not justified, and as such, is not in accordance with paragraph 182 of the NPPF. I will respond to each bullet point in turn.

#### **Are the criteria in the allocations policies necessary, relevant and deliverable?**

- 1.2 No, with respect to Policy SA6(c) the requirement for a development brief for the development of the site will not be necessary. Site SA6(c) is owned by Jockey Club Estates Ltd (JCE) and will be developed and managed by JCE to meet the specific needs of people employed in (or retired from) the Horseracing Industry (HRI). Stable staff and trainers have been integral stakeholders within a comprehensive consultation exercise carried out by JCE over the last two years to plan and design a bespoke development proposal which is unique. Pre-application meetings have taken place with FHDC and public consultation events have been held to inform local authorities and other stakeholders. Their concerns and issues have been considered and amendments to the plans have been made.
- 1.3 A development brief seeks to inform public and prospective developers how a site 'may' be developed with a view to provide a brief to intending developers how they may respond to the site issues in any further planning applications. JCE's bespoke proposal will not be negotiating or selling the site to a developer but are delivering and managing the site themselves. To this end a planning application has been submitted to FHDC for the development of the site to meet the needs for HRI workers.
- 1.4 The proposal is unique in that the planned 145 dwellings will be financed by JCE and all rent revenue will be fed back into the HRI. The justifications for HRI affordable housing is referred to in our response to question 4.17.
- 1.5 The remaining requirement within the criteria for SA6(c) set out on page 47 of the plan are dealt with in the planning application. The requirement for a development brief for this site is not necessary or relevant for the reasons above. Paragraph 153 of the NPPF states

*"Supplementary planning documents (development brief in this instance) should be used where they can help applicants make successful applications or aid infrastructure*

*delivery, and should not be used to add unnecessarily to the financial burdens on development.”*

- 1.6 In the case of site SA6(c) a development brief would not be meaningful or practical as the nature of the bespoke proposal would not benefit from the development brief process.

**Is the extent of each site correctly identified?**

- 1.7 Yes, the extent of site SA6(c) as indicated on page 43 of the plan is correct.

**Are the detailed requirements for each of the sites clear and justified?**

- 1.8 No, the detailed requirements for site SA6(c) are not clear and not justified.

- 1.9 The grassland element of Site SA6(c) has been allocated for horseracing related housing (HRRH) since 1995 (FHDC local plan adopted 1995), under which the HRRH would have been secured by means of a legal agreement. The HRRH has been allocated on this part of the site for 22 years. To this end a planning application has been submitted to FHDC for the development of the site to meet the needs for HRI workers.

- 1.10 In the preferred options version of the SALP, under site reference (d) and (f) the site was allocated for HRRH, but this long-standing proposal has been omitted from the Deposit Plan and is now allocated for general market housing (one would assume) which is not the intention of JCE (see application). No explanation has been offered as to why this amendment has been made. The need for HRRH on this site is dealt within responses to questions 4.17 and 4.21.

- 1.11 Paragraph 5.6.20 on page 43 of the Deposit Plan has omitted the reference to the site delivering HRRH and we have requested the wording which was specified in the preferred options document to be reinstated. The deletion of the wording conflicts with the statement at paragraph 5.6.4 of SALP. JCE's proposal is for HRRH to be embedded with an area of horse training yards specifically located for workers in the HRI to walk/ cycle to work, a highly sustainable proposal on part previously developed land and which already has 30 dwellings on it occupied by people connected to the HRI (built in the 1970's) which will be replaced with higher density HRRH development.

**Are the allocated sites deliverable?**

- 1.12 Allocated site SA6(c) (in SALP form) is unlikely to be delivered without the application of a HRRH restriction. In insisting that the HRRH restriction is applied, JCE is reducing the commercial value of the site which it owns; however should the site be owned by another party, JCE would object to residential development on the site unless a HRRH restriction was applied and hence to apply the same approach regardless of current ownership.

- 1.13 The site (in part) since 1995 has been allocated for HRRH. FHDC has only this year decided to remove reference to HRRH from policy SA6(c). Why is this? FHDC should explain this U-turn in light of the fact JCE has submitted an application for 145 HRRH dwellings. JCE has applied for 24 one-bed, 34 two-bed and four three-bed units and a 20 bedroom wardened young person's residence (YPR) to be constructed and managed by Racing Welfare, a registered charity supporting the workforce of British Horseracing. This is a full application with the remaining 83 dwellings in outline for Philipps Close which has 30 existing dwellings on it which will be demolished. There will be a very high proportion of small dwellings to serve the industry with low

car parking ratios to reflect the high rate of walking/cycling to work by locally housed HRI employees.

- 1.14 There are 30 existing dwellings at Philipps Close consisting of 25 market rented dwellings owned by JCE and five affordable rented dwellings (not controlled by planning condition or legal agreement) owned by Racing Welfare on land leased from JCE. The proposal is for 145 dwellings but would include the demolition of 25 market dwellings (plus five affordable rented dwellings which I will refer to separately below), so a net increase of 115 dwellings. It is envisaged that 70% of the 115 dwellings would be market rented, that is 81 market rented dwellings. 30% of 115 dwellings would be affordable rented (at 80% of market rents), that is 34 affordable rented dwellings. The replacement 25 dwellings will be market rented as per the existing tenure. The five 'affordable rented' Racing Welfare dwellings to be demolished will be replaced by a 20 bed space young persons accommodation.
- 1.15 JCE is committed to delivering HRRH on this site for the benefit of the HRI. It is not the intent of JCE to sell the site to a general housebuilder. Therefore, general market housing is unlikely to be delivered on this site.
- 1.16 The premise for plan-making is set out in paragraph 14 of the NPPF this means that:
- "Local Planning Authorities should positively seek opportunities to meet the development needs of their area"*

#### **4.17 – How is the acknowledged lack of affordable housing to be addressed?**

*"The town has its own issues which include the lack of affordable housing to meet the needs of people within the town, including those employed within the racing industry itself (paragraph 5.6.4 of the SALP)"*

- 1.17 Site SA6(c) with the necessary amendments set out at the end of this statement can make a significant contribution to affordable dwelling stock within Newmarket and in so doing assist FHDC by providing a percentage of the 145 dwellings which FHDC otherwise would have to provide. FHDC has to focus on providing for those households which it is statutorily required to house. JCE would be helping by reducing the waiting list. Benefits from the proposals are significant.
- 1.18 The justification for the HRI affordable housing is contained in Appendix 1. In paragraph 3.2 of Appendix 1, reference is made to 'a survey undertaken by Cambridge University "Identifying housing need in the horseracing industry," February 2016. That document and its summary has been referenced to the programme officer and should form part of the EIP CD library.
- 1.19 Bidwells prepared a supporting document to assist in discussions at a meeting with FHDC's Housing Department on 27 March 2017 (see Appendix 2). The document sought to cover any outstanding concerns FHDC had regarding JCE retaining and managing the affordable units. This document finds that from the 244 full time workers surveyed (paragraph 25), 91% of them can afford one-bed properties, 70% can afford one and two bed properties, and 29% can afford the one, two and three bed properties; 8% are unable to afford any of the proposed property types annual rents based on current LHA rates set out in paragraph 2.3. The proposed rent for three bed properties is above the median. Therefore, JCE proposes that the housing mix reflects



this in the planning application with most of the housing comprising one and two bedroom dwellings (paragraph 2.6). 30% of the total number of dwellings will be rented at 20% below market rents, in line with Annex 2 of the NPPF.

#### **4.21 – Site SA6(c) whose ownership are the existing properties in Philipps Close in?**

The Jockey Club Estate and Racing Welfare (on land leased from JCE). Racing Welfare is a charity owned by The Jockey Club which has liaised with Racing Welfare throughout the development of the proposal.

##### **Is the site likely to be deliverable during the plan period?**

Yes, if for HRRH. The application has been submitted. It is intended for the first dwellings to be constructed in late 2018/early 2019.

##### **How has the effect of the proposal on the HRI been considered?**

JCE has prepared a Horseracing Industry Impact Statement to accompany the planning application. This is contained in Appendix 3 for ease of reference. It concludes:

*“The long term benefits of the proposal significantly outweigh any potential for detrimental impact of the scheme which is wholeheartedly supported by the vast majority of the HRI.”*

## **Changes Required to the SALP to Make the Plan Sound**

- (a) Delete last sentence of paragraph 5.6.20 and add new text (in bold) as follows:

*“5.6.20 The site has two distinct elements: Philipps close to the south is an existing residential area which has been developed at a relatively low density. It is considered that redevelopment/intensification of the existing use would achieve a more efficient use of land. To the north of the site comprises a strip of grassland with an associated access track from Hamilton Road. Residential uses are predominantly to the north and east and a gallop and stables to the west. **This site is allocated for residential use to meet the needs of people employed in or retired from the horseracing industry.***

- (b) Delete the last paragraph on page 47 of the SALP and replace with the following text:

*“**Site (c) is allocated for residential use to meet the needs of those employed in or retired from the Horseracing Industry**”*

## APPENDIX 1

# JUSTIFICATION FOR HRI AFFORDABLE HOUSING

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# Justification for HRI Affordable Housing

## 1. Introduction

- 1.1. This paper supports a hybrid planning application submitted by Jockey Club Estates Ltd (JCE) seeking detailed permission for the development of 62 dwellings (24 one-bed, 34 two-bed and 4 three-bed units) and a 20 bedroom, wardened Young People's Residence (YPR) at Hamilton Road, together with associated works and outline permission for the erection of up to 83 dwellings at Philipps Close, Newmarket. The intention is that the YPR will be constructed and managed by Racing Welfare.
- 1.2. Alok Sharma, Housing and Planning Minister, has stated in a number of recent government announcements that one of his priorities, following on from the Housing White Paper "Fixing our broken housing market", is to change NPPF to support the growth of "build to rent" (including affordable rent) to encourage councils to proactively plan for private rented housing, and to give build to rent its own affordable housing classification.
- 1.3. The site is divided in two; a greenfield site which is allocated in the 1995 Local Plan for "racing-related residential" development and an existing, low density housing estate which is occupied mostly by those working in or retired from the racing industry. Until very recently, both sites were subject to a horseracing industry (HRI) restriction in the emerging Local Plan, and JCE has submitted representations to the forthcoming Examination in Public that this restriction should remain.
- 1.4. The HRI employs over 3,600 FTEs within a 25 mile radius of Newmarket, including over 2,250 FTEs working in racehorse training yards in the town, for which this accommodation is particularly designed. Naturally, efforts are made to recruit locally, but due to the specialist nature of the work that is often not possible and therefore many of these employees, a high proportion of which are young, do not have family connections locally and hence rely on the Local Authority to meet their housing need. A number of HRI staff, especially stud staff, are provided with housing with their employment, and finding accommodation on retirement is a challenge, and again, many look to FHDC for a solution; this scheme should help meet this need also.
- 1.5. The very purpose of the application is to cater specifically for HRI housing needs. The housing mix proposed has been specifically designed for those working in the HRI. For example, the scheme has a higher proportion of one and two bed dwellings than might be expected in the market for sale (where larger dwellings tend to achieve a higher profit for the developer). The design has been considered and influenced by stable staff, trainers and others working in the HRI so as to provide the most suitable facilities possible. The internal layouts give particular consideration to the practicalities of working in an equine environment and how the accommodation can support the occupants' lifestyle; for example, dedicated lobby spaces to assist with the management of outdoor clothes and riding equipment.
- 1.6. It is the intention of JCE to build, retain and let the dwellings as opposed to selling them. The occupancy restriction will lead to a discounted rental value from market rental value, and therefore all the 145 dwellings could be seen as effectively being "affordable" as opposed to only those designated as the affordable housing contribution of the scheme. However, the applicant has been

asked to explain why it is proposing that the affordable housing should be restricted to HRI qualifying occupants as opposed to being made available to all those on FHDC's housing list.

1.7. In this context, it is important to note that, as part of The Jockey Club, JCE is governed by Royal Charter and is required to act in the long term interests of British Racing, re-investing any profits in the assets which it manages and for the benefit of racing.

1.8. The primary objective of the scheme is to provide appropriate accommodation for those working in the HRI. Racing Welfare (The Jockey Club's charity arm) focuses its efforts and resources on providing accommodation for the young, the old and the vulnerable, and hence it is intended for Racing Welfare to manage the wardened YPR.

## **2. Importance of Horseracing Industry**

2.1. The importance of the HRI to the local and national economy is well documented and undisputed.

2.2. The report published in May 2017 Newmarket's Equine Cluster: The economic impact of the horseracing industry centred on Newmarket – a short update to the 2014 report stated that the HRI, within a 25 mile radius of Newmarket, produced an economic contribution of over £240 million in 2016 and supported 9,300 FTE jobs (3,600 direct and 5,700 indirect). Councillor Lance Stanbury (FHDC Cabinet member for Planning and Growth) said: "This updated report underlines the value and the contribution that the horseracing industry makes to our local economy. It also helps to confirm the common benefits that can be derived from a local authority working productively with a major local industry and employer ...."

2.3. The importance of the HRI to the local economy, culture and distinctive character is recognised by FHDC in its Local Plan. FHDC has planning policies specific to the HRI, protecting HRI assets and promoting HRI development.

## **3. The Need for HRI Housing**

3.1. The need for HRI housing is equally well documented and whilst this need is common across the country, it is particularly acute in Newmarket where the success of Cambridge (i.e. people living in Newmarket commuting to Cambridge) impacts on availability and cost of housing in Newmarket.

3.2. In 2016, Racing Homes commissioned a survey undertaken by the Cambridge Centre for Housing & Planning Research. The objectives of the research included establishing the degree and nature of the current unmet need for affordable housing amongst racing staff in Newmarket. The report found that the most common issues raised by HRI workers included poor quality housing, high rents and the overall lack of accommodation. The research reported a stigma of landlords not wanting to rent properties to racing staff, and that there is a general sense in Newmarket that housing is "someone else's problem". This scheme demonstrates how the HRI can help tackle "the problem", or at least part of it.

The report findings demonstrated the increasing demand for housing in the local market and how respondents felt that competition in the lower end of the private

rented sector continues to increase. In addition, the report set out the challenges faced by those HRI workers seeking to secure decent, affordable housing within close proximity to the stables where they work.

The research highlighted the negative impacts of the highly pressurised local housing market on staff recruitment and retention for racing businesses.

3.3. The National Association of Stable Staff (NASS) fully supports the proposal.

George McGrath (Chief Executive of NASS) made the following points during an interview in 2014:

3.3.1. There is a lack of racing accommodation available on the racing yards on the Hamilton Road side of Newmarket. The accommodation available on the yards on Bury side is also very limited.

3.3.2. The lack of availability and affordability of accommodation is evident throughout a racing worker's life, from leaving the racing school to retirement.

3.3.3. Most equine workers are unable to afford to buy; rented accommodation is the only option for them.

3.4. The challenge that many equine workers face in relation to buying a house is common across the population. However, given the requirement to live close to where they work, the ability of HRI staff to live where accommodation (to rent or buy) is more affordable is less flexible. As mentioned at 1.4 above, many do not have family connections locally and lack of suitable accommodation is a significant factor in recruitment. Clearly, being able to recruit sufficient and appropriate staff is critical to the current and future prosperity of the HRI and local economy.

3.5. Newmarket trainers have been consulted throughout the process. The SQW Update Report estimated that in 2016 the 89 training businesses in Newmarket employed 2,279 FTEs. Trainers have stated that only a few employees can be accommodated on-site, and one trainer described the Newmarket rental market as a 'free for all' and not accessible to HRI workers. All the trainers commented on the need for racing housing to meet an overwhelming demand in Newmarket. Local trainers are opposed to non-HRI housing on these sites due to a significant concern over the negative impacts of non-HRI occupants living on and commuting out of the site, increasing traffic and creating conflict between people, horses and cars. It is felt that HRI occupants will be aware of how to live in harmony alongside the racing activity on the adjacent training grounds, horsewalks and roads. The fact that the scheme will be owned and managed by JCE gives significant comfort also.

3.6. Most of the (direct) jobs within the HRI involve the care of horses in one form or another, which like any livestock care is a 24 hour a day, 365 days a year responsibility, whatever the weather. In addition to this, racing takes place 364 days a year. The working day starts early, often finishes late and has a non-standard pattern in that many of the staff have an extended break between midday and late afternoon before returning to work for evening stables. These factors make it necessary for practical, financial and human and animal welfare reasons for employees to live as close as possible to their place of work.



#### **4. Justification of HRI Affordable Housing**

4.1. A shortage of affordable housing is a challenge faced by most, if not all, local authorities across the country and the shortage exists for a variety of reasons. The problem is not unique to Newmarket or FHDC. However, what is unique to Newmarket is the economic benefits and opportunities created by the HRI cluster centred on the town.

4.2. In June 2017, FHDC had 440 households who had expressed a desire for an affordable property in Newmarket, of which 264 households could demonstrate a local connection to Newmarket. Unfortunately, the data does not show in what industry people within these households are employed. Therefore, it is impossible to say how many households on the list may qualify for HRI housing as proposed by this scheme, but given the number of people employed by the HRI in and around Newmarket, it is reasonable to make an assumption that a significant proportion will qualify.

4.3. Given the shortage of affordable housing in the district (as in most districts), FHDC has to focus what provision there is on those households which it is statutorily required to house. This results in preventing those on the list, who are in work, but still in need and equally deserving of affordable housing, from reaching the top of the list.

4.4. One cannot say that those working in the HRI and who would qualify to occupy dwellings within the scheme are more deserving of affordable housing than those in other occupations or not working. However, it is possible to make the following points:

4.4.1. The proximity of the site to racing facilities mean that it is unsuited to development of non-HRI residential properties, hence the long-standing racing-related restriction since its allocation in the 1995 Local Plan. Therefore, if any units, affordable or otherwise, within the scheme are not restricted to HRI occupation then it puts the entire scheme at risk.

4.4.2. Many HRI staff have a particular requirement to live close to their place of work.

4.4.3. Often, HRI workers do not have local family connections for support or temporary housing, and hence, if housing is not available to them close to the workplace, they cannot accept offers of employment and this is detrimental to the economic success of the HRI.

4.4.4. In addition, JCE's requirement to re-invest in racing makes it difficult for it to invest in non-racing assets (such as non-HRI restricted affordable housing), as it would neither benefit racing nor produce a reasonable return on capital. Again, should the entire scheme not be restricted to HRI occupation it is most unlikely to progress.

4.4.5. Provision by this scheme of HRI affordable housing will satisfy the need of some of those households on FHDC's housing list and therefore reduce the size of the list, increasing the chance that FHDC will be able to support more non-HRI households on the list. Indeed, given that the scheme as a whole is likely to produce a large number of dwellings to rent at discount from market rents the overall, beneficial impact of the scheme will be significant.

4.4.6. As is shown at Section 8 of the Lettings Agreement, households will continue to qualify to occupy HRI affordable units even when they are no

longer employed in the HRI providing they have qualified over a period of 15 years. This is seen as a reasonable compromise between the objective of the scheme to provide housing for working staff and avoiding the risk of those who have worked in the industry for a long time and benefited from the scheme (or housing provided by their employer) going back onto the Housing List when they are no longer working in the industry for whatever reason.

## **5. Conclusion**

- 5.1. For the reasons laid out above, and presented in other documentation which is part of this application, it is strongly recommended that FHDC consider the benefits of this proposed scheme as a whole and in particular that any affordable units within the scheme are restricted to occupation by HRI qualifying households. This restriction is fundamental to the submission and without it the scheme is unlikely to progress.

## APPENDIX 2

# PHILIPPS CLOSE & HAMILTON ROAD – SUPPORTING DOCUMENTS

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# PHILIPPS CLOSE & HAMILTON ROAD

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## SUPPORTING DOCUMENTS

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## Executive Summary

JCE is to meet with FHDC Housing on 27 March 2017 to discuss any outstanding concerns regarding JCE retaining and managing the affordable units. FHDC's outstanding concerns include whether it will be policy compliant for a non-Registered Provider (RP) to provide affordable housing, whether local racing related workers will be able to afford the proposed rents for the affordables, and whether there is local specific need for the allocation of the properties to be restricted to racing workers.

An Executive Summary of the report follows:

### Section 1 - Government's Housing Papers

- It is possible for non-RPs to provide and manage affordable housing, now and into the future;
- Government wants to simplify and clarify the mechanisms of non-RPs providing and managing affordable housing.

### Section 2 - Affordability

- Real data from 244 currently employed racing workers in Newmarket,
- 91% of those surveyed can afford the proposed rents for the one and two bed affordable dwellings on their individual salaries;
- If household income (rather than individual income) was to be considered, we would expect this percentage to increase.

### Section 3 - Need

- Draws from a range of research undertaken over the past two and a half years,
- More accessible and affordable racing housing in Newmarket is needed to support and meet the demands of the growing racing industry.
- Supported by external research in the form of the Racing Homes Report, by the National Association of Stable Staff, by local trainers and other racing stakeholders.

### Section 4 – Precedent

- Several case studies, some well-known.
- Similar schemes whereby private landowners have provided, retained and managed affordable housing, by working with and agreeing bespoke lettings terms with local authorities.
- In some cases, the housing has also been restricted to those in a defined employment type.

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## 1.0 Government Planning Consultation Papers

### 1.1 Background

Over the past two and a half years, JCE has been in discussions with FHDC and local racing stakeholders regarding a proposed racing development on land at Philipps Close and Hamilton Road. Although a bespoke lettings policy was largely agreed with FHDC, the Council has recently raised concerns over whether JCE can retain and manage the affordable element of the scheme, considering that it is not a Registered Provider (RP). However, as the extracts below, in sections 1.2 and 1.3, demonstrate the NPPF already allows non-RP housing providers to retain and manage affordable housing units and these may be counted as affordables by the Local Authority. Furthermore, the two consultation papers outlined below reaffirm this and suggest that future policy will clarify this position and make it easier and quicker for private landowners to provide and manage affordable rented accommodation.

### 1.2 The Planning and Affordable Housing for Build to Rent Consultation Paper

The Planning and Affordable Housing for Build to Rent Consultation Paper seeks views on planning measures intended to support Build to Rent through the planning system and make the opportunity for Build to Rent more widespread.

Please find below extracts from the consultation paper which support JCE's development proposal for the land at Philipps Close & Hamilton Road (wording in italics has been directly lifted from the consultation paper):

#### 1.2.1 Affordable housing and viability (see page 13)

*Some privately rented homes can come from purpose built schemes held in single ownership which are intended for long term rental. The economics of such schemes differ from build to sale and should be determined on a case by case basis. To help ensure these schemes remain viable while improving the diversity of housing to meet local needs, local planning authorities should consider the appropriate level of planning obligations, including for affordable housing, and when these payments are required. So these homes remain available to rent only, local planning authorities may choose to explore, using planning obligations, to secure these schemes for a minimum period. Local planning authorities should enforce these planning obligations in the usual way.*

#### 1.2.2 Affordable Private Rent (see page 14)

*A big advantage of Affordable Private Rent is that, by combining all the market and discounted units into a single development under common control, without the separate involvement of a social landlord, efficiencies can be realised in the design, density, construction and management of schemes. These efficiencies improve financial viability. They also enable a greater number of affordable units to be provided in total than would normally be the case for an equivalent scheme delivered under conventional construction approaches. By 'pepper-potting' the physically indistinguishable discounted homes throughout the scheme, there may also be a broader social benefit of creating a mixed and well-integrated community within the development.*

1.2.3 Case Study: The Rehearsal Rooms, Ealing (see page 15)

*Ealing has been keen to facilitate the development of institutionally funded volume private rented sector housing and North Acton is an ideal location. The new planning consent included a Section 106 agreement which provided for the affordable housing contribution to be in the form of 30 discounted private rented sector units, and managed as part of the scheme, **without involving a separate Registered Provider**. Eligibility for living in the discounted homes is determined based on tenants' household income and a lettings and management plan is contained within the revised Section 106 agreement, that gives further clarity to how the apartments will be allocated and managed.*

1.2.4 Delivering Affordable Private Rent (see pages 15 & 16)

*The Government's proposed terms for the provision of Affordable Private Rent are a minimum of 20% of the homes, at a minimum of 20% discount, provided in perpetuity. More details about the discount calculation are set out in Chapter 4.*

*To meet this aim, the Government intends to set an expectation in the National Planning Policy Framework that, where Affordable Private Rent is offered, consideration should be given to accepting it instead of other forms of affordable housing. The intention is that this should provide a sufficiently robust expectation that local authorities do not seek to require alternative affordable housing products to Affordable Private Rent in Build to Rent schemes. Where a scheme cannot sustain the level of provision indicated above, then it would be for the local planning authority to determine what type and level of affordable housing provision is warranted – whether Affordable Private Rent or otherwise.*

*The effect of explicitly referring to Affordable Private Rent in the National Planning Policy Framework will also be to give planning authorities confidence that Affordable Private Rent counts as a form of affordable housing in Build to Rent schemes, and enable them to confidently consider this tenure as affordable housing in plan-making and decision taking.*

*Changing the National Planning Policy Framework this way will also allow sufficient flexibility for developers to offer alternative approaches where appropriate. For example:*

- developers could seek different Affordable Private Rent terms (e.g. greater discount but fewer discounted homes), in negotiation with planning authorities;*
- developers would not necessarily be obliged to offer Affordable Private Rent homes in the first place and instead could negotiate to provide different affordable housing products on site as they deem necessary.*

1.2.5 Family Friendly Tenancies (see page 17)

*The Government expects that family friendly tenancies of three years (or more) will become the norm (for those tenants who want one) in Build to Rent. We are working with the British Property Federation and National Housing Federation to consolidate this approach across the sector. There are no plans to legislate that types of private landlord must offer longer tenancies. However, Build to Rent schemes taking up the proposals on Affordable Private Rent set out in this document should be expected to offer family friendly tenancies (to those tenants who want one, and who are eligible to live in the country for that period under the right to rent) and this can be secured through planning obligations.*

### 1.2.6 Definition of Affordable Private Rent (see page 21)

*The existing definition of affordable housing in the National Planning Policy Framework implicitly allows Affordable Private Rent to count as intermediate housing where the following conditions apply:*

- *The housing is provided to eligible households whose needs are not met by the market.*
- *Eligibility is determined regarding local incomes and local house prices.*
- *The homes should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.*
- *The housing is provided at a cost above social rent but below market levels.*

*The Government proposes to put beyond doubt that Affordable Private Rent counts as a form of affordable housing by referring to it explicitly in the National Planning Policy Framework. The Government is considering the following definition for the specific purposes of Build to Rent, which should also be read alongside the wider affordable housing definition changes proposed in the 2017 Housing White Paper:*

*“Affordable Private Rent housing is housing that is particularly suited for providing affordable housing as part of Build to Rent Schemes. It is made available for rent at a level at least 20 per cent below local market rent. Eligibility is determined regarding local incomes and local house prices. It should include provisions to remain at a discount for future eligible households or for alternative affordable housing provision to be made if the discount is to be withdrawn.”*

## 1.3 Fixing our broken housing market

The proposals of the above named White Paper set out how the Government intends to boost housing supply and, over the long term, create a more efficient housing market whose outcomes more closely match the needs and aspirations of all households and which supports wider economic prosperity.

Please find below extracts from the consultation paper which support JCE's development proposal for the land at Philipps Close & Hamilton Road (wording in italics has been directly lifted from the consultation paper):

### 1.3.1 Affordable Housing (see page 99)

#### *Changing the definition of affordable housing*

*A.119 In December 2015 we consulted on changes to the National Planning Policy Framework. This included a proposal to broaden the definition of affordable housing, to include a range of low cost housing opportunities for those aspiring to own a home, including starter homes. In doing so this approach would seek to retain all types of housing that are currently considered affordable housing.*

*A.120 Following the consultation we intend to take forward proposals to expand the definition of affordable housing in planning policy, but propose to make two further changes: to introduce a household income eligibility cap of £80,000 (£90,000 for London) on starter homes. We wish to make sure that starter homes are available to those that genuinely need support to purchase a new home, and the cap proposed is in line with that used for shared ownership products; and to introduce a definition of affordable private rented housing, which is a particularly suitable form of*

*affordable housing for Build to Rent Schemes. We are separately consulting on a range of measures to promote Built to Rent developments.*

*A.121 Subject to this consultation, we intend to publish a revised definition of affordable housing as part of our revised changes to the National Planning Policy Framework. A proposed revised change is set out in the box below.*

1.3.2 Proposed definition of affordable housing (see page 100)

*Affordable housing: housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to home ownership), and which meets the criteria for one of the models set out below.*

*Affordable private rent housing is housing that is made available for rent at a level which is at least 20 per cent below local market rent. Eligibility is determined regarding local incomes and local house prices. Provision should be made to ensure that affordable private rent housing remains available for rent at a discount for future eligible households or for alternative affordable housing provision to be made if the discount is withdrawn. Affordable private rented housing is particularly suited to the provision of affordable housing as part of Build to Rent Schemes.*

*Intermediate housing is discount market sales and affordable private rent housing and other housing that meets the following criteria: housing that is provided for sale and rent at a cost above social rent, but below market levels. Eligibility is determined regarding local incomes and local house prices. It should also include provisions to remain at an affordable price for future eligible households or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement. These can include Shared Ownership, equity loans, other low cost homes for sale and intermediate rent (including Rent to Buy housing).*

## 2.0 Affordability for Proposed Affordable Housing

### 2.1 Background

Jockey Club Estates (JCE) and Bidwells met with FHDC on 15/12/2016 to discuss the affordability of the proposed affordable units for the above scheme, should the affordable units be prioritised for racing related workers. To support its case, JCE agreed to collect and present real data from a selection of racing employers in Newmarket.

At the meeting on 15/12/2016, it was agreed that 33% of the median salary should cover the proposed rent for one and two bed properties. FHDC is then to run the median and above salaries through its affordability calculator.

The statistics below are based on annual salaries including overtime, but excludes employees earning more than £60,000 pa.

### 2.2 The Data

JCE has obtained data from many racing employers, including a selection of racing yards of different sizes, a horse transport company and those employed directly by JCE and Jockey Club Racecourses. The dataset comprises salary information for 244 full time workers.

### 2.3 Proposed Rental Values

For this exercise, proposed rents have been based on LHA rates. However, for the avoidance of doubt, the LHA rates for one and two bed properties are currently above the level which JCE is proposing to charge for any affordable element within the development – 80% of open market rental values.

House Type	Proposed Rent per Annum (based on current LHA rates)
One bed	£6,555
Two bed	£7,318
Three bed	£8,759

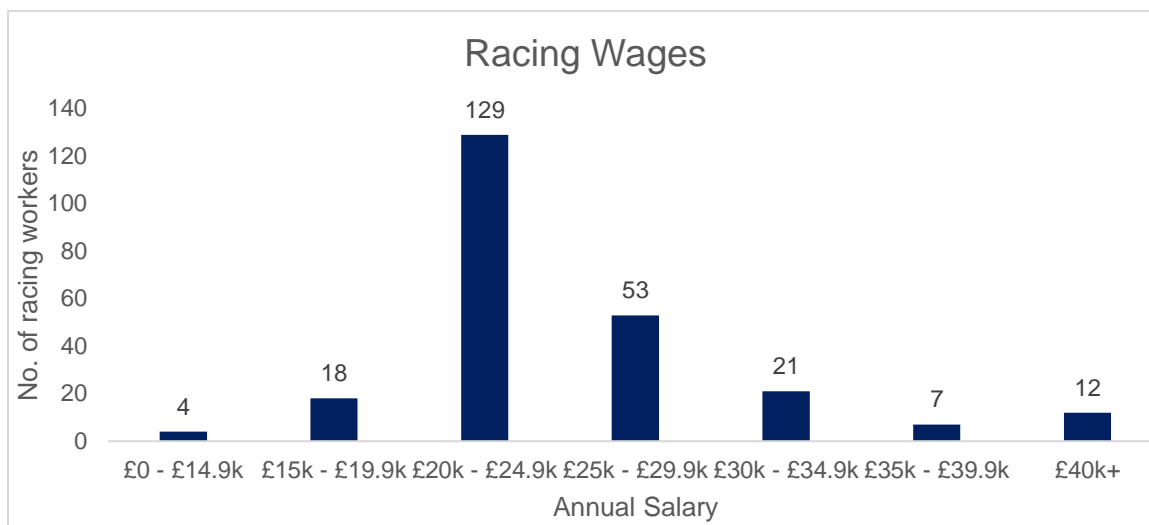
### 2.4 Average Salaries

Job Type	Average Annual Salary
Apprentice Jockey	£18,720.00
Groom	£21,503.39
Other*	£22,705.30
Driver	£26,436.00
Head Person	£29,783.00
Trainer	£46,800.00

\* Other - includes (but not exclusively) racing secretaries, grounds maintenance workers, yard cleaners, horse transport managers and equestrian treadmill operators.

### 2.5 Affordability for the Proposed Affordable Accommodation



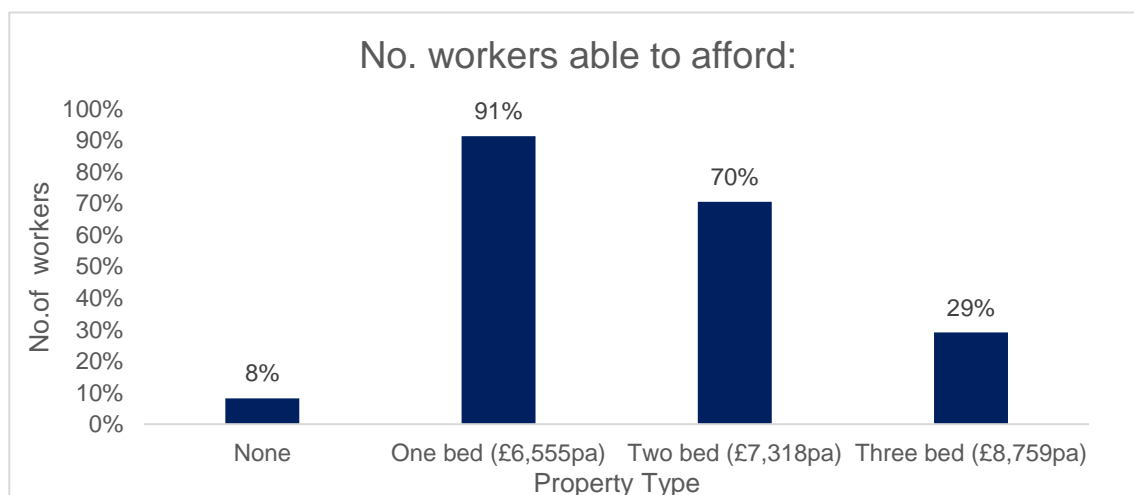
**Graph 1**

As shown by Graph 1, 53% of those surveyed earn between £20k - £24.9k per annum.

Just over 7% earn between £15k and £19.9k annually, and those that do mainly comprise grooms, yard workers and riders.

Just over 20% of the dataset earn between £25k and £29.9k. With the top 15% of the workforce earning upwards of £30k. These higher wages are normally attributable to the trainers and head lads/lasses.

The lowest paid workers, earning less than £15k, are mainly employed as grounds maintenance workers, less skilled and less experienced stable staff, and assistant pupils.

**Graph 2**

Graph 2 shows how many of the workers surveyed can afford the different types of proposed rental accommodation. Affordability has been measured as a worker spending a maximum of

33% of their annual salary including overtime on rent. The rents proposed are based on the current LHA rates.

From the 244-people surveyed, 91% can afford the one bed properties, 70% can afford the one and two beds, and 29% can afford the one, two, and three bed properties. 8% are unable to afford any of the proposed property types.

## 2.6 Affordability of the Median

The median of the salaries including overtime is £23,810 per annum, which provides a rental allowance of £7,937 at 33% of gross income (the percentage which we agreed in our last meeting)

Based on the current LHA rates, the median value covers the one (£6,555pa) and two bed (£7,318pa) properties.

The proposed rent for the three bed properties is above the median. Therefore, we would propose that the housing mix reflects this, with most of the housing mix comprising one and two bed dwellings.

However, it should be noted that these figures are based on the income of the racing worker only and not household income which in most cases will be higher, often significantly so.

## 3.0 Need for Proposed Affordable Housing

### 3.1 Background

Jockey Club Estates (JCE) and Bidwells met with FHDC on 15/12/2016 to discuss the demand and need of the proposed affordable units for the above scheme, should the affordable units be prioritised for racing related workers.

Since this meeting, Simon Phelan wrote to William Gittus on 14 February 2017, stating that JCE needed to clearly demonstrate there is a specific local need for the affordable units to be allocated and restricted to those with a horse racing industry connection.

Please find below a summary of the supporting information which has been collected over the past two and a half years:

### 3.2 July 2014 – Feedback from the National Association of Stable Staff (NASS)

Bidwells met with George McGrath, the Chief Executive of NASS, on 17 July 2014 to discuss the proposed racing housing scheme at Philipps Close.

The main points put forward by George during the meeting were:

- There is a lack of racing accommodation available on the racing yards on the Hamilton Road side of Newmarket. The accommodation available on yards on Bury side is also very limited.
- The availability and affordability of accommodation is evident throughout a racing workers' life, from leaving the racing school to retirement
- Most of the workers George has spoken to are unable to afford to buy, so rented accommodation is the only option for them.
- George was confident that the mix of housing required should comprise mainly one and two bed properties.
- George was pleased to see that due to the location of the proposed development, workers would mainly be able to walk/cycle to work; he agreed that this would likely happen and car use would be minimal.
- Based on the previous proposal, George was asked whether he thought there was enough demand in Newmarket within the racing industry to fill up to 90 dwellings. George was confident that this would be easily achievable.

### 3.3 September 2014 – Feedback from the local trainers

Bidwells undertook telephone interviews with four of the main trainers in Newmarket, to discuss the proposed scheme.

To summarise the results:

- From the trainers interviewed, the number of workers per yard ranged from 20-85, with the majority working full-time.
- The trainers reported that few workers live onsite and one of the trainers described the Newmarket rental market as a 'free for all' and not overly accessible to racing related workers.
- Overall, it was agreed that there is plenty of demand for racing housing in Newmarket.

- One and two-bed properties were considered most needed; there was no mention of a requirement for houses larger than 3 beds.
- Following the telephone interviews in 2014, the trainers have been kept informed during the progression of the proposed scheme; they remain supportive toward the project if the housing is restricted to racing workers.

### 3.4 February 2016 – Racing Homes Housing Need Survey

Racing Homes commissioned a survey to be produced by Cambridge Centre for Housing & Planning Research. The aim of the research was: To establish the degree and nature of current unmet need for affordable housing amongst racing staff and to make recommendations as to how that need may be best met.

The report presented the following findings:

- The racing industry has a relatively young age profile of staff in the industry.
- The most common issues raised by workers interviewed were that housing is of poor standard, is expensive compared to wages and there is a lack of accommodation.
- The research highlighted issues with housing in the private rented sector. There was a stigma from landlords who were reported not to want to rent properties to racing staff.
- There was a general sense in Newmarket that housing was ‘someone else’s problem’.
- The Newmarket interviewees highlighted that the housing market in Newmarket is expensive and highly pressured.
- It was reported in Newmarket that there is increasing competition for housing in the local market and respondents felt that there is increasing competition in the lower end of the private rented market as low cost accommodation is being sought by agricultural workers who tend to have slightly higher incomes than racing staff.
- The report stated that, in Newmarket, the pressured market is driving house prices and rents upwards, something which has been happening over a long period, but with more recent acceleration. These factors mean that the local housing market is fast paced, with stable staff competing to secure private rented accommodation and often finding that housing is let very quickly.
- It was portrayed in Newmarket that challenges in securing decent, affordable housing are exacerbated by staff needing, or at least preferring, to live in Newmarket and very close to the stables in which they work.
- The report also set out several impacts, which the expensive and high pressured local housing market is having, on staff recruitment and retention for racing businesses: Training yards receive calls from prospective employees who are put-off by difficulties securing accommodation and prefer to take jobs where there is access to housing. There was also suggestion from some trainers that staff from outside the EU are recruited, in part, because of their willingness to live in substandard housing in Newmarket.

Bidwells is happy to ask the Cambridge Centre for Housing & Planning Research if they can present any additional data to further demonstrate the need for available housing for racing workers.

### **3.5 Continued discussions with Racing Welfare**

Racing Welfare (RW) has been kept informed throughout the project and it is fully supportive of the scheme and agrees that there is strong demand in Newmarket for more racing homes. RW is also hoping to join the scheme by building one of its hostels on the site, to cater for the younger workers straight out of the British Racing School; these occupants would then likely move into one of the other racing homes on the site, as they progress with their racing career.

### **3.6 Evidence of demand through JCE's current lettings system**

JCE currently holds several let properties. When these become vacant they are very quickly relet, by word of mouth or within hours of being advertised online. The rents achieved are above LHA rates.

## 4.0 Precedent for non-RPs managing Affordable Housing

### 4.1 Burghley Estate

WAG and GALD met with David Pennell (Burghley Estate) on 13 May 2016 to discuss the recent developments by Burghley Estate and how they might be relevant to JCE's proposal.

David confirmed that South Kesteven District Council (SKDC) agreed that, following the relocation of Stamford Football Club, as part of a housing scheme to build 48 open market houses on the old football site, the affordable housing element of the scheme was to be 'exported' to another site close to the Cummings factory; where permission for 20 affordable and four open market units was granted.

The S106 for the market value site was relatively uncomplicated; payment of £170k for the 48 market houses and agreement that none can be sold until 50% of the affordable houses are built out.

Of the market value site, 10 units have been retained by the Estate (pepper potted across the scheme). The remainder of the site is now owned and will be built out by Morris Homes; there are no planning restrictions on the 10 market value houses retained on this site.

On the affordable site, Burghley Estate has contracted privately with SKDC to agree a private lettings policy for the affordable units, which are to be retained and managed by Burghley. Rents are set by Burghley at 80% of open market rents; Burghley has circa 700 other lettings and so the Council has accepted that they are best placed to set rents. SKDC has nomination rights and there is a right of refusal for Burghley Estate. The properties are to be let on ASTs, granted for a maximum of 12 months, and there are eviction procedures set out within these.

More information can be provided on request.

### 4.2 Blenheim Estate

West Oxfordshire District Council (WODC) has agreed that Blenheim Estate can be included in the S106 as an affordable housing provider for a new housing site; the Estate is not a RP. Blenheim is currently in the process of agreeing a performance agreement that will stand alone to cover tenure, allocation, rental levels, and management, with the council still having some involvement with allocation. All lettings are likely to be on one to five year ASTs.

### 4.3 Northumberland Estates

We understand that Northumberland Estates, in the past, worked with local social housing providers on many projects aimed at tackling the shortage of affordable homes throughout Northumberland. We understand that the Local Authority has now agreed that the Estate can be a provider of affordable housing and that affordable units are to be rented at 80% of open market value.

### 4.4 Ardington Estate

We are aware that Julian Sayers, owner of Ardington Estate in Oxfordshire, has agreed a bespoke 'key worker' policy whereby people who work locally or on the estate or at local schools etc. can be housed on ASTs for so long as they are in the set of defined local employment.

#### **4.5 Bolesworth Estate**

Bolesworth Estate in Cheshire was the first private landlord to be considered as a registered social landlord equivalent. In 2004, Bolesworth delivered a scheme of seven homes in Burwardsley village. This was a rural exception site and the scheme delivered an element of cross-subsidy with four open market homes for rent and three to be let at an affordable rent. Since then, Bolesworth has also been instrumental in helping to deliver a 'continuing care retirement community' in Tattenhall which will deliver 20 affordable homes for the over 65s.



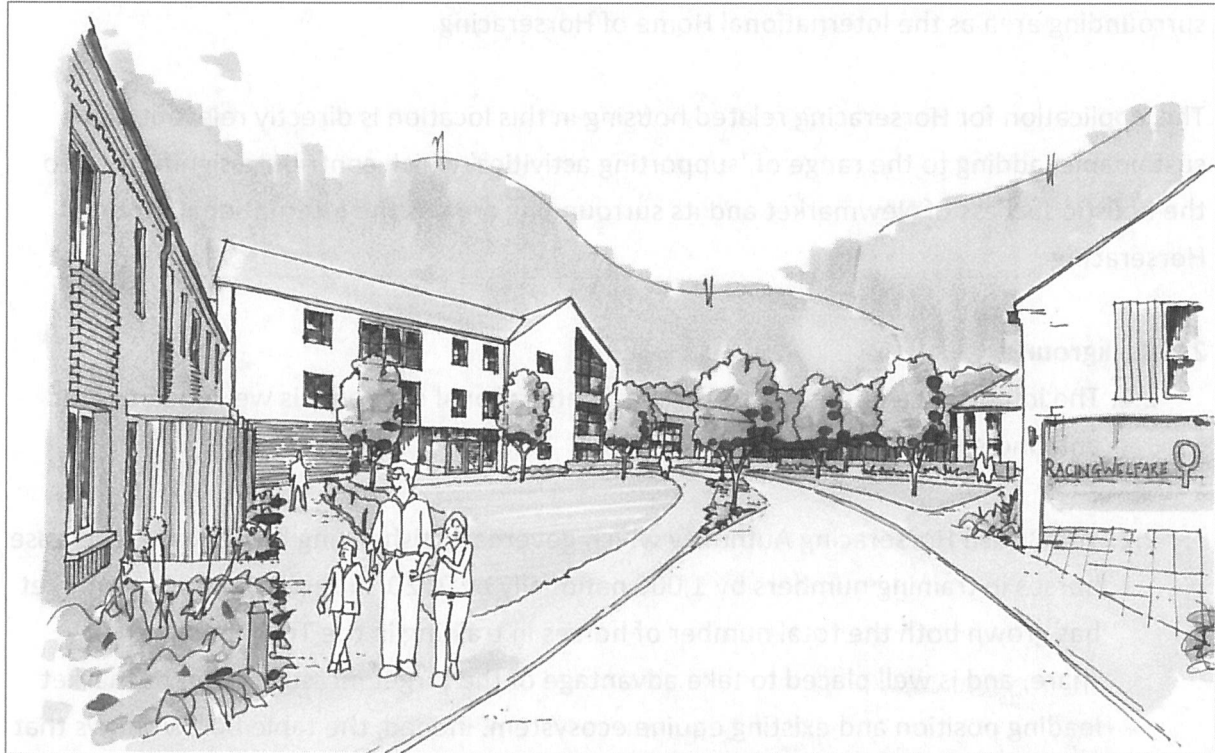


APPENDIX 3

**HORSERACING INDUSTRY IMPACT  
STATEMENT**


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# Horseracing Industry Impact Statement



## Proposed HRI Housing Hamilton Road, Newmarket

Prepared by:

  
**THE JOCKEY CLUB**  
ESTATES

September 2017

## 1. Executive Summary

Policies DM47 to DM50 seek to ensure the continued preservation of the HRI in a manner that allows it to be safeguarded whilst also ensuring that sustainable development needs can be met. However, these development management policies must remain responsive to the changing needs of the Horse Racing Industry, including recognition of the range of supporting activities that now locally contribute to the holistic success of Newmarket and its surrounding area as the International Home of Horseracing.

This application for Horseracing related housing in this location is directly relevant and sustainable, adding to the range of 'supporting activities' which contribute significantly to the holistic success of Newmarket and its surrounding area as the international Home of Horseracing.

## 2. Background

2.1. The importance of the HRI to the local and national economy is well documented and undisputed.

2.2. The British Horseracing Authority which governs British racing has a goal to increase horses in training numbers by 1,000 nationally by 2020. In recent years Newmarket has grown both the total number of horses in training in the Town and market share, and is well placed to take advantage of the target increase given its market leading position and existing equine ecosystem. Indeed, the table below shows that Newmarket is capable of "outperforming" national growth in horse numbers.

	UK Total BHA Data Pack	YoY % Change	Newmarket JCE	YoY % Change
2012	8622		2276	
2013	8707	+1.0%	2365	+3.9%
2014	8848	+1.6%	2409	+1.8%
2015	9073	+2.5%	2529	+5.0%
2016	9161	+1.0%	2604	+3.0%

2.3. The need for HRI housing is explained elsewhere in the submission to which this HRI Impact Statement is attached; suffice to say that the need is significant and urgent.

## 3. Project Description

3.1. The proposal comprises of a hybrid planning application submitted by Jockey Club Estates Ltd (JCE) seeking detailed permission for the development of 62 dwellings (24 one-bed, 34 two-bed and 4 three-bed units) and a 20 bedroom, wardened Young Persons Residence (YPR) at Hamilton Road, together with associated works

and outline permission for the erection of up to 83 dwellings at Philipps Close, Newmarket. The intention is that the YPR will be constructed and managed by Racing Welfare.

#### **4. Impact on the HRI**

- 4.1. One of the greatest challenges facing the HRI is the recruitment and retention of staff. This issue is a threat to the current and future prosperity of the HRI. One of the main reasons for this is the lack of affordable housing in close proximity to the workplace. The proposed scheme will provide 145 dwellings, of an appropriate type, in an appropriate location and will therefore alleviate a significant proportion of the problem, enabling racing businesses to better recruit and retain staff, thereby operating and growing their businesses.
- 4.2. The fact that dwellings will be restricted to occupation by HRI workers, and be owned and let by JCE means that this important resource will continue to be available to the HRI in the long term, rather than decrease over time as would be the case otherwise.
- 4.3. Development of any kind can rarely take place without the possibility of a detrimental impact, and despite the very significant advantages, this development is no different.
  - 4.3.1. Without thoughtful design the scheme, given its location and close proximity to training yards, gallops and horse walks, could conflict with HRI operations. However, careful consideration has been given to appropriate separation of horses, pedestrians, cyclists and vehicles. Mark Tompkins, Chairman of Newmarket Trainers Federation, who occupies a yard on Hamilton Road has been consulted throughout the design process, as have other members of the HRI.
  - 4.3.2. An example of how this matter has been considered in a wider context is the proposal for a Pegasus crossing for the horse crossing at the junction of Hamilton Road and Rowley Drive.
  - 4.3.3. Initial thought has been given to how any potential conflict with HRI activities will be mitigated during the construction phase, such as re-routing horsewalks, and this has been discussed with trainers who use the facilities in close proximity to the site. These will be considered further and covered in a Working Method Statement produced in conjunction with the contractor, once selected.
  - 4.3.4. As JCE would expect any developer in an HRI sensitive location to do, it will continue to liaise closely with occupiers of yards on Hamilton Road

throughout the construction process in order to mitigate any potential detrimental impacts.

- 4.3.5. HRI qualifying occupiers of existing dwellings in Philipps Close will be relocated to other accommodation owned by JCE (either newly built in earlier phases of this development or elsewhere in Newmarket).

## 5. Conclusion

The long term benefits of the proposal significantly outweigh any potential for detrimental impact of the scheme which is wholeheartedly supported by the vast majority of the HRI.



# Identifying housing need in the horseracing industry

Research for the Stable Lads Welfare  
Trust Housing Association (trading as  
Racing Homes)

Executive Summary

February 2016



## **1. Aims**

The aim of the research was:

- To establish the degree and nature of current unmet need for affordable housing amongst racing staff.
- To make recommendations as to how that need may best be met.

## **2. Methods**

The methodology for the research comprised:

1. A background review of existing evidence and literature, including previous studies of racing staff.
2. National online survey of racing staff.
3. Case study field visits in Middleham, Newmarket and Lambourn with approximately 60 qualitative interviews.
4. Housing need analysis.
5. Overall analysis.

## **3. Summary of key findings**

### **3.1 Lack of existing data**

The initial discussions with industry stakeholders showed that housing is an issue about which there are strong opinions, but where robust data and coherent evidence are lacking and knowledge is informed by personal experience and anecdotal evidence. Previous research found that housing was considered to be the second most common welfare issue (Public Perspectives Ltd, 2013), but did not explore why this was the case or what the issues with housing were. This research aimed to provide evidence about the scale and nature of housing need in the industry.

### **3.2 Housing arrangements in the industry**

The survey conducted for this research showed that most respondents have only one main home. Most people live in a bedroom in a shared property or with their partner but no children. The next most common housing arrangement is to live alone in self-contained accommodation or live with a partner and children. Probably reflecting the relatively young age profile of staff in the industry, 10 per cent live with parents. Only a very small proportion live on their own with children or in accommodation with shared bedrooms. Staff are overwhelmingly likely to be living in a permanent structure.

It is most common (36 per cent) to rent from a private landlord. In total 30 per cent of respondents live in some form of employer provided housing (14 per cent paying rent, 16 per cent provided for free). Owner occupation accounted for 19 per cent. Two thirds of



respondents thought that owner occupation was the preferable tenure. People were generally satisfied with their current housing and this was likely to be close to work, both in terms of distance and journey time. Overall, the analysis of the survey suggests that the current housing circumstances may be not ideal for some in the industry, but the majority were satisfied with their accommodation and were living in a suitable property close to their workplace.

### **3.3 Reasons for leaving the industry**

The survey sought views from people who have worked in the industry, but are not currently doing so. The most common reason for leaving the industry was poor pay, followed by a career change, injury and the hours of work.

At the end of the survey, all respondents were invited to make any comments on issues specifically relating to housing for people in the horseracing industry. The most common issues raised were that housing is of a poor standard, is expensive compared to wages and there is a lack of accommodation.

### **3.4 Lack of affordable housing**

The quantitative housing need analysis showed that, if we consider affordable housing to be spending 35 per cent or less of net income on housing costs, then for a high proportion of staff in the racing industry there is a lack of affordable housing. There is some regional variation, but housing is least affordable for singles, particularly young singles, and lone parents. The greatest proportion of households finding housing unaffordable are in Epsom, followed by Lambourn, then Newmarket and the South West. The smallest proportion of households finding housing unaffordable are in Malton and Middleham.

However, these results need to be considered in the context of the broader research findings. Some households will be spending more than the benchmark of 35 per cent of their net income on housing costs. The survey and interviews showed that some households will be living with their family, living in employer provided housing, sharing housing to reduce costs, or more generally living in the lower end of the housing market.

### **3.5 Variety of housing options**

The qualitative interviews showed that staff make a range of choices, have different options, and take different strategies in making decisions about their housing situations. The housing decisions made by stable staff often took into account their personal resources, aspirations, commitments and career stage. About one in five are already home owners. There were numerous diverse examples of how people have managed their housing. This includes applying for social rented housing, taking a lodger, living in employer provided housing, sharing with friends, living with parents, purchasing through shared ownership, renting in the private market, and purchasing a property in a cheaper area as an investment for the future.

### **3.6 Stigma in the private rented sector – poor upkeep of properties**

The research highlighted issues with housing in the private rented sector. There was stigma from landlords who were reported not to want to rent properties to racing staff, particularly very young people. They were considered to be poor tenants, likely not to maintain

properties and with a high risk of non-payment of rent and leaving without notice. The interviews with staff and employers suggest that this concern amongst landlords was not completely unfounded. Employers who provided accommodation for staff said that poor upkeep by tenants was a problem and some had sold their housing stock in part because of the high maintenance costs. Some employers had tried to mediate with local landlords by paying rent directly and building networks with landlords to make finding accommodation easier. The problems with maintaining a tenancy in the private rented sector reflect some of the difficulties very young people entering the industry have in adjusting to independent living.

The research also found that for some staff having a tenancy in the private rented sector was not desirable. They wanted the freedom to move jobs and locations when they chose to do so, rather than be tied by a formal lease, and preferred informal arrangements such as sharing with a friend or being a lodger without a formal contract.

### **3.7 Split shift pattern and lack of driving**

Only a very small proportion of respondents were living on their own with their children i.e. lone parents. The housing need analysis showed that housing is particularly unaffordable for lone parents. The qualitative responses in the survey and the interviews also suggest that family housing is lacking. It is also hard to combine having a family with the split shift pattern common in the industry. The shift pattern posed challenges for finding suitable housing options as it means that staff have to live close to their place of employment. This problem is compounded by people not being able to drive or to afford a car.

### **3.8 Problems with sharing for single people**

There was generally a lack of housing for single people, particularly in Lambourn. The research highlighted some of the problems of shared accommodation, including the difficulty of sharing with different cultural groups, social problems such as drugs and alcohol, and the insecurity of losing housing through poor behaviour of some tenants. Housing can be insecure when living in informal arrangements, in employer provided accommodation that is tied to a job, and in shared housing.

### **3.9 Employer support**

The research showed the varying roles employers take in supporting their staff with housing. The duty of care towards very young members of staff, particularly those moving to a new area, varied. The racing industry is relatively unusual in that very young people often have to migrate for employment and in many cases move away from their family and support networks to live independently for the first time and may have to secure their own housing. New staff to Malton, especially if they were young, had their housing secured by their employer, either through the use of employer provided housing or use of the employer's informal networks to secure private rented housing. Staff in Newmarket could expect support for housing from employers, for example with loans for bonds, but this assistance stopped short of securing housing, unless this was in the minority of employer provided housing. Finding accommodation for new staff was particularly problematic in Lambourn.

### **3.10 Impact on recruitment and retention**

The shortage of affordable housing has a detrimental impact on staff recruitment and retention, particularly in Lambourn. Collective action had been taken by Lambourn trainers to provide housing, but there is still a lack of supply.

### **3.11 Managing housing options**

Whilst the qualitative case studies highlighted differences in the level and type of support offered by employers in relation to housing for staff, it also showed differences in the initiative and planning of staff for their own housing. For example, staff in Malton were inventive in finding solutions to their housing circumstances, taking lodgers, buying property to rent elsewhere to fund their own rent in the racing centre and entering shared ownership. There was both a higher level of support from employers but also sense of self responsibility for housing solutions. In contrast, there was a general sense in Newmarket that housing was 'someone else's problem'. Staff wanted their employers to find housing, employers wanted staff to be self-sufficient and staff and employers both turned routinely to Racing Homes for housing.

### **3.12 Tied housing and lack of retirement planning**

A further housing challenge identified in the research is the loss of tied housing once a staff member retires. This is particularly an issue in studs. Whilst some staff in this situation had made plans for their retirement, qualitative interviews with staff and employers suggested that others made no provision for their future housing needs. There was a strong reliance on Council and Racing Homes housing for staff in this situation.

### **3.13 Transiency and home ownership**

One key tension identified in the research is the aim and expectation of home ownership within a transient industry where there is a lack of future career and housing planning. The qualitative case studies highlighted the transient nature of the workforce, with many of the participants reporting working in several racing centres throughout their careers to date, regardless of age. The interviews with stable staff also highlighted a relative lack of career planning, such as being unsure how long they would stay in the industry, whether they were likely to move and how they saw their careers developing. The research identified that roughly 20 per cent of survey respondents were homeowners and some people interviewed in the qualitative case studies were owner occupiers. However, it may be that whilst homeownership is suited to and affordable for some racing staff, it is unlikely to be desirable or achievable for the majority.

## 4. Recommendations

Whilst Racing Homes cannot solve problems of a lack of housing or unaffordability, there were issues in the findings of this research that Racing Homes could consider addressing in the short, medium and long-term. Some of these recommendations could also be addressed by other industry stakeholders. There are further recommendations that the wider industry would need to collectively consider.

### 4.1 Racing Homes

- Provide training or workshops at the racing colleges about managing tenancies in the private rented sector. This could help to equip staff with the skills to maintain their tenancy and could address poor behaviour of tenants in the private rented sector. Landlords may be more willing to let to young tenants if they can demonstrate they have undertaken such training.
- Consider providing training for transferable employment and life skills, for example, basic qualifications and money management.
- Raise awareness of different housing options amongst racing industry staff and employers.
- Provide training or workshops for residents of tied housing about planning for housing in retirement. This could help staff to plan for their future housing needs and reduce reliance on Racing Homes' housing stock. If this was successful, there may be less need for non-specialist retirement housing. This is likely to involve working closely with employers in studs.
- Consider using existing housing stock more efficiently long term. Technically two bedroom general-needs accommodation used to house retired staff could be used to house families or two singles/couples sharing a property.
- Support commuting to enable staff to live further away from their places of employment in cheaper areas, possibly through loans for driving lessons or supporting and encouraging car sharing.
- Support households to ensure they are claiming all eligible benefits. Support households to apply for social rented housing.
- Develop links with local landlords and provide staff, particularly those new to the area, with information and signposting about the local rental market.
- Racing Homes could offer a housing management service to employers in the industry providing accommodation for staff.
- A rent guarantee system could be developed to help support staff to access the private rented sector.

- Support the use of social media, such as facebook, to help people find housing, for example, to match up people looking to share housing or find lodgings. This could also help employers who have in the past rented properties for single staff to share, but have found it difficult to find an appropriate group of people to share one property (as in Lambourn), to match appropriate people to spaces in the available housing.
- Consider providing short-term temporary housing for newcomers to a racing centre. This would be particularly useful for young singles. Such housing could be most beneficial in Newmarket.
- A good model for shared housing for singles in a hostel could be a unit with both private and communal space. The hostel in Lambourn with individual front doors, en-suite bedrooms and also some communal areas was well regarded. This could help to manage some of the difficulties identified with shared housing. The qualitative and quantitative analysis suggests that such a hostel would fill a need in Lambourn.
- In considering future development plans, the research showed that housing is least affordable for singles, particularly young singles, and lone parents (although there are relatively few in the industry). The greatest proportions of households finding housing unaffordable are in Epsom, followed by Lambourn, then Newmarket and the South West.
- The collective action taken by trainers in Lambourn to use funds raised from open days has enabled some housing provision. The scope for supporting this in other areas could be explored.

#### **4.2 Wider industry**

- Industry-wide consideration of working patterns away from the split shift format. Rolling shift patterns or an alternative could prevent loss of staff from the industry who are unable to balance the demands of work in the industry with family life and may allow staff to live further away from work thus easing housing difficulties. The split shift system is incompatible with child care provision and this could be particularly relevant for staff retention.
- Advocate for new housing in racing centres and provide support where necessary. This could be in the form of demonstrating the need for more housing. Signposting employers to information about providing accommodation for employees and obtaining planning permission for new housing could prevent problems arising e.g. conversion of properties without planning consent, problems arising with tax queries when paying rent for staff.
- Advocate for higher wages. The industry suffers from staff retention problems because of relatively low wages. Finding affordable housing is difficult on low incomes. Some employers offer low wages but also offer free or subsidised housing, but this is rarely for all members of staff, leaving some at a disadvantage in accessing affordable housing in the private market.

## 5. The research

To discuss this research please contact Dr Gemma Burgess on 01223 764547 or [glb36@cam.ac.uk](mailto:glb36@cam.ac.uk). To quote this report:

Burgess, G., Hamilton, C. and Udagawa, C. (2016) *Identifying housing need in the horseracing industry*. Cambridge Centre for Housing and Planning Research: Cambridge

# Identifying housing need in the horseracing industry

Research for the Stable Lads Welfare  
Trust Housing Association (trading as  
Racing Homes)

February 2016



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To quote this report:

Burgess, G., Hamilton, C. and Udagawa, C. (2016) *Identifying housing need in the horseracing industry*, Cambridge Centre for Housing and Planning Research: Cambridge



# **1. Introduction**

Racing Homes is the trading name of the Stable Lads Welfare Trust Housing Association. It is a registered social landlord, regulated by the Homes & Communities Agency, with a portfolio of over 150 homes located mainly in Newmarket and West Berkshire. Its three main aims are:

- To provide good quality affordable rental accommodation to young people (16-24 years old), the frail and elderly, and working staff suffering financial hardship or other disadvantage.
- To provide support to young people (16-24 years old) and the frail and elderly via its parent organisation Racing Welfare
- To work with others to increase the supply of good quality affordable housing to staff working in the racing industry.

In order to inform its investment plans and future housing strategy, Racing Homes wishes to ascertain the level of housing need currently experienced within the horseracing industry, (based on welfare need) and where they have existing housing stock. The focus of the survey will be training establishments, studs and related activities in the key racing centres. Although such activities tend to be located in pleasant rural areas, these are also places where house prices and rents are high, potentially making it difficult for low and medium paid staff to afford a home. In practice, racing staff are a specialist sub-set of 'key workers' – they are essential for the industry to flourish yet they may struggle to afford housing costs in their employment localities.

At the same time, because they are such a small sub-set in national terms, it is difficult to gauge the likely level of housing need. Secondary data sources tend to be sample surveys which do not identify racing workers separately from other groups. Primary research is therefore required.

## **1.1 Research aims**

- To establish the degree and nature of current unmet need for affordable housing among racing staff.
- To make recommendations as to how that need may best be met.

## **2. Methods**

All robust research uses a triangulation of methods. These comprised:

- i. A background review of existing evidence and literature, including previous studies of racing staff
- ii. Survey of racing staff
- iii. Case study field visits with qualitative interviews
- iv. Housing need analysis
- v. Overall analysis

In more detail:

### **2.1 Background**

Existing studies were reviewed for information on the nature of housing need amongst racing staff and how it has been addressed. Issues relating to housing need in the horseracing industry and the most appropriate methodology to use for the study were discussed with key industry stakeholders.

### **2.2 Survey of racing staff**

An online survey to capture information about housing need was developed in Qualtrics, a web-based survey software system. The survey asked questions about:

- Current employment
- Current housing arrangements
- Household composition
- Satisfaction with housing
- Housing preferences
- Demographics
- Open ended questions to collect qualitative data

The survey was piloted with industry stakeholders and with a sample of different types of industry staff before wider distribution and the feedback used to improve the survey.

Racing Homes and the other organisations who supported the research emailed racing industry staff with details of the web based survey. This ensured adherence to the Data Protection Act which precludes sending email addresses to third parties. A covering email explained the study and how to access the survey and staff at the organisations holding the contact email addresses sent it out.

Racing Welfare also advertised the survey in its Autumn newsletter and encouraged local welfare officers to facilitate access to the survey when speaking to racing staff. Paper and social media were also used to publicise the survey.

As an incentive to people to complete the survey, there was a prize draw in the form of vouchers to spend at a local store. We offered four £50 prizes as an incentive to complete the survey. In total, 773 people logged on to the survey, although not all respondents completed every question.

### **2.3 Case study field visits**

Case studies were conducted in three of the main racing centres: Malton, Newmarket and Lambourn. These racing centres were chosen based on survey responses (where there were concerns of under-representation of an area) or identified as a key centre of interest for Racing Homes and the research.

With the permission of employers, a number of yards/studs in each of the racing areas were visited to conduct qualitative interviews with employers and staff. Racing Homes liaised with yards and studs to arrange these visits in advance.

Across the case studies, both training yards and studs were included, covering large, medium and small employers. The number of interviews conducted in each area varied slightly, but there were around 20 interviews in each area, or around 60 qualitative interviews in total.

### **2.4 Analysis of housing need**

All of the above data plus relevant secondary data were used to conduct an analysis of current housing need.

The details of the methodology for conducting the housing need analysis are contained in Section 6 and the Appendix.

### 3 Background

#### 3.1 Employment

The British Horseracing Authority (BHA) (2013; Deloitte Report)<sup>1</sup> reported that the core racing industry is estimated to support 17,400 FTE jobs in Britain. This figure is composed of over 13,000 full time posts and 4,000 FTE jobs when part-time and race day staff (over 9,500) are included in the calculations. The largest type of employment is breeding and training racehorses, with an estimated 10,000 FTE jobs (BHA, 2013).

Data from the British Horseracing Authority, requested for this research, gives an overview of staff employed in horse facing roles. The anonymous data refers to stable staff who were registered with the British Horseracing Authority in summer 2015, of which there were 7,127. There were some missing data for staff members, with the profile information reflecting the proportions of recorded information. The data show that 57 per cent of stable staff are female (N= 4,034), 61 per cent of stable staff work full-time (N= 4,358), 28 per cent are part-time (N= 2017) and 11 per cent are self-employed (N= 752). 77 per cent of stable staff are British (N= 5,136), with a further 10 per cent (N= 683) from European countries.

Roughly one third of British licensed trainers are based in the main racing centres of Newmarket, Lambourn, Epsom, Middleham and Malton, however, the remaining two thirds are outside of these centres (BHA, 2013). Taking into account broader regions of Britain, the BHA (2013) report suggests the proportion of trainers in each region. In addition, the licensing information from the British Horseracing Authority allowed the project researchers to group the data to similar regions to those used in the BHA (2013) report. Both sets of figures are presented in the following table.

Table 1: Estimated size of British racing centres

Racing centre region	Percentage of British licensed trainers (BHA, 2013)	Percentage of British Horseracing Authority registered stable staff
<b>South East (including Epsom)</b>	20	9
<b>Midlands (including Lambourn)</b>	19	24
<b>East (including Newmarket)</b>	18	29
<b>Yorkshire (including Malton and Middleham)</b>	14	13
<b>South West</b>	14	13
<b>North</b>	8	6
<b>Scotland</b>	4	3
<b>Wales</b>	3	3

<sup>1</sup> BHA (2013). *The Economic Impact of British Racing 2013*. London, BHA.

<b>Total</b>	<b>100</b>	<b>100</b>
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Table 1 suggests that the prominence of each racing centre region is dependent on the measure used as a proxy for its size; one fifth of trainers are in the South East, but a third of stable staff are in the East. A discrepancy between the datasets concerning trainers and staff could imply that some areas have fewer, larger trainers with more employees than other areas with smaller trainers and fewer employees.

The average age of starting a horse facing role (22 for women and 25 for men) conceals variations between UK, EU and non-EU workers. Non-EU workers are generally older when joining the industry than their UK counterparts (BHA, 2014)<sup>2</sup>.

Women tend to join the industry at a younger age than men and have shorter careers (BHA, 2014). In general, the likelihood of promotion is low. Only 4 per cent of employees in horse facing roles were promoted between 2004 and 2013 (BHA, 2014). The data from the British Horseracing Authority gives an indication of the job titles of their registered stable staff (table 2):

Table 2: Job titles of registered stable staff

<b>Job title</b>	<b>Frequency</b>	<b>Percentage of BHA registered stable staff</b>
<b>Stable lad/girl</b>	2,944	41
<b>Work rider</b>	1,011	14
<b>Other duties</b>	817	12
<b>Yardman</b>	480	7
<b>Assistant trainer</b>	461	6
<b>Trainer's secretary</b>	288	4
<b>Head lad</b>	269	4
<b>Travelling head lad</b>	208	3
<b>Apprentice/conditional jockey</b>	188	3
<b>Employed horse box driver</b>	161	2
<b>Trainee stable lad/girl</b>	153	2
<b>Pupil under training</b>	147	2
<b>Total</b>	<b>7,127</b>	<b>100</b>

Stable employees are more likely to leave the industry if they are in an area with high levels of manufacturing, retail or professional services (BHA, 2014). This suggests that the likelihood of gaining employment in other industries could be encouraging people to leave horseracing.

<sup>2</sup> BHA (2014) Training Yard Workforce Analysis. Presentation by Deloitte.

### 3.2 The nature of housing need

The British Horseracing Board (2004; the Donoghue report)<sup>3</sup> estimated that 45 per cent of Grade A staff<sup>4</sup> received free or subsidised accommodation and 39 per cent of respondents to its Stable Staff Survey indicated that they received assistance with accommodation. Evidence from interviews with employers of racing-related staff in Newmarket suggested that even employers who did not provide accommodation did offer housing support to employees; some gave staff a wage top-up to help with housing costs, offered loans for deposits for rented properties or helped find suitable landlords (ECOTEC, 2007)<sup>5</sup>. Even though a significant percentage of stable and stud staff were given assistance with accommodation, the Donoghue report indicated that 40 per cent of Stable Staff Survey respondents were left on low pay to provide their own housing, often in expensive rural areas.

Public Perspectives Ltd's (2013)<sup>6</sup> survey of racing staff involved a postal survey of 6,964 BHA registered stable staff (excluding Stud staff) and 763 licensed jockeys. The survey achieved a total of 1,122 responses (including 152 jockeys), representing a response rate of about 15 per cent. In this report, physical injuries and financial difficulties (66 per cent), followed by housing (40 per cent), substance misuse (39 per cent) and gambling (39 per cent) were considered the most common welfare issues.

In Newmarket, employers associated providing accommodation with a lower staff turnover and acknowledged the lack of appropriate housing in the area (ECOTEC, 2007). Racing-related staff in Newmarket tended to pay low housing costs (rent or mortgage payments), lived close to work (74 per cent lived within 3 miles) and in a range of tenures; 35 per cent lived in accommodation provided by their employer, 33 per cent were homeowners and 20 per cent rented privately (ECOTEC, 2007). The majority of the sample (71 per cent) found that housing affordability was a problem. Whilst many of the sample wanted to live in the area long term (55 per cent wanted to retire in Newmarket), this would be unaffordable; using reports of household incomes, respondents would be unable to afford to buy in the area and market rent for a two bedroom property would also be too expensive (ECOTEC, 2007). Exploring the viability of shared ownership in Newmarket (based on shared ownership properties offered by local Housing Associations), the average household incomes of those in Housing Association shared ownership properties was greater than many of those in the racehorse industry.

In the Public Perspectives Ltd survey, 69 per cent (joint top rated) said they would like to see more access to affordable accommodation for stable staff and 53 per cent said they would like to see more access to finance for affordable housing for employers to provide

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<sup>3</sup> British Horseracing Board (2004). *The Stable and Stud Staff Commission Report (the Donoghue report)*. London, British Horseracing Board.

<sup>4</sup> In order to attain Grade A, an individual must have completed seven years' continuous service in racing, or have completed five years' service and achieved NVQ Level 3. Grade B is payable at 19 years of age or over, with 12 months in the industry, or to those who have achieved NVQ Level 2. The Grade C rates apply to stable staff aged 18, and to those over the age of 22 not qualifying for Grade B. Staff aged 16 and 17 are classed as Grade D.

<sup>5</sup> ECOTEC (2007) *Demand for affordable housing from the racing-related industry in Newmarket: A final report to Jockey Club Estates*. Birmingham: ECOTEC

<sup>6</sup> Public Perspectives Ltd. (2013). *British Horseracing Authority: A Review of Welfare Provision to People Working in Racing - Report of Findings* (excludes recommendations). St. Albans.

accommodation for staff. Not owning their own home has been identified as an issue resulting in welfare problems for racing staff towards the end of their careers and in retirement. This is particularly an issue for stud staff who often live on stud farms but have to find alternative accommodation once retired. Racing staff also highlighted how they often struggled to get a mortgage (Ibid).

Public Perspectives Ltd's (2013) survey of racing staff also reported that from Racing Welfare's research 'A Change of Pace' (June 2012), the highest and disproportionate volume of welfare support was provided to men aged 45–60 on debt and benefits advice, accident, benefits and health advice and housing advice. Racing Welfare's research found that at a certain point in their working life, due to working conditions, the culture of racing and unmet career aspirations, some racing staff were hitting physical and emotional barriers that can cause welfare issues.

### 3.3 What has been done so far?

Some collective housing initiatives have been successfully undertaken, for example the Lambourn Valley Housing Trust and Racing Welfare's housing provision.

There has been some charitable housing provision available through the Injured Jockey Fund (IJF) and Racing Welfare. Racing Welfare expended an annual total of £1.8 million (made up of £1.1 million spent on direct welfare provision and £570,000 on housing). Racing Welfare is a registered charity which provides assistance for stud, stable and support staff in times of need. Racing Homes (formerly called the Stable Lads Welfare Trust Housing Association) is the charity's and racing's own Housing Association, a registered social landlord regulated by the Homes and Community Agency. The Association owns and manages housing on behalf of Racing Welfare. It also operates a housing service supporting people to access appropriate, affordable homes provided by others. It supports approximately 800–900 people per annum. The housing-related services provided include:

- A confidential advice, guidance and counselling service covering benefits and debt advice, housing and housing rights, addiction support, employment issues, accident and injury support and advice, professional counselling, re-training advice; and
  - Racing Homes, which sits under the Racing Welfare umbrella, provides affordable housing for students and young people leaving the racing schools, some limited accommodation for families and housing for retired staff.
- (Public Perspectives Ltd's, 2013)

Table 3: Existing stock profile of Racing Homes, 2015/16

Racing centre	General need units	Supported housing units (young people)	Housing units for older people
<b>Newmarket</b>	25	6	88
<b>Lambourn</b>	5	4	6
<b>Malton</b>	0	6	0
<b>Middleham</b>	0	4	0
<b>Total</b>	30	20	94

Source: Personal correspondence, Racing Homes

For 2016, total housing charges administered by Racing Homes (including service charges, water and gas, where appropriate), range from £78 to £90 per week in general needs housing, from £70 to £85 per week for supported housing and from £74 to £106 for older people's housing. These rents vary by whether additional housing costs, i.e. service charges, are included in the charges payable to Racing Homes, by the size of the unit and location.



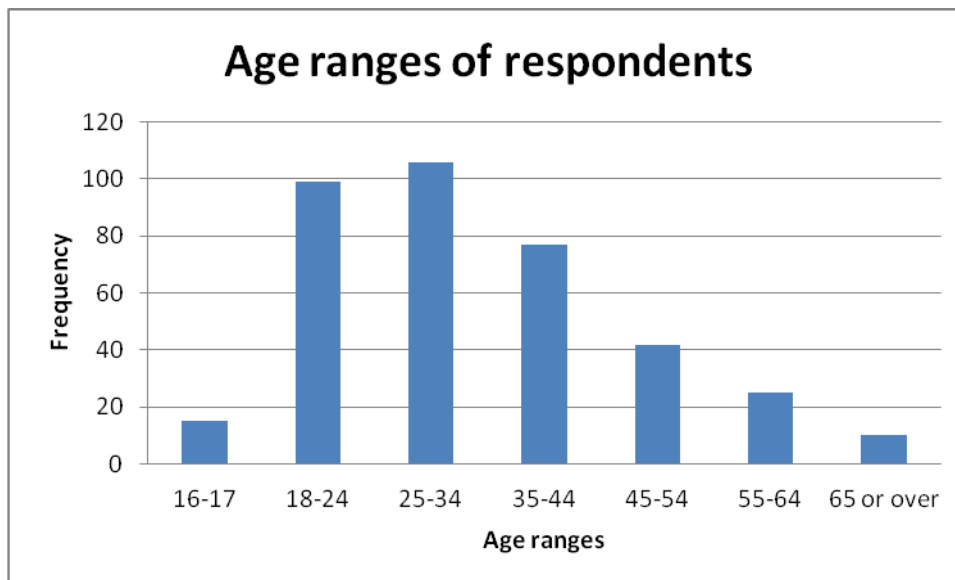
## 4 Survey of racing industry staff

This section presents the results of the online survey distributed to staff in the horseracing industry as part of the research.

### 4.1 Sample description

Around 63 per cent of the sample (N=436) were working in the horseracing industry, 37 per cent of the sample (N=255) had previously worked in the industry, but were not doing so at the time of the survey. 70 per cent of survey respondents were female (N=261) and 30 per cent were male (N=113). The majority of the sample were born in England (77 per cent, N=287), a further 10 per cent (N=38) were born elsewhere in the UK and 13 per cent were born abroad (N=50); of those born outside the UK, the majority were from within the European Union. The survey was predominantly answered by those aged 18-44, but there were respondents in all age groups (see figure 1):

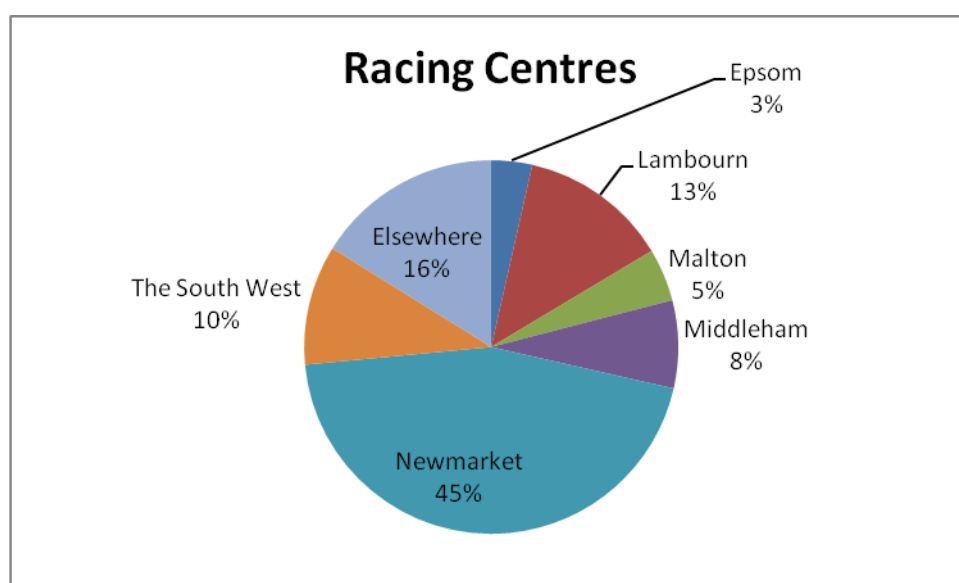
Figure 1: The age ranges of survey respondents



N=374.

Those answering the survey lived near one of several racing centres in the UK:

Figure 2: The racing centre that respondents lived closest to



N=396.

The majority of respondents lived in accommodation that was not provided by their employer (63 per cent, N=249). 30 per cent of respondents lived in employer provided accommodation and six per cent lived in employer provided accommodation, but also rented or owned another home elsewhere.

#### 4.2 Housing – those with their main home elsewhere

For those who indicated that they lived in employer provided accommodation and owned or rented a property elsewhere, they were asked about their motivation for such living arrangements, and could choose as many answers as applicable (table 4). This included because the job requires regular travel and not being able to afford suitable housing close to work. Other reasons people provided included living in properties that they had inherited and preferring to have their own home away from work.

Table 4: The reasons given by respondents for having employer provided accommodation and a home elsewhere

Reason	Frequency
Job requires regular travel	3
Job requires on-site living, but this is unsuitable for family	1
Cannot afford a suitable home close to work	4
Prefer to live on-site	1
Other	5

This group's type of on-site accommodation varied; three people had a bedroom in a shared property, two lived in dormitory accommodation with shared bedrooms, two people lived alone in self-contained accommodation, three people lived with their partners and two with

their partners and children, two people lived in alternative arrangements. Rent for on-site accommodation ranged from £25 per week (or £100 per month) to £550 per month.

Accommodation away from work was also varied. Eight people owned their home, three rented from a private landlord, one rented from a Housing Association and two had other arrangements (including living with parents). For 12 people, their permanent home was in England, whilst for two others this was outside of the UK. When the respondent is living away for work, the main accommodation is empty in two cases, the respondent's partner lives in the property in a further two cases, the parent(s) of two respondents live there and in seven cases, the respondent rents the property to lodgers in their absence. Rent or mortgage on this property ranged from £250 per month to £300 per week (or £1,200 per month).

### 4.3 Housing – people with one home

Respondents with only one home live with a variety of other people, or on their own (table 5). Most people live in a bedroom in a shared property (29%) or with their partner but no children (26%). The next most common housing arrangement is to live alone in self-contained accommodation (15%) or live with a partner and children (14%). Probably reflecting the relatively young age profile of staff in the industry, 10% live with their parents. Only 1.5% live on their own with children and only 1% live in accommodation with shared bedrooms.

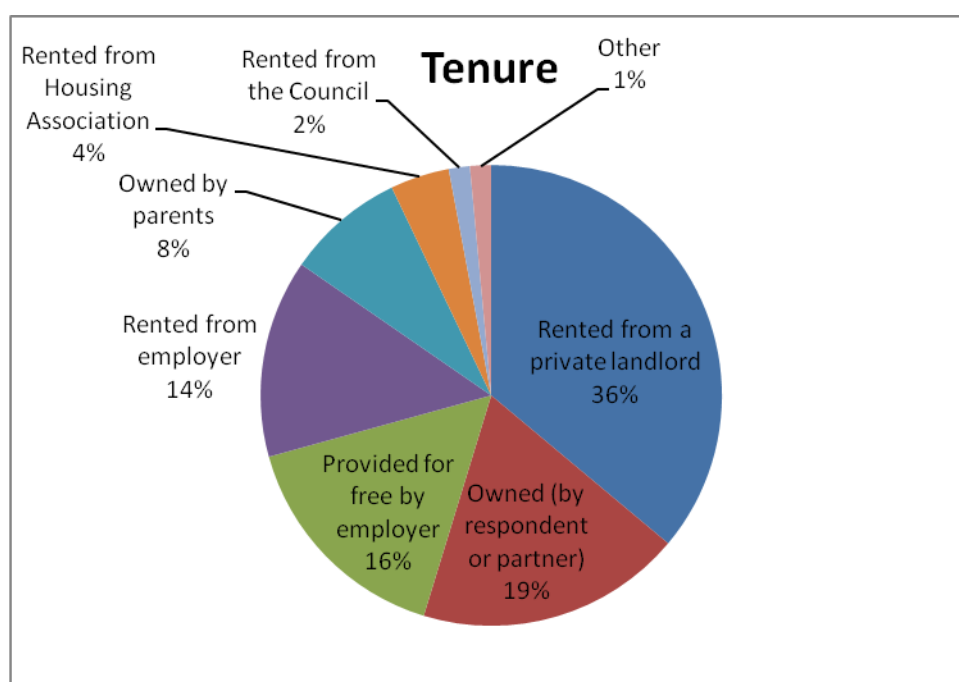
Table 5: The household composition for respondents with one home

<b>Cohabitors</b>	<b>Frequency</b>	<b>Per cent</b>
<b>Lives in a bedroom in a shared property</b>	97	28.78
<b>Lives with a partner (no children)</b>	88	26.11
<b>Lives alone in self-contained accommodation</b>	49	14.54
<b>Lives with partner and children</b>	48	14.24
<b>Lives with parent(s)</b>	32	9.50
<b>Lives with others</b>	15	4.45
<b>Lives on own with children</b>	5	1.48
<b>Lives in dormitory accommodation (with shared bedrooms)</b>	3	0.89
<b>Total</b>	<b>337</b>	<b>100.00</b>

For those who lived with 'others', most specified this to be friends.

Figure 3 shows the housing tenure for respondents with one home. It is most common to rent from a private landlord (36 per cent). In total 30 per cent of respondents live in some form of employer provided housing (14 per cent paying rent, 16 per cent provided for free). Owner occupation accounted for 19 per cent.

Figure 3: The housing tenure for respondents with one home



N=338.

Rent or mortgage payments ranged from nothing to £650 per week. For those whose main home was with their parents, just over 60 per cent (N=18) paid rent or board; the amount paid ranged from £50 to £450 per month. Few people responded to a question asking what housing costs were included in their rent payments (such as bills) but the qualitative data suggests that those living in employer-provided accommodation paid a rent that was inclusive of some, or all, utility bills and tax.

#### 4.4 Housing quality and suitability – all current industry staff

Almost all respondents lived in a house or flat (including bungalows) (92 per cent, N=298), seven per cent lived in a mobile home or other temporary building (N=23), less than one per cent lived in a caravan (N=2) and a further two people identified themselves as homeless. There was a statistically significant relationship ( $p < 0.001$ ) between the accommodation structure and racing centre; Newmarket had the greatest proportion of respondents who lived in a permanent structure, such as a house or flat (98.06 per cent, N=152), 'other' racing centres had the highest proportion of respondents living in temporary structures or caravans (23.53 per cent, N=12), followed by Epsom, (16.67 per cent, N=2) and Lambourn (13.16 per cent, N=5).

The survey asked respondents how satisfied they were with various aspects of their housing (table 6).

Table 6: Respondents' self-assessments of housing quality and suitability

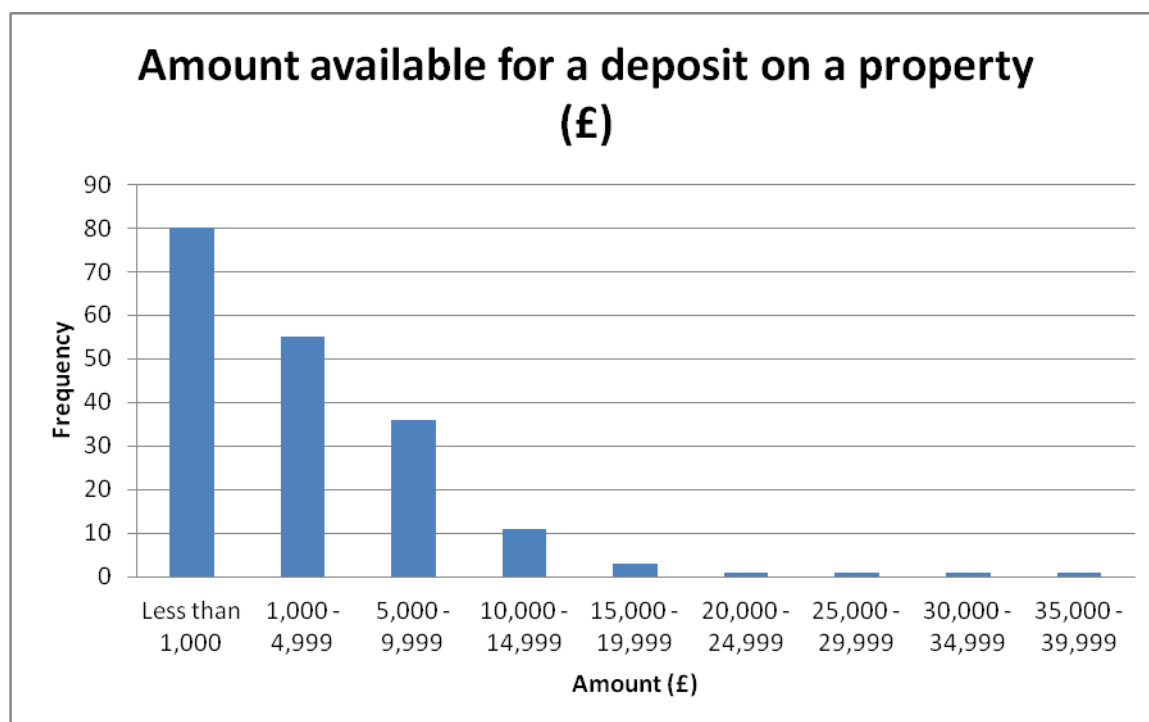
How would you rate your housing for...	Very poor	Poor	Fair	Good	Very good	Total
<b>Affordability of heating</b>	19 (6.69%)	39 (13.73%)	97 (34.15%)	80 (28.17%)	49 (17.25%)	284 (100%)
<b>State of repair of structure</b>	14 (4.91%)	38 (13.33%)	70 (24.56%)	99 (34.74%)	64 (22.46%)	285 (100%)
<b>State of repair of fittings/furniture</b>	21 (7.39%)	33 (11.62%)	72 (25.35%)	96 (33.80%)	62 (21.83%)	284 (100%)
<b>Safety and security</b>	15 (5.26%)	32 (11.23%)	67 (23.51%)	107 (37.54%)	64 (22.46%)	285 (100%)
<b>Overall value for money</b>	14 (4.98%)	43 (15.30%)	66 (23.49%)	98 (34.88%)	60 (21.35%)	281 (100%)
<b>Location</b>	9 (3.15%)	15 (5.24%)	46 (16.08%)	127 (44.41%)	89 (31.12%)	286 (100%)

The domain of housing that respondents seem most satisfied with is location, and least satisfied with the affordability of heating and the state of repair of the structure. The other domains receive similar ratings from respondents. Satisfaction or dissatisfaction with these domains of housing is not statistically significantly associated with location, gender or age.

When asked to rate their overall satisfaction with their current housing situation, seven per cent of respondents felt very dissatisfied (N=21), 16 per cent were somewhat dissatisfied (N=46), 22 per cent were neutral (N=64), 27 per cent felt somewhat satisfied (N=77) and 28 per cent were very satisfied (N=82). Overall satisfaction with housing was not significantly associated with location, age or gender.

When asked about their preferred housing option, 66 per cent (N=183) would like to buy their own home, 11 per cent (N=31) would prefer to live in employer-provided accommodation, 10 per cent (N=27) prefer to rent, nine per cent (N=24) do not know what their preferred housing option is, four per cent (N=10) would prefer shared ownership and less than one per cent (N=1) would prefer to live with their parents. Respondents had from nothing to £35,000 that could be used to buy a home within the next year.

Figure 4: The amount, in Sterling, that respondents had available for a deposit on a property to buy within the next year



N=189.

37 respondents had children living with them, in their main home. The children living with respondents were aged from less than one year to 21 years; no respondents had more than three children living with them. Almost three quarters (N=43) also shared their home with other adult(s); around 60 per cent (N=25) of these shared with one other adult, 27 per cent (N=11) shared with two other adults and one respondent shared with three other adults. However, respondents reported a maximum of only one couple in the household, this suggests that the other adults are adult children (aged over 21) or lodgers, for example. The majority of respondents lived in two- (38 per cent, N=21) or three- (47 per cent, N=26) bedroomed properties.

#### 4.5 Employment and incomes – all current industry staff

The majority of respondents worked at a training stable (roughly 83 per cent, N=215). Around 11 per cent were employed by studs (N=28), under two per cent worked at a racecourse (N=4) and five per cent (N=13) worked elsewhere in the industry, such as racing colleges and authorities. 85 per cent of respondents work full-time, all year round, with a further eight per cent working part-time, all year round. Four per cent of respondents work full-time for some of the year, and part-time for the rest, two per cent work full-time for only part of the year and one person works part-time some of the year.

Around 44 per cent (N=109) of respondents lives less than two miles from their workplace, a further 28 per cent (N=69) lived between two and five miles from work and around 29 per cent (N=71) live five or more miles away from work. The journey to work takes 52 per cent of respondents (N=130) less than 10 minutes, 45 per cent travel between 10 and 35 minutes to work and three per cent spend 35 minutes or more commuting.

The respondents reported net earnings ranging from £20 per week or £80 per month to £2,400 per month. They reported net earnings of themselves and their partner, if applicable, ranging from £12,000 per year to £4,500 per month or £54,000 per year. The majority of respondents (95 per cent, N=239) were not in receipt of any state benefits (including their partner, if applicable). Of those who, themselves or their partner, did receive state benefits the amount ranged from £82 to £700 per month.

#### **4.6 Leaving the industry – perspectives from people who have worked in the industry, but are not currently doing so**

When asked why they were no longer working in the horseracing industry, respondents offered different reasons. These reasons were read individually and then compared with one another to appropriately group them into categories. The respondents' answers fell into the themes shown in table 7 (some people gave answers than related to more than one area). The most common reason for leaving the industry was poor pay, followed by a career change, injury and the hours of work. There were seven mentions of housing as a reason.

Table 7: Reasons respondents gave for leaving the horseracing industry

<b>Reason for leaving the horseracing industry</b>	<b>Frequency</b>
<b>Poor pay</b>	39
<b>Change of career</b>	27
<b>Injury</b>	21
<b>Long/unsociable hours</b>	20
<b>Industry not suited to family life</b>	18
<b>Retirement</b>	16
<b>Bullying or poor treatment at work</b>	14
<b>Feeling that they are 'too old'</b>	7
<b>Poor standard of housing</b>	7
<b>Lack of career progression</b>	6
<b>Redundancy</b>	5
<b>Health problems</b>	5
<b>Relocation</b>	5
<b>Caring commitments</b>	3
<b>Other reasons</b>	13

The following are examples of the reasons given by respondents for leaving the industry. Some relate to the hours of work and combining this with childcare or care for elderly parents:

“I have two children and don't want to get them into child care at 6 in the morning before they go to school. I got the opportunity to re train, and now have a brilliant job as a secretary in a racehorse management company which I love.”

“I left to have my first child; I felt that the hours that I was required to work were no longer suitable for me as my priorities have changed and I wanted to start working part time.”

“My mother has dementia and I am looking after her. “

Injury sustained at work was a reason for leaving:

“I had to give up because of a shoulder injury.”

“I had an accident on the gallops, had head injury and bleed. I’m still having headaches and memory loss so can’t do much at moment.”

Some people left to follow other options and opportunities:

“I took voluntary redundancy at 64. I’m taking a sabbatical for 2-months and then will look again for full employment”

“I wanted a better work life balance and more opportunities.”

“I went to university and studied law.”

“I left my job as my trainer was a bully and a nasty piece of work.”

Asked whether a lack of affordable housing was a factor in why they were no longer working in the racing industry, 65 per cent (N=93) indicated that it was not, 25 per cent (N=36) said it was and 10 per cent (N=14) gave a response that was not easily categorised as either yes or no. For some, living in employer-provided accommodation meant that they did not need or want to look for private housing:

“Not really. Was able to live off site with roommate, or apartments were provided.”

“No. We had the option of work accommodation in one of the many houses that the ‘governor’ owned. This was only £25 per week and came straight out of our wages. All bills like electric, oil etc were paid out of our pool money quarterly. There were 6 girls in our house so it wasn’t too bad.”

Others noted that housing affordability was a factor in leaving the industry. For a few, their employer-provided housing was in a poor standard or not suitable, but affordability was a problem in the private market:

“I could only afford to live in the staff accommodation which was often freezing in the winter and living with numerous other people.”

“As a single mother with two children I can’t afford housing by myself and everything else that goes with it.”

For some respondents housing affordability was not a problem, or they left the industry for an unrelated reason:

“I was lucky and had a good employer who paid a good wage and I got on the property ladder”

“No, it was a case of the hours being more suited to family life.”



“No, I had and still live in a housing association house that was offered to the racing industry when it was built.”

“Nope we are mortgage free due to looking after good horses and paying it off with pool.”

“No, I relocated due to husband’s job.”

Some respondents felt that low wages were the root cause of housing affordability issues, rather than housing being unaffordable per se:

“[The problem was] the wages situation in general. I couldn't afford to buy a car, let alone a house.”

“Yes, you can't afford to rent somewhere on your own and only just can afford while sharing because rent has gone up and staff pay hasn't.”

“Indirectly, the wages were not high enough to get a mortgage.”

“How can you afford to rent at £100 per week when take home is so low?”

#### 4.7 Additional comments – all staff

At the end of the survey, all respondents were invited to make any comments on issues relating to housing for people in the horseracing industry. Many respondents provided comments (somewhat unusually for surveys) and many of the comments could be categorised under the headings in table 8. When specifically asked to comment on housing in general, the most common issues raised were that housing is of a poor standard, is expensive compared to wages and there is a lack of accommodation.

Table 8: Additional comments from survey respondents

Comment	Frequency
Housing is of poor standard	26
Housing is expensive compared to wages	20
There is a lack of accommodation	17
Respondents not able to meet their 'lifestyle' expectations for reasons linked to housing	16
Wages in the industry are low	15
Not meeting own expectations to have their own rented property or buy a property	13
Lack of housing for couples or families	10
Employer-provided housing is precarious, with a risk of homelessness	7
Employer-provided housing is open to	6

## **abuses of power**

Note: Some comments included multiple classifications and other comments could not be classified into the above categories.

For those who mentioned that housing was of a poor standard, there were comments relating to the state of repair, lack of facilities, damp and pest infestations:

“I was living in accommodation which was in a terrible state of disrepair, could not be heated sufficiently during the winter and which represented a serious hazard to health.”

“Some of the houses that the staff are expected to live in is a disgrace, no heating, damp, too many people living in one house, so many that they do not have a room for communal living. I know of staff that do not have any running water in their dwelling, they are required to use the yard toilet and the shower that is on the yard to and are expected to pay for this. I have been fortunate enough to have never had to stay in such places.”

Others highlighted that housing was expensive in racing centres, compared to wages earned in the industry:

“Low wages means that renting is expensive in the Malton area.”

“I feel the main issue is the wage paid does not reflect the cost of living. I know by working in racing I'll never be able to afford my own house. Even if I got a deposit together I'd never afford the monthly cost of owning a house.”

Respondents also commented that there was a lack of accommodation available for stable staff:

“I work in Lambourn and there is no accommodation available at all, of any price.”

“There isn't enough housing. Many people are turned away because there is no room.”

Some respondents reported not being able to meet their ‘lifestyle’ expectations for reasons linked to housing. These included issues such as not being allowed to have pets, not having any choice over who they live with, housing being expensive so they cannot afford luxuries or having to share rooms:

“The wages are too low to afford a healthy lifestyle and to run a car, making it difficult to live off site. The heating and hot water are often restricted in provided accommodation and you could be living with anyone who is working there. Can feel like you have little independence.”

“As animal minded people we find it hard to find rental accommodation that allows pets. We are not irresponsible pet owners.”

Some considered that their wages were too low, or they were poorly paid for the work they did:

“Our wages and cost of working (replacing boots helmets jacket etc.) are too low for the job we are in”

“...with living cost the wages are barely enough.”

Other respondents considered that they were unable to meet their expectations to have their own rented property or to buy a property on their incomes:

“We would love to buy our house, however, with wages as they are, £300 take home per week is more than the BHA rules say we should be paid, it is impossible to save a deposit substantial enough to buy”.

“We would love to buy our own property, however with wages as they are it is impossible to save a substantial deposit. I have worked in racing over 30 years”.

It was noted that there is a relative lack of accommodation for couples or families, either in the open-market in racing areas or in industry employer-provided housing. This was sometimes compared to the perceived availability of housing for singles:

“A lot of bigger yards have good single accommodation but nothing for families so they have to rent privately which can be expensive in popular areas like Newmarket”.

“There are not enough properties which are suitable for families”.

Respondents highlighted that employer-provided housing can be precarious, with a risk of homelessness through retirement, job loss or a failing business:

“I currently live in tied accommodation with my father and daughter. The yard is being sold and we will become homeless.”

“I lived in tied housing for many years then lost my home with my family when I lost my job.”

Employer-provided housing is noted to be open to abuses of power, with staff placed in a potentially vulnerable position:

“Employers use accommodation as a ransom to make staff work all hours and make you feel guilty if something breaks... we are meant to be grateful for being 'given' a house.”

“There is a need for independent housing because sometimes staff in tied houses feel trapped in a job. Sometimes having to kow-tow to employers being afraid they will lose their home. It still happens!!”

In addition to the issues categorised above, respondents also highlighted other issues. A selection of these are provided below. It is clear that there are very diverse opinions about housing in the industry. Some mentioned opposition to new housing:

“It would help matters if the hierarchy of Newmarket (i.e. the trainers) who mostly live in large houses in the affluent areas of the town, were not so opposed to proposals for new housing.”

Employer provided housing was mentioned with mixed feelings:

“I think it's worth bearing in mind that other industries don't offer housing for their employees. If you work in a factory or shop nobody provides you housing.”

“Free housing causes as many problems as it solves. The lads have no incentive to save thinking they can work all there life.”

“All trainers are defending low wages by saying they provide cheap or free accommodation. I don't have the opportunity to live in, as I live so close to work and they need the accommodation for other staff. Because of this, I don't benefit from cheap accommodation and as head girl on £16500 cannot afford to move out of my parents' house at the age of 34. I think if this is the trainers' opinion then maybe a proper wage should be paid but higher rent charged to live in.”

Whilst housing problems were mentioned, problems with staff and house sharing were also mentioned:

“From what I have witnessed accommodation if provided is an awful standard, there are many other problems - long hours with little time off. Days off are often given at short notice and trainers often treat staff with very little respect. On the flip side staff are often unreliable and lacking in common sense!”

“If you live in a house share you always end up living with someone who likes drugs, smoking, drinking excessively.”

#### **4.8 Summary**

The survey was answered by people with a range of backgrounds – ages, current and retired or ex-staff – although the majority were female and people born in the UK. Respondents represented a range of living situations. The majority had one home and were overwhelmingly likely to be living in a permanent structure. People were generally satisfied with their current housing and this was likely to be close to work (both in terms of distance and journey time).

For those who had left the industry (including through retirement), a wide variety of reasons were given for leaving. Problems relating to housing were one reason, but there were far more common factors including low pay, wanting a change of career and injury. The analysis of a follow-up question of whether issues with housing was a factor suggests that housing may be part of a combination of reasons why someone chooses to leave the industry, but it is not usually a leading factor. Many respondents took the opportunity to provide additional comments relating to housing in the industry, including thoughts on the standard, cost, risks and their expectations.

Overall, the analysis of the survey suggests that housing may be a problem (or at least not ideal) for some in the industry, however, the majority were satisfied with their accommodation and living in a suitable property close to their workplace.

## **5 Case study field visits: interviews with staff and employers**

### **5.1 Case Study: Malton**

#### **5.1.1 Methods**

The evidence for the case study was collected during a three-day visit to the Malton racing area. The Malton branch of Racing Welfare organised the visit and recruited the yards, studs and stakeholders. Interviews were conducted with employers (or representatives of the employers), staff and local stakeholders. The findings are based on interviews with:

- Six employers (four racing yards and two studs)
- 14 current stable staff
- One retired stable staff
- One stakeholder – Ryedale District Council
- Discussions with Racing Welfare representatives

Some of the challenges faced in recruiting employers may have affected the research findings. It was suggested that some employers perceived Racing Welfare as being 'Newmarket focused' and did not want Racing Welfare to become involved with their business. Further, the visit coincided with the Tattersalls sales and some employers declined a visit due to low staff numbers at this time. Finally, it is suspected that some employers may have refused a visit to avoid reports of poor housing situations as some of the yards which were rumoured to have poor housing declined a visit.

In addition, the circumstances of the staff interviews may have affected what people were willing to discuss. The majority of interviews were undertaken in a semi-public environment, where people could be overheard, for example, in the stables when other staff members were public. Further, some staff asked to be interviewed as a pair, meaning that their responses were not private.

#### **5.1.2 Key findings**

##### *Employer involvement in housing stable staff*

In general, employers organised accommodation for new, single staff members before they arrived to start their positions. In some yards and studs employers provided accommodation for staff, often this was a self-contained house for the Head Lad/Lass and a room in a house for more junior, single members of staff. In some cases this employer-provided accommodation was on-site, while in other cases employers had bought local housing. For those living in employer-provided accommodation the rent charged was generally quite low, typically only £30 or £35 per week (including bills).

In yards that did not have accommodation for staff (or insufficient accommodation), employers relied on informal networks to house their new staff. Some had developed relationships with local landlords to house their staff and there were growing links with Racing Welfare to use their accommodation. To maintain good relationships with local

landlords, one employer paid their employee's rent to the landlord directly from their wages, giving the staff member the remainder. This assured the landlord that the rent would be paid.

Within this group of staff who had employer involvement in their housing, there were concerns amongst employers particularly for young employees, who were likely to be new to the area and therefore not know anyone and may be living independently for the first time. Employers were protective of this group, reporting that they liked to provide help with housing "until they find their feet", when they would likely move into the private rented sector with friends or colleagues as they got to know people and the area. Employers would sometimes help this group with the wider challenges associated with independent living, such as opening bank accounts. These employers expressed a duty of care towards young members of staff, as one employer representative described it, if it was their child they would want to feel that someone would look out for them and make sure they were living somewhere safe.

### *Managing housing options*

The interviews with stable staff highlighted the wide range of housing circumstances employees were living in. It also highlighted the rationales, choices and compromises that staff had considered and made about their housing. The housing decisions made by stable staff often took into account their personal resources, aspirations, commitments and career stage. The following accounts demonstrate the breadth of housing circumstances within the horseracing industry in Malton. They show some examples of how people have managed their housing. This includes applying for social rented housing, taking a lodger, living in employer provided housing, sharing with friends, living with parents, purchasing through shared ownership, renting in the private market, and purchasing a property in a cheaper area as an investment for the future.

Peter\*, 59, has been working in the Malton racing area for the past six years. He lives in a social rented two-bedroomed flat in Malton. He has been living in the property for the past four years and in the last 18 months he has lived with a lodger, a jockey working locally. Taking in a lodger has helped Peter afford his household bills more comfortably and avoids him having to pay 'the bedroom tax' on the spare room.

Josh\*, 17, has been working in the racing industry for one year, at the same yard. When he first moved to Malton, he lived in an employer-provided flat on-site. He then moved to a private rented room in a shared property with the new friends that he'd made.

Emma\*, 32, has been working in the Malton racing area for the past 15 years. She lives rent-free in her family home in Norton, with her parents. She is living in the parental home out of choice, supporting her parents in ill-health.

Tom\*, 32, started in the industry 16 years ago. He currently lives in a new-build three-bedroomed property in Norton. He bought the property under shared ownership; owning part of his home, which he pays a mortgage on, and paying rent on the remainder. This option has allowed him and his wife to buy their first property.

Mark\*, 42, started working in the industry at 18. During a period of work outside the industry, he became bankrupt and the home he owned with a mortgage was lost. He now only chooses workplaces that provide accommodation for him and his family. He currently lives in tied housing.

William\*, 33, has been working in the industry since the age of 16. He lives in a private rented two-bedroomed house in Malton with his family. He is paying rent that is “a bit of a stretch”, but a compromise for a home in a good location, with a garden for his child. He was given a gift sum of money that he used as a deposit to purchase a property (with a mortgage) in a cheaper area of the country. He rents this property out to provide an additional income for his family.

#### *Housing problems within the horseracing industry in Malton*

Housing problems, such as overcrowding, living in on-site caravans and very poor standards, were raised as either historical problems or problems that interviewees had faced elsewhere in the country. For example, one junior staff member described living in a shared house that had bare, concrete floors downstairs and exposed floorboards upstairs. However, this was around 15 years ago in Newmarket. Others spoke of very overcrowded ‘digs’, with four or six people sharing a bedroom, that were common in the racing industry several decades ago.

Shared accommodation, whether employer-provided or elsewhere in the private rented sector, could be in a poor standard. Staff highlighted cleanliness as a problem and damage made to the property by previous and current residents. It was recognised and acknowledged that these problems were created by stable staff themselves, although they may not be addressed or repaired by landlords.

Employers and the District Council representative noted the lack of single, self-contained accommodation in the local area. This limits the housing options for single people who do not want to live in shared accommodation. In addition, local family housing could be expensive, making it unaffordable for some in the industry. As a result, employers struggled to find suitable housing for new staff members who were moving with their families (these employees were often from overseas).



### *Housing issues within the private rented sector*

For some stable staff, the private rented sector could be unappealing and problematic to access. For those who wanted freedom to move to a different racing area, perhaps at short notice, a contract in the private rented sector was not suitable because they tend to be for set periods of time with fixed notice periods. For those wanting to rent privately, they reported facing stigma from lettings agents and landlords. Staff and employers believed that stable staff had a reputation as 'bad' tenants amongst local landlords, with issues such as leaving the area and not paying the rent, causing damage to properties, antisocial behaviour and making the properties 'smelly'. Some stable staff living in private rented properties spoke of lettings agents and landlords turning them away and eventually stating a different occupation in order to access properties (examples were given of stating only parts of their jobs, such as driving, to agents and landlords). For others, entry into the private rental market was mediated by employers, through informal networks and the direct payment of rent (as outlined previously). The stigma stable staff faced was seen as stemming from the actions of a minority within the industry, which was affecting the housing options of the majority.

### *Compounding factors on housing within the horseracing industry in Malton*

Whilst the transient nature of the industry for some meant private rental housing was undesirable, it also had the potential to make these workers ineligible for social housing. The stakeholder interview with Ryedale District Council raised the issue of the 'local connection' requirement for applicants to social housing. Applicants needed to be resident in the area for two years before being eligible to apply, or have family living locally.

The interviews indicated that many stable staff did not drive, either because they did not have a license or could not afford to have a car. This meant that housing had to be local, increasing the reliance on housing in a small market town and surrounding villages with limited property types.

Employers and staff highlighted the young workforce with many very young adults moving to start employment in an unknown area and living independently for the first time. This is a fairly unusual characteristic of the horseracing industry, compared to other employment for young people. There was some suggestion that problems adjusting to independent living were partly responsible for the poor upkeep of properties by residents and that young stable staff faced the double stigma of finding housing; landlords did not want to let to young people or stable staff.

Interviews with some staff members raised the challenges that staff face trying to leave the industry. Several stable staff had already had periods of employment elsewhere and returned to the industry or were currently trying to find employment outside the industry. The main motivation for leaving was the low wage associated with stable staff positions. Staff who had temporarily left had gone into unskilled or semi-skilled employment, and this was predominantly the plans for those thinking of leaving, but in this type of employment, the housing barriers and challenges are unlikely to change for these staff members.

### 5.1.3 Summary

Overall, stable staff in Malton faced housing challenges associated with being in a low wage industry and barriers to the private and social rented sectors. However, employers mediated this situation by providing housing for single staff or arranging private accommodation. More senior stable staff, or those who were settled locally, had found longer-term housing solutions based on their own aspirations and resources. Housing costs were generally seen to be affordable or were higher by choice (such as by choosing a larger property or living in a 'nicer' area). All staff interviewed (and all staff mentioned by employers) were living in permanent structures, in the local area. They were not in 'housing need' in the sense that none were paying unaffordable housing costs or were without suitable housing. Whilst stable staff may have been living in unclean and unkempt housing (particularly if living in shared accommodation) and may face barriers to moving, all had found suitable, sensible housing.

## 5.2 Case Study: Newmarket

### 5.2.1 Methods

The evidence for the case study was collected across a three-day visit to Newmarket. The Newmarket branch of Racing Welfare organised the visit and recruited the yards and studs. Interviews were conducted with employers (or representative of the employers), staff and Racing Welfare clients. The findings are based on interviews with:

- Eight employers (five training yards and three studs)
- 12 current staff
- One Racing Welfare client, who was not stable staff
- Discussions with Racing Welfare representatives

The approach to the recruitment of employers may have affected the research findings. The employers approached were known to either have strong views on housing in the racing industry or had expressed a willingness to be involved in research into the issue. At the time of the field visit, there was ongoing controversy relating to a proposed major housing development in Newmarket. Some stated their opposition or concern, including one employer who was worried that the evidence from the case study may be used in the arguments around granting planning permission for the site. Lastly, some employers were unable or unwilling to spare staff in the run-up to a major sale.

### 5.2.2 Key findings

#### *Lack of housing and unaffordable housing*

The interviews highlighted that the housing market in Newmarket is expensive and highly pressured. Newmarket is part of the Cambridgeshire growth area which is characterised by high and rising property prices.

There is increasing competition for housing in the local market. It was felt that owner occupied housing is being bought by people commuting to Cambridge who were priced out of the market in the city. There is also increased competition in the lower end of the private

rented market as low cost accommodation is being sought by agricultural workers who tend to have slightly higher incomes than racing staff.

The pressured market is seen as driving house prices and rents upwards, something which has been happening over a long period of time, but with more recent acceleration. These factors mean that the local housing market is fast paced, with stable staff competing to secure private rented accommodation and often finding that housing is let very quickly.

In addition, the research found that certain long term factors have further compounded problems around the accessibility and affordability of housing for racing staff as certain housing options have been lost. Some trainers previously owned their own housing stock to provide accommodation for staff. However, they said that poor upkeep of the properties by the employees living in them had led to high maintenance costs, and also that the rise in local house prices meant they could make a good profit from the sale of the properties. Interviewees said that in the past it was more common for staff to find lodgings with local families but that this has declined, possibly because the hours worked by stable staff make them unpopular lodgers. There were also suggestions that housing had been converted into office space.

Whilst some examples of poor quality housing were mentioned in the interviews, the housing conditions of staff seemed to be better than anecdotal evidence would suggest. Most respondents were satisfied with the quality of their current accommodation. People seemed to find decent quality accommodation and then want to remain living there.

Whilst the unaffordability of housing in Newmarket was a concern for trainers and staff, some staff had found affordable solutions. These included living in employer-provided housing where available, lodging with colleagues and renting a larger property as a group.

Greg\*, 39, is from an EU country and has been working in the racing industry in Newmarket for the past five or six years. He currently lives in Newmarket in a room in a 4-bedroomed flat shared with friends. He sees house sharing as the cheapest housing option. Rent on the flat is £600 per month and with bills he estimates he pays £50 per week on housing costs. He is pleased with his current property. The landlord is good and the property is well-maintained. Overall, he thinks the rent in Newmarket is expensive, has previous experience of paying expensive rent, and that the wages in the industry are low.

### *Informal housing arrangements*

Many of the respondents who were not living in employer-provided housing had relatively informal accommodation arrangements. This included living in a friend's employer-provided housing, lodging with colleagues and joining a friend's shared housing arrangements. Most of these respondents either specifically said that they did not have a formal tenancy, or were unlikely to have one.

Sarah\*, 19, has been working in the racing industry for the past six months. She 'struggled' to find accommodation in Newmarket and put the 'word-out' that she was looking. After one and a half days she was offered a room in a colleague's home. She now lodges informally with the colleague, paying £75 per week in rent (including bills). She is pleased with her current living arrangements.

Making informal housing arrangements was partly a result of affordability constraints and other difficulties in accessing the private rented sector (PRS). However, it was also partly a choice resulting from the nature of the employment and stage in life of the staff interviewed. A number of respondents were unsure of their future plans, including whether they would remain in the country, or in the industry, and many had a history of transiency as they moved between jobs in different places. This suggests that that staff may not want, or be suited to, formal PRS tenancies. Interviewees also described how staff (particularly young staff) did not look after rented properties which makes them poor tenants, and that young staff found it difficult to manage PRS tenancies. In these situations, informal arrangements may be preferred for their flexibility and lack of contracts.

Trainers highlighted that they were aware that new recruits to the area were often vulnerably housed for an initial period, often sofa-surfing until they could find a more suitable and permanent arrangement. Unlike the informal arrangements mentioned above, people were not in this situation through choice.

#### *Compounding factors on housing within the horseracing industry in Newmarket*

Challenges in securing decent, affordable housing are exacerbated by staff needing, or at least preferring, to live in Newmarket and very close to the stables in which they work. This is partly because staff, particularly younger staff, are not able to drive so need to live close to where they work. Studs in particular need staff close at hand and on call. The split shift working day, with an early start, late finish and a long break in-between means most staff return home for several hours over lunch which could be difficult if there is a complicated journey or long commute.

Some participants noted that stable staff are stigmatised by local landlords and lettings agents, limiting their housing options. This seems to be based on bad experiences of staff leaving properties in poor conditions or leaving without fulfilling their notice period. Trainers who do provide housing for staff said that cleanliness and upkeep were a problem. One employer had instigated weekly room checks of staff housing to monitor standards. Some trainers had sold their employee housing as it was poorly treated leading to high upkeep costs.

Melanie\*, 36, has been in the industry for less than six months. She has found housing to be a problem. She was unable to find accommodation in Newmarket so had to commute from her parental home roughly one hour away. She then moved into unsatisfactory hostel accommodation found through contacts at one of the racing colleges.

At this HMO, the heating kept being turned off, the bath was not plumbed in and lighting was on a short timer. She was being pestered for rent, even though she paid it and had nowhere to park her car during the day when she returned from work between shifts. When she started looking for alternative accommodation, her landlord asked her to leave. She struggled to find other accommodation as rooms were let before her viewing and listings websites were out-of-date.

She found accommodation in a HMO in a village 20 minutes drive away from Newmarket. She was happy with the landlord and other tenants and it met her needs.

*One day after this interview, it was reported that she had left her accommodation without giving notice. Her rental deposit had been paid by Racing Welfare.*

#### *Impacts on the racing industry*

The expensive, high pressured local housing market affects staff recruitment and retention for businesses that do not provide their own accommodation. Training yards receive calls from prospective employees who are put-off by difficulties securing accommodation and prefer to take jobs where there is access to housing. In addition, there were instances of staff leaving yards because of housing related issues, such as for a higher wage to afford housing or to a job with employer-provided housing.

There were suggestions from some trainers that staff from outside the EU were recruited, in part, because of their willingness to live in sub-standard housing in Newmarket. It was also suggested more broadly that people from outside the EU were most commonly living in areas known for HMOs and poor housing.

#### *Employer-provided housing*

Three out of five of the trainers who participated provided some housing for staff but this was nowhere near enough to house all staff. The accommodation provided was usually on-site hostels, individual rooms with communal facilities for single people. There was also an instance of a shared house and a self-contained cottage for a senior member of staff. This accommodation was generally provided because of the existence of suitable buildings, as a way of attracting staff and in acknowledgement of the challenging local housing market. Whilst almost all of the trainers were not looking to expand their housing stock, one trainer was investigating buying or renting properties for staff off-site in Newmarket.

Jack\*, 20, has been working in the industry for the past four and a half years, living in Newmarket for the past five months. He currently lives in employer-provided hostel accommodation with seven other members of staff. He thinks his accommodation is 'OK' and cheap. They have a cleaner once per week and any maintenance problems are dealt with promptly. He is not sure how long he will stay working in Britain, thinking he may go for abroad next year for work.

As a general rule, staff at training yards were expected to make their own arrangements for housing if they were not living in employer-provided housing, exceptions to this were occasionally made for those coming from overseas. Some trainers supported staff who had found accommodation in the PRS by offering loans for deposits, to be paid back at an affordable rate. Some trainers paid their staff's rent straight from their wages to their landlord to avoid problems between staff and landlords about late or non-payment of rent.

In contrast, all of the participating studs provided housing for the majority of their stable staff, with the remainder choosing to live off-site. Studs provided single and family accommodation of a good standard, usually on-site and rent-free, with some paying limited or no utility bills. Properties were well-maintained by both employers and occupants. Accommodation was provided to ensure that the studs had staff nearby in case of emergencies, but also as a strategic decision to recruit good staff and maintain a stable, loyal workforce. Studs generally tried to avoid housing new staff during their trial period to avoid difficulties if the staff member was asked to leave, it also gave employers the chance to see whether the staff member could be trusted to live in one of their properties.

Providing sufficient accommodation was a key factor in business expansion and recruiting staff. There were examples where staff were not recruited because they could not be housed, of renting nearby properties for staff and building more accommodation on-site. Studs that had built new properties said that they had faced passive or overt opposition from the local council, based on concerns about the necessity of the proposed homes and genuine use for staff. There was a suggestion that relations may have thawed between the council and the studs as they had 'proved' their house-building was genuine, with a possibility that future applications may be looked upon more favourably (although this had not been tested).

#### *Lack of retirement planning for those in tied housing*

In the studs, both employers and staff had concerns about retirement for those living in tied housing. As the accommodation is linked to the job, retiring staff would be required to move out of the house. There seemed to be a consensus that staff in tied housing could be poorly prepared for housing in retirement. Whilst some staff took the opportunity afforded by living rent free to buy a property for their retirement and rent this out during their career, others had made no provision for housing in retirement, despite having paid no housing costs during their working life. For those who had not already made provisions and were nearing retirement, employers and staff approached Racing Welfare for advice and housing for retirement.

There appeared to be a cultural difference between training yards and studs, with employers being seen as responsible for housing in studs. However, this lack of personal responsibility for housing, and in particular not paying for housing, could explain why some staff had not arranged their own housing for retirement, instead relying on goodwill, Racing Welfare or other social housing. Living rent-free in good quality, spacious family homes may also explain the unrealistic expectations that staff had of their options in the PRS.

Employers and staff acknowledged the pressure that was felt relating to housing in retirement. One staff member intimated that he would try to delay retirement to keep the tied housing. One employer was encouraging and helping staff to think about future housing earlier in their careers, whilst they could be accepted for a mortgage. This employer was offering loans from the business to selected senior staff as a deposit on a house that could be rented out to cover the mortgage whilst they lived in tied housing and then occupied by themselves in retirement.

Susan\*, 61, has been working in the racing industry since she was 19 or 20 and settled in Newmarket in the 1980s. She and her partner lived in his tied housing on a stud. An inheritance meant they could buy a property outright. This is something she considers 'lucky'. She currently lives with her partner in Newmarket in a detached, 3-bedroomed bungalow. When looking for her current property, she considered that she had a 'reasonable' level of choice of suitable properties in her budget. Her current home meets her needs, is in a good location, is 'nice' and recently decorated. She plans to stay in her current home.

Jim\*, 68, has been working in the industry in Newmarket for 53 years. He started work in a training yard before moving to a stud for access to tied housing. He currently lives in a bungalow on-site. It is 4-bedroomed, "beautiful", with a "nice garden". He lives with his wife and daughter (aged 40). The property is tied, he lives rent-free but pays for his utilities. The property is well-maintained and meets his needs.

Housing is not a current problem. He wants to continue working and living in his bungalow for as long as his health allows. He believes that Racing Welfare will find him somewhere suitable to live in his retirement, if he is not able to access social housing. He is worried that in retirement he will not be able to live in a property with a garden and may have to live in a flat, which he is not used to and has concerns about living in advanced old age in a flat. He wants to live in a 3-bedroomed property, but is worried that he will not be able to afford/be offered somewhere as big. He intimated that he will keep working for as long as possible to keep his home.

### 5.2.3 Summary

Overall, the evidence relating to the housing situations of people in the racing industry in Newmarket demonstrates cultural differences between the studs and training yards that



manifest in different housing needs. At the studs, staff can expect to be accommodated by their employer and the responsibility for arranging housing lies with the employer. In contrast, **staff at racing yards are expected to take responsibility for finding accommodation** themselves and navigate the challenging local market with minimal support. However, whilst those living in tied housing at studs were very well housed, they frequently made little provision for housing in retirement.

**The main housing challenges for staff that did not live in employer-provided housing was securing housing that was affordable.** It was interesting to note that whilst the standard of housing was anecdotally feared to be poor, most of the staff who were interviewed were satisfied with their current accommodation and it appears that staff live in decent accommodation.

The difficulties of securing housing in Newmarket are not unique to the racing industry, with the same problems likely faced by other lower-income employment sectors. In some respects people benefit from working in the industry as some staff have employer-provided housing and employer support with housing that other low-income employment sectors do not receive. However, some housing difficulties are exacerbated by industry related factors. Yard staff are often transient and young, making PRS contracts unsuitable and making them undesirable tenants for PRS landlords. Needing to live close to work because of split shifts and/or not driving is a further challenge.

## **5.3 Case Study: Lambourn**

### **5.3.1 Methods**

The evidence for this case study was collected during a three-day visit to Lambourn. The Lambourn branch of Racing Welfare organised the visit and recruited the yards, stud and stakeholders. Interviews were conducted with employers (or their representatives), staff and local stakeholders. The findings are based on interviews with:

- Six employers (five racing yards and one stud)
- Six current stable staff
- One retired stable staff
- One stakeholder – West Berkshire Council
- Discussions with Racing Welfare representatives

Some of the practicalities in recruiting employers affected the recruitment of staff for the research. The majority of employers were only available to participate at times when the staff had gone home. In order to include the views of current staff in the research, Racing Welfare recruited current staff on an individual basis to come to the offices to participate. The aim was to get a broad range of current staff, but this approach may have meant that only the most motivated staff participated.

### **5.3.2 Key findings**

*Lack of housing supply and affordable options*



There is a limited housing supply in the village and the housing market is highly competitive. Stable staff predominantly live in Lambourn as many do not drive and commuting is a challenge with the split shift working pattern of the industry. This has led to high rents, even amongst the cheaper end of the private rented sector, for stable staff in Lambourn. In addition, the village is in an Area of Outstanding Natural Beauty and has good road (and is close to good rail) links to London and cities in the Midlands making the village attractive to commuters. Further, planning permission is difficult to secure for new housing due to regular flooding in the area, being an Area of Outstanding Natural Beauty and opposition from the village (not linked to the industry). The combination of these circumstances means that the housing supply is limited, the market is highly competitive and property prices and rents are high.

The lack of affordable housing in Lambourn has been exacerbated by a loss of traditional industry housing options in the form of lodgings and hostels. Lodging used to be a common option for housing in the village (around 40 years ago), but this has declined and is now no longer available. In addition, employers used to provide on-site hostel housing for staff but this has been lost through conversion of these buildings to stables and the trend of trainers no longer owning the yard leading to the conversion of hostels into accommodation for the trainer. Some employer provided accommodation has also been sold.

Hostels are now highly sought after by single people, especially young people. Lambourn had a vacant yard with a high quality hostel on-site. The hostel was used to accommodate staff from any trainer in Lambourn and was full. The yard has recently been taken over by a trainer who is giving notice to the hostel's residents. This is worrying for the trainers who have staff living in the hostel and has led to the new trainer "poaching" staff who are living there.

The expense of housing, as a result of high demand and a lack of supply, is compounded by the low wages of staff creating problems with the affordability of housing. Housing is expensive compared to wages and bonuses cannot be relied upon or taken into account for mortgages. It was noted by one stakeholder that the gap between the rich and the poor in this wealthy industry is getting visibly wider, there is a food bank in Lambourn on a weekly basis, something that demonstrates this gap and highlights the struggles of some in an otherwise affluent area.

#### *Impact on staff recruitment and retention*

Housing was a widespread concern amongst employers, with either past or present problems in staff recruitment and retention linked to lack of housing. Employer-provided accommodation is at a premium in Lambourn and yards with accommodation attract staff. New applicants ask about accommodation before they will consider a post, but yards can struggle to find suitable accommodation for them. The housing situation makes it difficult to recruit new staff to the area and people leave positions because of housing problems or to gain employer-provided accommodation. This reflected in the example above where the new trainer to the yard with the high quality hostel "poached" staff who were already living there.

A shortage of affordable housing for stable staff adds to other broader problems with staff recruitment for yards. Trainers mentioned that too few young people were joining the industry and it was now difficult to recruit necessary staff from overseas. Trainers

consistently spoke of the high proportion of Indian and Pakistani stable staff in Lambourn (who tended to live in poor, overcrowded conditions), but changes to working permits meant that no new Indian and Pakistani staff could be recruited.

### *The differing attitudes of trainers to housing as a problem*

There seemed to be a consensus that trainers could collectively address some of the housing problems in Lambourn. The Lambourn Trainers Association, using the proceeds of the Lambourn Open Days, built a small housing development which is overseen by a Housing Association they set up (the Lambourn Valley Housing Trust). This development has 18 houses for stable staff and their families. Eligible staff have to be either a married couple or a cohabiting couple with child(ren). If a relationship breaks down, the tenants have to leave the property. Housing allocations are made by the trainers and all have the opportunity to recommend staff to live there. There is a waiting list of trainers who are contacted when there is a vacancy to see if they have a suitable staff member to live in the development, if they nominate staff then their yard goes to the bottom of the list.

In addition to this collective action, some trainers also helped staff to find housing on an individual basis. Some employers provided accommodation for their staff, either on or off-site. Having staff live on-site was seen as a good security measure and a way of ensuring staff were available in case of emergencies. Employers also found ways to accommodate staff off-site, either through renting a property themselves to house staff or subsidising the rent of their staff. Employers also spoke of helping staff search for rooms, contacting Racing Welfare on their behalf for housing and informally 'putting the word out' that housing was needed. In contrast, one trainer mentioned that they only employed staff who already had housing secured.

### *The challenges of shared housing*

Both employers and staff mentioned the challenges of living in and managing shared housing. In an increasingly diverse industry, sharing could be problematic across cultural divides and different ages. Trainers had become reluctant to rent shared properties to accommodate their staff members because they were increasingly unlikely to be a sufficiently homogenous group of people to make sharing work. In addition, staff at an individual yard may not all be interested in accommodation for single people and have a range of housing needs, further reducing the effectiveness of yards renting shared accommodation for staff.

Trainers mentioned that sharing housing rarely occurred across certain cultural divides. They said that European staff were willing to share with each other, Pakistani staff would share with each other and Indian staff would share with each other but no group shared housing with staff from a different group. For Pakistani and Indian households this was seen as a choice to live as a community and they were regarded as being highly supportive of each other. However, these groups were known to be living in housing of a poor standard and overcrowded. Whilst overcrowding was often described as a choice made by Pakistani and Indian staff to be able to live together as a group, other comments suggest this was likely to be a constrained choice as overcrowding meant lower rent and increased remittances.

It was reported that these groups are undesirable to private sector landlords and face stigma in the private rented sector. There are supposed concerns about unofficial overcrowding and pest infestations. It was contested whether it was just overseas staff who were stigmatised by private landlords, or whether stable staff as a whole were. There were more general concerns about the poor behaviour of stable staff, including problems with drink and drugs and not paying their rent. One trainer highlighted that young people can face further stigma, for being stable staff and being young. He thought their “carefree lifestyle, where spare cash was spent in the pub” and having little responsibility, was not suited to private landlords.

Sharing was also raised as a general challenge for stable staff as it led to insecurity. One staff member told of a situation where she nearly became homeless because the person she was sharing with did not want to renew the tenancy. Another member of staff found sharing a concern as the bad behaviour of others could lead to the loss of a property. Staff living in a hostel had been given notice to leave because the yard where the hostel was had been taken over by a new trainer.

### *Range of housing providers*

The interviews with staff and employers highlighted a range of housing providers and options in Lambourn. These include employer-provided housing, owner occupation, the private rented sector, Racing Homes accommodation, the Lambourn Valley Housing Trust development and alms housing. The housing careers of staff were also interesting, with moves between tenures and housing providers occurring through misfortune, policy changes and crises. Several people mentioned problems for stable staff in accessing social housing because a local connection was required and the transient nature of the industry means people do not meet this eligibility criterion. In addition, there is little social housing in Lambourn. Council properties are focused on the surrounding urban centres and not in the village. The following profiles give examples of the housing careers for some of the staff who participated in the research.

Gill\*, 52, has been working in the racing industry on and off for the past 30 years and has been in Lambourn for the past 18 months. She lives in Racing Homes working accommodation after nearly becoming homeless when her housemate did not want to renew the contract on their shared house. She struggled to find alternative accommodation and her employer offered her the chance to live in an on-site mobile home. She intimated that she was worried about being taken advantage of if she lived at work. She is happy with her current accommodation and enjoys living in a development with other stable staff. She pays £387 per month in rent and it is just about affordable. “I’m just keeping my head above water.”

Alan\*, 71, worked in the industry for 50 years before retiring and had been based long-term in Lambourn. He owns his own three-bedroomed property, which he bought under Right to Buy 30 years ago. He is really happy with his home and his decision to buy under the initiative. The mortgage payments were less than his previous rent payments. The mortgage has now finished, but he “struggled” to afford this when he had a young family.

Alex\*, 61, has been working in the industry for the past 45 years and has been based in Lambourn long-term. He was living in a social rented, family property, which he had the opportunity to buy under Right to Buy, but chose not to because he didn’t know how long he would want to stay in the area. He ran into financial difficulties after the death of his wife and wanted to move to somewhere more affordable. After being on the waiting list for four years, and passing an interview, he was offered an alms house. He is very pleased with his one-bedroomed property. He does not pay rent so is paying off his debts.

Laura\*, 29, has been working in the industry for the past 11 years, spending the last six years in Lambourn. She currently lives in a privately rented, one-bedroom flat in Lambourn. She struggled to find a property to move into, having been living informally with a friend. She looked in “desperation” for six months to find a suitable property within her budget. She pays £650 per month in rent, which she thinks is cheap for Lambourn.

Mandy\*, 41, has been working in the industry for the past 25 years, being in Lambourn for most of this time. She lives in a tied, three-bedroom property. She does not pay rent, utility bills or Council Tax. Housing has never been a problem for her as she has always lived in tied housing. She doesn’t think she’d be able to afford a mortgage on a property in Lambourn. She expects to stay in the industry until retirement and has not made any plans for housing when she retires.

### *More housing for singles needed*

There was a clear consensus from those who took part in the research that there was an overriding need for more housing for singles, especially, but not exclusively, young people. Other groups were seen as having more housing options. The housing development overseen by the Lambourn Valley Housing Trust catered to families and Racing Homes provided sufficient accommodation for retired staff. There were concerns for the wellbeing of young people, who may need support in developing independent life skills, living away from

home and their existing social connections. There were concerns for their safety and security, needing to find somewhere suitable to live where they would not be exploited by a landlord and with a sensible commute for work e.g. with a well lit path.

There was a view that hostels were the preferred accommodation for single people. Some participants favoured one large hostel, whilst others suggested a few, smaller hostels. For those who favoured smaller hostels, this seemed to be driven by concerns over gaining planning permission for a large building and fears over a possible drink and drugs culture developing. Consistently people suggested more hostel provision like the high quality on-site hostel previously mentioned. Here residents had their own front door and bedsit rooms including an en-suite and limited kitchen facilities but the hostel also provided a communal kitchen, living room and laundry facilities.

### **5.3.3 Summary**

Stable staff in Lambourn struggled with low wages, wanting or needing to live in Lambourn village itself and the village being a wealthy, competitive housing market. Problems with the supply and expense of housing combined with other factors to make staff recruitment and retention difficult. Trainers made communal efforts to address some of the housing difficulties through the development of family housing and many, although not all, also took individual action to help new staff find suitable accommodation.

Finding suitable, affordable housing was made more difficult by challenges in sharing accommodation. Shared households did not span cultural divides and housing security was linked to the behaviour of others. Stable staff, especially foreign staff, were stigmatised in the private rented sector making it difficult to secure housing. Staff were accommodated by a range of different housing providers, usually in the village itself. Overall, Lambourn trainers and staff highlighted the need for more accommodation for singles, especially young people.

## **5.4 Case study discussion**

There was a general problem of a lack of affordable housing for stable staff exacerbated by the low wages in the industry. In Lambourn and Newmarket in particular, this was compounded by a lack of housing supply and the local housing market being very competitive, driving house prices and rents higher. In Lambourn and Newmarket, the highly pressured housing market contributed to problems training yards had with staff recruitment and retention.

Whilst a lack of affordable housing is not an industry specific issue, there were ways that the racing industry and its working culture, limited the housing options of stable staff. Staff generally wanted, and some needed, to live close to work, but people not driving and the split shift working pattern made commuting unfeasible for some. By living close to work, staff therefore had to live in expensive areas with competitive housing markets rather than in surrounding, cheaper areas.

The transiency of the workforce limited housing options for staff as staff did not know how long they would live in an area. This created problems in taking a contract for privately rented properties, made owner occupation unsuitable and limited access to social housing with a local connection criteria. A general trend away from lodging in all of the case study

racing centres and the loss of employer-provided hostels (in Lambourn and Newmarket) further reduced options for cheaper housing.

The perceived bad behaviour of staff, problems with drink and drugs, keeping accommodation in a poor state and the risk of leaving the area without paying rent all contributed to stable staff being stigmatised in the private rented sector. Employers and staff generally acknowledged that there was some truth behind the poor view of stable staff as tenants and often linked this with a lack of independent life skills, but stressed that a minority caused problems for the majority. Discrimination against stable staff by private landlords limited access to some housing.

Employers provided varying degrees of support to staff in accessing housing. At least some employers in all of the racing centres provided housing for some of their staff, either on or off-site. Studs generally provided sufficient housing for all staff who wanted it. In Lambourn, the trainers association had built family housing for industry staff. In addition, employers in Lambourn and particularly in Malton, helped new staff to find and secure housing.

Stable staff lived in a wide range of housing circumstances and this varied between the participating racing centres. In Malton, staff were actively and inventively managing their housing options, for example, by taking on lodgers and owning property elsewhere to make rent more affordable. In Lambourn there was a variety of housing providers operating in the village, including alms housing and the Lambourn Valley Housing Trust. In Newmarket, more so than the other racing centres, staff lived in informal housing arrangements with friends or colleagues.

Across the participating racing centres, there was a general lack of single, self-contained accommodation that would be suitable for young people or older singles who no longer wanted to share. This feeling was particularly strong in Lambourn, where employers and staff also highlighted challenges with shared housing. In Malton, there was also a lack of family housing, which was particularly problematic for overseas staff. In Newmarket, there were issues with staff retiring from positions with tied housing without having made provision for their housing needs.

## 6 Affordability analysis

### 6.1 Summary of findings

The analysis shows that across all areas take home pay is lowest for lone parents, then young singles, singles and couples with children. Take home pay is highest for couples with no children.

It is very common for a housing need analysis to find statistically that a very high proportion of households are in need of affordable housing. The analysis that follows has similar findings.

The analysis shows that a relatively high proportion of some types households will not find housing in the racing areas affordable, **if we consider affordable to be spending 35% or less of net income on housing**.

The greatest proportions of households finding housing unaffordable are in Epsom, followed by Lambourn, then Newmarket and the South West. The smallest proportions of households finding housing unaffordable are in Malton and Middleham. This is not surprising. Malton and Middleham are less pressured housing markets with lower house prices and rents.

Single households (young singles in particular) and lone parents are most likely to find housing unaffordable. Again, these results are not surprising. Young singles across all employment sectors are likely to have relatively low incomes and find housing less affordable. Young singles would be expected to still be housed in the family home, live in accommodation provided by institutions or employers, or to share in the private sector. Lone parents in all employment sectors tend to have lower incomes and face housing affordability problems. In the horseracing industry the qualitative data suggests this is compounded for lone parents, and couples with children, by the pressures of the split shift pattern.

The proportion of households that could not afford the local median rent is the highest. For example, at the most extreme, 99% of lone parents would not be able to afford the housing costs of a median rent two bedroom property in the private rental market in Epsom and 94% could not afford to pay 65% of median rent. In contrast in Middleham, 42.9% of lone parents would not be able to afford the housing costs of a median rent two bedroom property in the private rental market and 10.8% of lone parents could not afford to pay 65% of median rent. In Lambourn, 61.6% of young singles would not be able to afford the housing costs of a room in the private rented sector and 34.6% could not afford the cheapest room offered by Racing Homes.

However, these results need to be considered in context. The qualitative research identified a range of ways in which people negotiate their housing situations to ensure they are housed. Many households may be paying much lower housing costs than the median or other levels identified in the analysis. Households may rent or purchase properties in the lowest price quartile of the local market.

Households may be living with family or in employer provided accommodation. The survey showed that 30% of staff live in employer provided housing and so are not being housed in

the private sector. The qualitative research showed that in many cases employer provided housing is subsidised and charged at below market rents. In studs it is often provided as free tied housing.

The analysis cannot account for the proportion of people who make their housing affordable by the different strategies identified in the qualitative research. This includes sharing housing (sometimes informally), taking a lodger, purchasing a property in a lower value area to rent out and cross-subsidising rent in the horseracing area.

A proportion of households will be spending more than the 35% affordable benchmark of their net income on housing costs. Although this is regarded in standard housing analyses as unaffordable, it is not uncommon for many sectors of the population to spend more than a third of their income on housing.

In the analysis, the lowest housing cost used is that of the Racing Homes properties, followed by a housing cost of 65% of the local median rent. The highest housing cost used in the analysis is the local median rent.

The household types analysed are:

YS = Young Singles - single aged 16 to 35 years (i.e. this is a subset of S)

S = Singles

C0 = Couple only (i.e. no children)

C1+ = Couple with one or more children

LP = Lone parent

## **6.2 Key findings**

### **6.2.1 Epsom**

- 48.7% YS cannot afford a PR 65% of median rent room
- 88.7% YS cannot afford a PR median rent room
- 73% YS cannot afford a PR 65% of median rent bedsit
- 96.8% YS cannot afford a PR median rent bedsit
- 81.8% S cannot afford a PR 65% of median rent one bedroom property
- 97.7% S cannot afford a PR median rent one bedroom property
- 26.8% C0 cannot afford a PR 65% of median rent one bedroom property when benefits are accounted for in net income
- 67.7% C0 cannot afford a PR median rent one bedroom property when benefits are accounted for in net income



- 59.3% C1+ cannot afford a PR 65% of median rent two bedroom property when benefits are accounted for in net income
- 91.4% C1+ cannot afford a PR median rent two bedroom property when benefits are accounted for in net income
- 91.2% LP cannot afford a PR 65% of median rent two bedroom property when benefits are accounted for in net income
- 99.2% LP cannot afford a PR median rent two bedroom property when benefits are accounted for in net income

### **6.2.2 Lambourn**

- 34.6% YS cannot afford a RH cheapest room
- 61.6% YS cannot afford a PR room
- 34.2% YS cannot afford a PR 65% of median rent bedsit
- 80.5% YS cannot afford a PR bedsit
- 43.1% S cannot afford a RH cheapest one bedroom property
- 89% S cannot afford a PR median rent one bedroom property
- 4.8% C0 cannot afford a RH cheapest one bedroom property
- 38.4% C0 cannot afford a PR median rent one bedroom property when benefits are accounted for in net income
- 11.7% C1+ cannot afford a RH cheapest two bedroom property when benefits are accounted for in net income
- 59.2% C1+ cannot afford a PR median rent two bedroom property when benefits are accounted for in net income
- 57.5% LP cannot afford a RH cheapest two bedroom property when benefits are accounted for in net income
- 94.9% LP cannot afford a PR median rent two bedroom property when benefits are accounted for in net income

### **6.2.3 Newmarket**

- 25.2% YS cannot afford a RH cheapest room
- 22% YS cannot afford a RH cheapest bedsit
- 20.5% S cannot afford a RH cheapest one bedroom property
- 80.5% S cannot afford a PR median rent one bedroom property
- 3.1% C0 cannot afford a RH cheapest one bedroom property
- 28.9% C0 cannot afford a PR median rent one bedroom property when benefits are accounted for in net income

- 8.2% C1+ cannot afford a RH cheapest two bedroom property when benefits are accounted for in net income
- 48.5% C1+ cannot afford a PR median rent two bedroom property when benefits are accounted for in net income
- 23.2% LP cannot afford a RH cheapest two bedroom property when benefits are accounted for in net income
- 85.2% LP cannot afford a PR median rent two bedroom property when benefits are accounted for in net income

#### **6.2.4 South West**

- 7.4% YS cannot afford a PR 65% of median rent room
- 42.2% YS cannot afford a PR median rent room
- 15% YS cannot afford a PR 65% of median rent bedsit
- 56.6% YS cannot afford a PR median rent bedsit
- 27.4% S cannot afford a PR 65% of median rent one bedroom property
- 67.6% S cannot afford a PR median rent one bedroom property
- 2.1% C0 cannot afford a PR 65% of median rent one bedroom property when benefits are accounted for in net income
- 16.3% C0 cannot afford a PR median rent one bedroom property when benefits are accounted for in net income
- 8.4% C1+ cannot afford a PR 65% of median rent two bedroom property when benefits are accounted for in net income
- 38.1% C1+ cannot afford a PR median rent two bedroom property when benefits are accounted for in net income
- 34% LP cannot afford a PR 65% of median rent two bedroom property when benefits are accounted for in net income
- 72.2% LP cannot afford a PR median rent two bedroom property when benefits are accounted for in net income

#### **6.2.5 Malton**

- 35.8% YS cannot afford a RH cheapest room
- 46.2% YS cannot afford a PR room
- 16.7% S cannot afford a PR 65% of median rent one bedroom property
- 48.5% S cannot afford a PR median rent one bedroom property
- 0.4% C0 cannot afford a PR 65% of median rent one bedroom property when benefits are accounted for in net income
- 5.8% C0 cannot afford a PR median rent one bedroom property when benefits are accounted for in net income

- 2.1% C1+ cannot afford a PR 65% of median rent two bedroom property when benefits are accounted for in net income
- 18.3% C1+ cannot afford a PR median rent two bedroom property when benefits are accounted for in net income
- 12.5% LP cannot afford a PR 65% of median rent two bedroom property when benefits are accounted for in net income
- 44.3% LP cannot afford a PR median rent two bedroom property when benefits are accounted for in net income

#### **6.2.6 Middleham**

- 33.5% YS cannot afford a RH cheapest room
- 7.7% YS cannot afford a PR 65% of median rent bedsit
- 29% YS cannot afford a PR median rent bedsit
- 22.1% S cannot afford a PR 65% of median rent one bedroom property
- 53.3% S cannot afford a PR median rent one bedroom property
- 0.4% C0 cannot afford a PR 65% of median rent one bedroom property when benefits are accounted for in net income
- 6% C0 cannot afford a PR median rent one bedroom property when benefits are accounted for in net income
- 2.7% C1+ cannot afford a PR 65% of median rent two bedroom property when benefits are accounted for in net income
- 20.4% C1+ cannot afford a PR median rent two bedroom property when benefits are accounted for in net income
- 10.8% LP cannot afford a PR 65% of median rent two bedroom property when benefits are accounted for in net income
- 42.9% LP cannot afford a PR median rent two bedroom property when benefits are accounted for in net income

The following sections explain the methodology and findings in more detail.

### 6.3 Methodological approach

This analysis firstly estimates net income distribution of workers in the horseracing industry by household type in each of the six horseracing industry areas, drawing on information available from the online survey and interviews conducted as part of the research. The income distribution curves (an example is given in Figure 5) are based on an established and widely held assumption – for suitably disaggregated groups of households, the income distribution follows a regular pattern which approximates to the ‘lognormal’ distribution - i.e. a distribution which becomes the standard normal distribution when incomes are converted into logarithms (Bramley & Smart, 1996, p.241)<sup>7</sup>. The estimated distributions give key levels of net incomes in the horseracing industry and proportions of the industry’s workers falling within a specified income cohort.

Secondly, drawing on the estimated income distributions, the analysis estimates the proportion of different households that would find a specified housing cost (e.g. a rent charged by Racing Homes or the median in the local private market) as (un)affordable, again, by household type and by area. The proportions could help Racing Homes to assess the potential market sizes and set optimal rent levels by housing product type, dwelling size and locality.

#### 6.3.1 Definition of net income

The net income was measured in two ways – earnings net of tax and national insurance (i.e. take home pay (THP)) and THP plus benefits. The two indicators were, however, identical for Singles (and thus its subset, Young Singles) and almost the same for Couples. This is because there were no Singles and only a small proportion of Couples who reported receiving benefits in the data source. A large proportion of Couples with Children and a great majority of Lone Parents received some kinds of benefits so these two household types saw noticeable differences between the two indicators’ statistics.

To associate the estimated net income distribution with new rent levels introduced since January 2016 by Racing Homes, THP was adjusted to the January 2016 price. For the details of the adjustment, see the Appendix.

The survey asked for weekly, monthly and/or annual net incomes. Where one of the two latter kinds of net incomes was provided, they were converted into a weekly equivalent. Where more than two types of net incomes were given and they did not agree on a weekly basis, the average was used as weekly net income.

#### 6.3.2 Definition of Households

The estimation was carried out for each of the following five types of households. All types contain at least one person working in the horseracing industry:

- Single (S) – economically active singles (including those living with their parents)
- Young Single (S) – single aged 16 to 35 years (i.e. this is a subset of S)
- Couple (C0) - couple only (i.e. no children)

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<sup>7</sup> Bramley, G. and Smart, G. (1996) “Modelling Local Income Distributions in Britain” *Regional Studies*. vol. 30 no. 3.pp.239-255.

- Couple with one or more children (C1+)
- Lone parent (LP)

### 6.3.3 Definition of geography

Net income distributions were estimated by household type and locality. The following six areas were selected for the analysis. The location was based on the workplace, not on the residence:

- Newmarket
- Epsom
- Lambourn
- Malton
- Middleham
- The South West region

The benchmark housing costs (except those of Racing Homes' properties) are available for local authority areas and the Broad Market Rental Areas. For the geographical lookup table to match the selective area with these administrative areas, see table 27 section 6.8.

### 6.3.4 Issues of subsample sizes

The online and interview survey achieved a relatively large sample size. Disaggregation by household type and area would have made each subsample size too small to obtain robust outcomes without an appropriate adjustment. Among the several possible adjusting methods, this analysis drew on a weighted sample method and a bootstrapping method (for details, see the Appendix).

## 6.4 Key net income statistics drawn from the estimated income distribution

This section presents the three key levels (lower quartile, median and upper quartile) of the estimated net income (£s per week) by household type as in January 2016:

- Median - The median represents the middle value of net incomes, when the households in the specified category (e.g. Singles) are arranged by order of net income.
- Lower quartile – LQ is the level of net income that splits the specified households with the lowest 25% from the highest 75% with respect to net income.
- Upper quartile - UQ is the level of net income that splits the specified households with the highest 25% from the lowest 75%.

### 6.4.1 Newmarket

- Table 9 sets out the key statistics of households in Newmarket.
- Looking at LQ of THP, C0 showed the highest (£364.25) among the five household types, mainly because many of them had two earners. C1+ had the second highest (£315.87). One possible reason for the underperformance of C1+ would be reduction in working hours due to childcare. The other reason would be that earners in C0 would be mature with their children being independent of them.

- The LQ of S was £223.64, which equals to 61.4% of the C0 equivalent.
- YS had the second lowest (£222.21) and LP showed the lowest at £150.42.
- As for LQ of THP + benefits, C0 again had the highest (£365.55), which is marginally (by £1.3) above its THP equivalent.
- C1+ had its LQ at £334.52, which is greater (by £18.65) than its THP equivalent.
- LP had its LQ at £257.17, which is much greater (by £106.75) than its THP equivalent and outperformed THP LQ of S by £33.53.

**Table 9 Key levels of net income by household type: Newmarket**

	take home pay (THP)			THP + benefits		
	LQ	median	UQ	LQ	median	UQ
<b>S</b>	223.64	284.14	361.01	As THP		
<b>YS</b>	222.21	277.51	346.58			
<b>C0</b>	364.25	495.68	674.53	365.55	496.90	675.45
<b>C1+</b>	315.87	412.01	537.42	334.52	434.75	565.02
<b>LP</b>	150.42	209.24	291.07	257.17	314.17	383.81

#### 6.4.2 Epsom

- Table 10 sets out the key statistics of households in Epsom.
- Looking at LQ of THP, C0 showed the highest (£374.02). C1+ had the second highest (£324.43).
- The LQ of S was £206.95, which equals to 55.3% of the C0 equivalent.
- YS had the second lowest (£205.87) and LP showed the lowest at £86.48.
- As for LQ of THP + benefits, C0 again had the highest (£376.47), which is marginally (by £2.45) above its THP equivalent.
- C1+ had its LQ at £363.50, which is greater (by £39.07) than its THP equivalent.
- LP had its LQ at £224.88, which is much greater (by £138.40) than its THP equivalent and outperformed THP LQ of S by £17.93.

**Table 10 Key levels of net income by household type: Epsom**

	take home pay (THP)			THP + benefits		
	LQ	median	UQ	LQ	median	UQ
<b>S</b>	206.95	269.66	351.36	As THP		
<b>YS</b>	205.87	260.07	328.53			
<b>C0</b>	374.02	490.58	643.45	376.47	492.72	644.86
<b>C1+</b>	324.43	424.63	555.77	363.50	470.24	608.32
<b>LP</b>	86.48	147.61	251.98	224.88	296.22	390.20

#### 6.4.3 Lambourn

- Table 11 sets out the key statistics of households in Lambourn.
- Looking at LQ of THP, C0 showed the highest (£367.23). C1+ had the second highest (£331.65).
- The LQ of S was £206.93, which equals to 56.3% of the C0 equivalent.
- YS had the second lowest (£205.39) and LP showed the lowest at £86.48.
- As for LQ of THP + benefits, C1+ had the highest (£370.04), which is above its THP equivalent by £38.39.

- C0 had its LQ at £369.42, which is marginally greater (by £2.19) than its THP equivalent.
- LP had its LQ at £217.33, which is much greater (by £140.49) than its THP equivalent and outperformed THP LQ of S by £10.40.

**Table 11 Key levels of net income by household type: Lambourn**

	take home pay (THP)			THP + benefits		
	LQ	median	UQ	LQ	median	UQ
<b>S</b>	206.93	267.86	346.73	As THP		
<b>YS</b>	205.39	258.31	324.85			
<b>C0</b>	367.23	478.99	624.76	369.42	480.94	626.13
<b>C1+</b>	331.65	436.52	574.55	370.04	481.66	626.94
<b>LP</b>	76.84	129.72	219.01	217.33	281.46	364.52

#### 6.4.4. Malton

- Table 12 sets out the key statistics of households in Malton.
- Looking at LQ of THP, C0 showed the highest (£370.38). C1+ had the second highest (£320.33).
- The LQ of S was £193.69, which equals to 52.3% of the C0 equivalent.
- YS had the second lowest (£188.35) and LP showed the lowest at £123.82.
- As for LQ of THP + benefits, C0 again had the highest (£372.62), which is marginally (by £2.24) above its THP equivalent.
- C1+ had its LQ at £360.05, which is greater (by £39.72) than its THP equivalent.
- LP had its LQ at £262.72, which is much greater (by £138.90) than its THP equivalent and outperformed THP LQ of S by £69.03.

**Table 12 Key levels of net income by household type: Malton**

	take home pay (THP)			THP + benefits		
	LQ	median	UQ	LQ	median	UQ
<b>S</b>	193.69	264.87	362.22	As THP		
<b>YS</b>	188.35	253.04	339.94			
<b>C0</b>	370.38	486.33	638.59	372.62	488.32	639.94
<b>C1+</b>	320.33	423.68	560.38	360.05	466.06	603.29
<b>LP</b>	123.82	192.12	298.10	262.72	350.27	467.00

#### 6.4.5 Middleham

- Table 13 sets out the key statistics of households in Middleham.
- Looking at LQ of THP, C0 showed the highest (£376.73). C1+ had the second highest (£327.22).
- The LQ of S was £184.19, which equals to 48.9% of the C0 equivalent.
- YS had the second lowest (£177.04) and LP showed the lowest at £135.72.
- As for LQ of THP + benefits, C0 again had the highest (£379.01), which is marginally (by £2.28) above its THP equivalent.
- C1+ had its LQ at £367.67, which is greater (by £40.45) than its THP equivalent.
- LP had its LQ at £282.71, which is much greater (by £146.99) than its THP equivalent and outperformed THP LQ of S by £98.52.

**Table 13 Key levels of net income by household type: Middleham**

	take home pay (THP)			THP + benefits		
	LQ	median	UQ	LQ	median	UQ
<b>S</b>	184.19	259.32	365.09	As THP		
<b>YS</b>	177.04	246.95	344.47			
<b>C0</b>	376.73	489.29	635.48	379.01	491.25	636.73
<b>C1+</b>	327.22	436.44	582.10	367.67	478.40	622.48
<b>LP</b>	135.72	201.27	298.48	282.71	372.16	489.92

#### 6.4.6 South West

- Table 14 sets out the key statistics of households in the South West region.
- Looking at LQ of THP, C0 showed the highest (£378.03). C1+ had the second highest (£295.51).
- The LQ of S was £207.87, which equals to 56.5% of the C0 equivalent.
- YS had the second lowest (£207.32) and LP showed the lowest at £108.16.
- As for LQ of THP + benefits, C0 again had the highest (£373.48), which is marginally (by £5.45) above its THP equivalent.
- C1+ had its LQ at £354.97, which is greater (by £59.46) than its THP equivalent.
- LP had its LQ at £239.27, which is much greater (by £131.11) than its THP equivalent and outperformed THP LQ of S by £31.40.

**Table 14 Key levels of net income by household type: the South West region**

	take home pay (THP)			THP + benefits		
	LQ	median	UQ	LQ	median	UQ
<b>S</b>	207.87	273.72	360.43	As THP		
<b>YS</b>	207.32	264.00	336.17			
<b>C0</b>	368.03	486.80	643.89	373.48	491.66	647.23
<b>C1+</b>	295.51	392.33	520.88	354.97	465.25	609.79
<b>LP</b>	108.16	179.18	296.83	239.27	319.83	427.51

#### 6.5 Proportion of households by income band

This section presents the estimation of the proportion of different types of households in each income band by area.

##### 6.5.1 Newmarket

- Table 15 sets out proportions of households by net income band for S, YS and LP respectively. Recall that LP has two types of net income – take home pay (THP) and THP + benefits.
- S and YS had a peak in a range of £200 to 300 with the proportion being 40% and 43.4% respectively.
- LP had a peak in a range of £100 to 200 (39.8%) without benefits. With benefits it shifted to a range of £250 to 350 (42.1%).



**Table 15 Proportion of HHs by net income band: S, YS and LP in Newmarket**

Net income band (£s p.w.)	S	YS	LP	LP (+ benefits)
100 - 150	3.4	3.0	18.3	0.6
150 - 200	12.5	12.9	21.5	5.8
200 - 250	19.8	21.6	17.9	15.7
250 - 300	20.2	21.8	12.7	21.7
300 - 350	16.1	16.6	8.4	20.4
350 - 400	11.1	10.7	5.4	15.0
400 - 450	7.0	6.2	3.4	9.5

Note: The largest and the second largest, which are based on unrounded proportions, are dark and lightly shaded respectively.

- Table 16 sets out proportions of households by net income band for C0 and C1+ respectively. Both household groups have two types of net income – take home pay (THP) and THP + benefits. But in general, C0 did not have a stark difference in its proportional pattern between the two net income types.
- C0 had a peak in a range of £350 to 450 (19.3%) without or with benefits.
- C1+ had a peak in a range of £300 to 400 (26.0%) without benefits. It shifted to a range of £350 to 450 (24.7%) with benefits.

**Table 16 HH proportion by net income band: C0 and C1+ in Newmarket**

Net income band (£s p.w.)	C0	C0 (+ benefits)	C1+	C1+ (+ benefits)
200 - 250	4.4	4.3	6.9	5.4
250 - 300	6.9	6.8	10.8	9.3
300 - 350	8.7	8.7	12.9	11.9
350 - 400	9.6	9.6	13.1	12.7
400 - 450	9.7	9.7	11.9	12.0
450 - 500	9.1	9.2	10.0	10.5
500 - 550	8.2	8.3	8.0	8.7
550 - 600	7.2	7.2	6.2	6.9
600 - 650	6.1	6.2	4.6	5.3
650 - 700	5.2	5.2	3.4	4.0
700 - 750	4.3	4.3	2.5	3.0

Note: As the previous table.

### 6.5.2. Epsom

- Table 17 sets out proportions of households by net income band for S, YS and LP in Epsom.
- S and YS had a peak in a range of £200 to 300 with the proportion being 38.40% and 43.5% respectively.
- LP had a peak in a range of £100 to 200 (33.7%) without benefits. With benefits it shifted to a range of £200 to 300 (34.4%).

**Table 17 HH proportion by net income band: S, YS and LP in Epsom**

Net income band (£s p.w.)	S	YS	LP	LP (+ benefits)
100 - 150	6.2	5.3	19.6	4.4
150 - 200	15.6	16.8	14.1	12.0
200 - 250	20.0	23.0	9.8	17.1
250 - 300	18.4	20.5	6.8	17.3
300 - 350	14.0	14.4	4.7	14.6
350 - 400	9.6	8.9	3.4	11.0
400 - 450	6.2	5.0	2.4	7.8

Note: As the previous table.

- Table 18 sets out proportions of households by net income band for C0 and C1+ respectively.
- C0 had a peak in a range of £350 to 450 (21.4%) without or with benefits.
- C1+ had a peak in a range of £300 to 400 (24.8%) without benefits. It shifted to a range of £350 to 450 (23.4%) with benefits.

**Table 18 HH proportion by net income band: C0 and C1+ in Epsom**

Net income band (£s p.w.)	C0	C0 (+ benefits)	C1+	C1+ (+ benefits)
200 - 250	3.4	3.3	6.3	3.6
250 - 300	6.4	6.2	10.0	7.1
300 - 350	9.0	8.9	12.2	10.0
350 - 400	10.5	10.5	12.6	11.6
400 - 450	10.9	10.9	11.7	11.8
450 - 500	10.4	10.5	10.1	11.0
500 - 550	9.3	9.4	8.3	9.5
550 - 600	8.0	8.1	6.5	7.9
600 - 650	6.6	6.7	5.0	6.3
650 - 700	5.4	5.4	3.8	5.0
700 - 750	4.3	4.3	2.8	3.8

Note: As the previous table.

### 6.5.3 Lambourn

- Table 19 sets out proportions of households by net income band for S, YS and LP in Lambourn.
- S and YS had a peak in a range of £200 to 300 with the proportion being 39.4% and 44.4% respectively.
- LP had a peak in a range of £100 to 200 (34.2%) without benefits. With benefits it shifted to a range of £200 to 300 (37.9%).

**Table 19 HH proportion by net income band: S, YS and LP in Lambourn**

Net income band (£s p.w.)	S	YS	LP	LP (+ benefits)
100 - 150	6.0	5.2	20.5	4.7
150 - 200	15.8	17.1	13.7	13.6
200 - 250	20.6	23.6	9.0	19.2
250 - 300	18.8	20.8	5.9	18.7
300 - 350	14.1	14.4	4.0	14.9
350 - 400	9.5	8.7	2.7	10.5
400 - 450	6.0	4.8	1.9	6.9

Note: As the previous table.

- Table 20 sets out proportions of households by net income band for C0 and C1+ respectively.
- C0 had a peak in a range of £350 to 450 (22.4% without benefits; 22.5% with benefits).
- C1+ had a peak in a range of £300 to 400 (23.6%) without benefits. It shifted to a range of £350 to 450 (22.4%) with benefits.

**Table 20 HH proportion by net income band: C0 and C1+ in Lambourn**

Net income band (£s p.w.)	C0	C0 (+ benefits)	C1+	C1+ (+ benefits)
200 - 250	3.6	3.5	5.8	3.4
250 - 300	6.8	6.7	9.3	6.6
300 - 350	9.5	9.4	11.5	9.4
350 - 400	11.1	11.1	12.1	11.0
400 - 450	11.3	11.4	11.5	11.4
450 - 500	10.6	10.7	10.1	10.7
500 - 550	9.4	9.5	8.4	9.5
550 - 600	7.9	8.0	6.8	8.0
600 - 650	6.5	6.5	5.3	6.5
650 - 700	5.1	5.2	4.1	5.2
700 - 750	4.0	4.1	3.1	4.1

Note: As the previous table.

#### 6.5.4 Malton

- Table 21 sets out proportions of households by net income band for S, YS and LP in Malton.
- S and YS had a peak in a range of £150 to 250 with the proportion being 34.0% and 37.2% respectively.
- LP had a peak in a range of £100 to 200 (36.7%) without benefits. With benefits it shifted to a range of £250 to 350 (28.5%).

**Table 21 HH proportion by net income band: S, YS and LP in Malton**

Net income band (£s p.w.)	S	YS	LP	LP (+ benefits)
100 - 150	9.2	9.9	19.4	2.2
150 - 200	16.2	17.9	17.3	7.1
200 - 250	17.8	19.3	13.2	12.0
250 - 300	15.5	16.2	9.6	14.4
300 - 350	12.0	11.9	6.8	14.1
350 - 400	8.7	8.2	4.8	12.3
400 - 450	6.0	5.4	3.4	9.9

Note: As the previous table.

- Table 22 sets out proportions of households by net income band for C0 and C1+ respectively.
- C0 had a peak in a range of £350 to 450 (21.7% without benefits; 21.6% with benefits).
- C1+ had a peak in a range of £300 to 400 (24.2%) without benefits. It shifted to a range of £350 to 450 (23.7%) with benefits.

**Table 22 HH proportion by net income band: C0 and C1+ in Malton**

Net income band (£s p.w.)	C0	C0 (+ benefits)	C1+	C1+ (+ benefits)
200 - 250	3.6	3.4	6.7	3.8
250 - 300	6.6	6.5	10.1	7.3
300 - 350	9.2	9.1	12.0	10.2
350 - 400	10.7	10.6	12.2	11.8
400 - 450	11.0	11.0	11.3	11.9
450 - 500	10.4	10.4	9.7	10.9
500 - 550	9.2	9.3	8.0	9.5
550 - 600	7.9	8.0	6.4	7.8
600 - 650	6.5	6.6	5.0	6.2
650 - 700	5.3	5.3	3.8	4.8
700 - 750	4.2	4.2	2.9	3.7

Note: As the previous table.

### 6.5.5 Middleham

- Table 23 sets out proportions of households by net income band for S, YS and LP in Middleham.
- S and YS had a peak in a range of £150 to 250 with the proportion being 33.1% and 35.3% respectively.
- LP had a peak in a range of £100 to 200 (38.0%) without benefits. With benefits it shifted to a range of £250 to 350 (27.6%).

**Table 23 HH proportion by net income band: S, YS and LP in Middleham**

Net income band (£s p.w.)	S	YS	LP	LP (+ benefits)
100 - 150	11.0	12.3	19.2	1.2
150 - 200	16.4	17.8	18.8	5.1
200 - 250	16.7	17.5	14.9	10.1
250 - 300	14.2	14.3	10.8	13.4
300 - 350	11.0	10.7	7.5	14.2
350 - 400	8.1	7.6	5.2	13.0
400 - 450	5.8	5.2	3.6	10.9

Note: As the previous table.

- Table 24 sets out proportions of households by net income band for C0 and C1+ respectively.
- C0 had a peak in a range of £350 to 450 (22.1%) without benefits. It shifted to a range of £400 to 500 (22.2%) with benefits.
- C1+ had a peak in a range of £300 to 400 (22.9%) without benefits. It shifted to a range of £350 to 450 (22.6%) with benefits.

**Table 24 HH proportion by net income band: C0 and C1+ in Middleham**

Net income band (£s p.w.)	C0	C0 (+ benefits)	C1+	C1+ (+ benefits)
200 - 250	3.1	3.0	6.2	3.5
250 - 300	6.2	6.0	9.4	6.8
300 - 350	9.0	8.9	11.3	9.6
350 - 400	10.8	10.8	11.6	11.2
400 - 450	11.3	11.3	10.9	11.4
450 - 500	10.8	10.9	9.6	10.7
500 - 550	9.6	9.7	8.1	9.5
550 - 600	8.2	8.3	6.6	8.0
600 - 650	6.8	6.8	5.3	6.5
650 - 700	5.4	5.5	4.1	5.1
700 - 750	4.3	4.3	3.2	4.0

Note: As the previous table.

#### 6.5.6 South West

- Table 23 sets out proportions of households by net income band for S, YS and LP in the South West.
- S and YS had a peak in a range of £200 to 300 with the proportion being 36.8% and 42.0% respectively.
- LP had a peak in a range of £100 to 200 (34.0%) without benefits. With benefits it shifted to a range of £200 to 300 (30.3%).

**Table 25 HH proportion by net income band: S, YS and LP in the South West region**

Net income band (£s p.w.)	S	YS	LP	LP (+ benefits)
100 - 150	6.3	5.4	18.8	3.6
150 - 200	15.1	16.2	15.2	9.8
200 - 250	19.1	22.0	11.3	14.6
250 - 300	17.7	20.0	8.3	15.7
300 - 350	13.8	14.5	6.0	14.2
350 - 400	9.7	9.3	4.4	11.5
400 - 450	6.5	5.5	3.2	8.8

Note: As the previous table.

- Table 26 sets out proportions of households by net income band for C0 and C1+ respectively.
- C0 had a peak in a range of £350 to 450 (21.2%) with or without benefits.
- C1+ had a peak in a range of £300 to 400 (25.6%) without benefits. It shifted to a range of £350 to 450 (22.8%) with benefits.

**Table 26 HH proportion by net income band: C0 and C1+ in the South West region**

Net income band (£s p.w.)	C0	C0 (+ benefits)	C1+	C1+ (+ benefits)
200 - 250	3.8	3.5	8.7	4.3
250 - 300	6.8	6.4	12.0	7.6
300 - 350	9.2	8.9	13.1	10.2
350 - 400	10.5	10.4	12.5	11.4
400 - 450	10.7	10.8	11.0	11.4
450 - 500	10.1	10.2	9.0	10.4
500 - 550	9.0	9.2	7.1	9.0
550 - 600	7.7	7.9	5.5	7.5
600 - 650	6.4	6.6	4.1	6.1
650 - 700	5.2	5.4	3.1	4.8
700 - 750	4.2	4.3	2.3	3.7

Note: As the previous table.

## 6.6 Housing affordability analysis drawing on estimated income distributions

This section analyses housing affordability for employees in the horseracing industry drawing on the estimated income distributions.

The analysis firstly needs to specify how much net income will be required to afford the benchmark housing costs (e.g. median rent plus service charge in the private rented sector).

The specification draws on a widely held assumption that a housing cost must be at or lower than 35% of net income, i.e.:

$$\text{housing cost} \leq 0.35 * \text{net income}.$$

The above inequation gives the minimum required net income as:

$$\text{net income} = \text{housing cost} / 0.35.$$

For example, with a weekly housing cost of £80, the minimum net income required to afford the housing cost is £228.57 (= 80 / 0.35).

Once the minimum required net income is specified, the estimated income distribution will give a proportion of households with net income up to this level.

## 6.7 Example to illustrate method

The analytical process is exemplified by Figure 5, which sets out the net income distribution curve estimated for Singles in Newmarket (the green line). The horizontal axis represents a weekly net income, and the vertical axis represents the “cumulative” percent of Singles whose net income was up to a specified level.

According to the Valuation Office Agency, the latest median rent (including service charges eligible for housing benefit) for one-bedroom dwellings was £135.00 per week in Forest Heath, the local authority area where Newmarket is located. This means the minimum net income required to afford (without spending more than 35% of net income) the median privately rented one-bedroom property is £385.71 (= £135 / 0.35).

On the horizontal axis, the level is at **A**, and the corresponding point on the distribution curve is **B**.

The cumulative proportion corresponding to **B** is at **C** on the vertical axis, which shows 80.5%.

This indicates that 80.5% of Singles working in the horseracing industry could not afford the median private rent without financial assistance or benefits in this area.

Racing Homes is letting a one-bedroom property on Hamilton Road with a rent plus service charge of £74.22 as of January 2016. The minimum net income required to afford (without

spending more than 35% of net income) to rent the property would be £212.06 ( $= £74.22 / 0.35$ ) - **A'** on the horizontal axis.

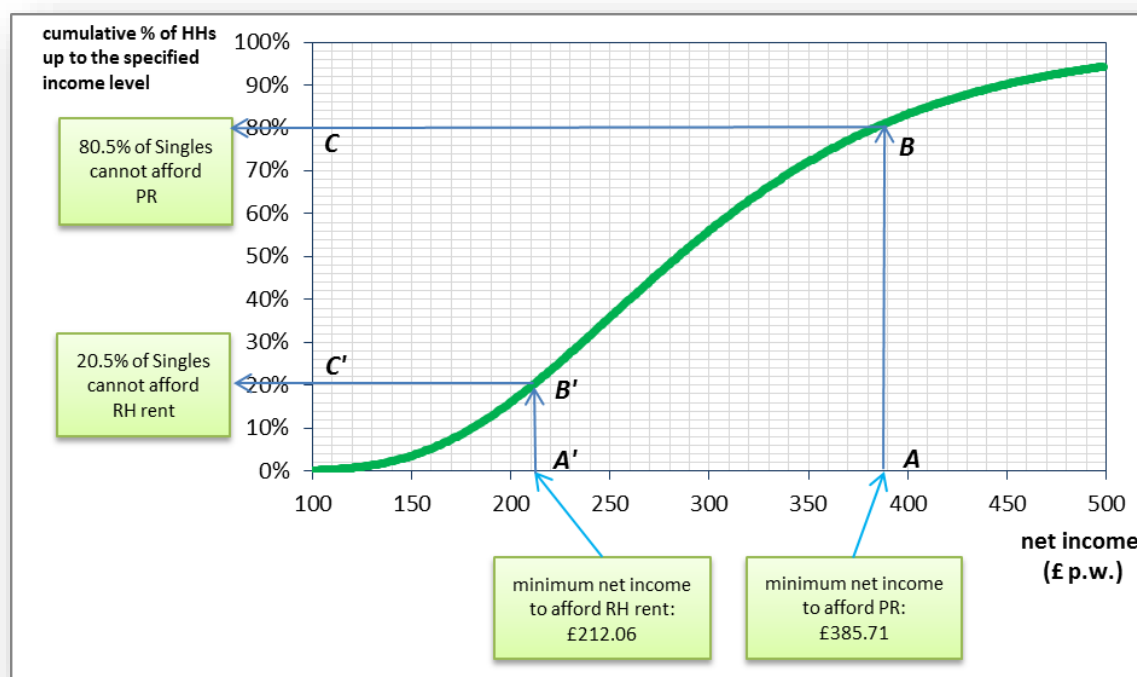
The proportion of Singles who cannot afford the property is, thus, set out at **C'** (via **B'**), which is 20.5%.

The proportional difference between **C** and **C'** is 60% ( $= 80.5\% - 20.5\%$ ) and indicates the percentage of Singles who could afford the Racing Homes property but could not afford the median privately rented property – i.e. this could be considered to constitute **Racing Homes' potential market size** for Singles working in the horseracing industry in Newmarket.

Given that Singles with the lowest 30% of net income (e.g. young singles in apprentice) have access to employer provided accommodation, Racing Homes' potential market size will be reduced by 9.5 percentage points ( $= 20.5\% - 30\%$ )<sup>8</sup>.

If only the 10% of staff with the lowest net incomes are accommodated by employers (or family), the estimated market size would be unchanged, as the proportion does not exceed the proportion of Singles who cannot afford the Racing Homes property.

**Figure 5 Net income distribution curve (cumulative HH % by net income) for Singles in Newmarket**



## 6.8 Variables

<sup>8</sup> Other options would be accommodation provided by family or living with parents as a concealed household.



As indicators of housing costs, this analysis employs five variables - Racing Homes' rent (**RH**), median private rent (**PR**), 80% of median private rent (**0.8\*PR**), 65% of median private rent (**0.65\*PR**) and a limit on local housing allowance (**LHA**) rate. The measurement unit is £ p.w. The notes of the variables are as follows:

- **RH** – Racing Homes' rent + service charge as of January 2016. Where the specified area has multiple RHs, the lowest and the highest ones are selected. All properties are included in the analysis, regardless of their purpose. For example, rents of one-bedroom dwellings, not only for general needs but also for the retired are included in the analysis.
- **PR** – The median private rent of the local authority area to which the examined horseracing area belongs (Table 27 is a lookup table associating the two geographical types). For the South West, the equivalent at the regional level is used. PR includes service charges eligible for housing benefit. The data was recorded between 1 October 2014 and 30 September 2015. The data source is the Valuation Office Agency (VOA). 0.8\*PR indicates a typical maximum level of Affordable Rent set by social landlords, whereas 0.65\*PR suggests a more concessional AR level or a typical social housing sector's rent in the local market.
- **LHA rate** – The rate, which is a limit on housing benefit paid to tenants renting from private landlords, is generally represented by the 30th percentile of advertised rents in the Broad Rental Market Area (BRMA). A BRMA is an area within which a tenant could reasonably be expected to live having regard to facilities and services, and its boundary is not identical to that of local authority areas. Therefore, the rate indicates a housing cost in an alternative local market for households on modest incomes. Table 27 associates the horseracing areas with a BRMA. LHA rates include service charges eligible for housing benefit. The LHA rate to be applied in January 2016 is used for this analysis.

**Table 27 Geographical lookup table for the horseracing areas**

area	LA for PR	BRMA for LHA rate
Newmarket	Forest Heath	Cambridge BRMA
Epsom	Epsom and Ewell	Outer South London BRMA
Lambourn	West Berkshire	Newbury BRMA
Malton	Ryedale	Scarborough BRMA
Middleham	Richmondshire	Harrogate BRMA
South West region	Not LA but the region	n.a.

In this analysis, the household types are matched with property size as in Table 28. This is on the assumption that C1+ and LP require one bedroom for their child(ren).

**Table 28 Property size and HH type**

property size	corresponding HH type
room	YS
bedsit	YS

one-bedroom	S	C0
two-bedroom	C1+	LP

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## 6.9 Results for Newmarket

- Table 29 sets out:
  - Key housing costs of a Room (the first column).
  - Corresponding minimum required net incomes (the middle column), which are equivalent to values presented on the horizontal axis of Figure 5, and
  - Corresponding proportions of YS who cannot afford to pay the housing cost (the last column), which are equivalent to values presented on the vertical axis of the Figure 5 chart.
- Currently, the lowest cost RH Room is estimated as affordable by YS with a net income above the bottom 25.2%.
- The highest cost RH Room is estimated as affordable by YS with net income above the bottom 33.6%.
- YS, who cannot afford the rental equivalent of a RH room, may be accommodated by their employers or living with parents as a non-dependent child.
- The other option would be renting a room from private landlords, but 28.5% of YS cannot afford the 30 percentile market rent, which is approximated by the LHA rate. This suggests that privately rented rooms which are of a reasonably decent standard and affordable for YS are limited. They may be accommodated in employer provided accommodation.

**Table 29 Proportion of HHs who could not afford the key housing costs in Newmarket: Room**

rent type	Housing cost (£)	required income (£)	unaffordable YS (%)
RH min	77.97	222.77	25.2
RH max	84.50	241.43	33.6
PR	n.a. <sup>9</sup>	n.a.	n.a.
0.8*PR	n.a.	n.a.	n.a.
0.65*PR	n.a.	n.a.	n.a.
LHA rate	80.52	230.06	28.5

- Table 30 sets out the housing costs for a Bedsit and the corresponding figures.
- The RH Bedsit is estimated as affordable by YS with a net income above the bottom 22%.
- As 58% cannot afford PR, 34% (= 58–22) of YS would be a potential market size for Racing Homes.
- Given Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 16.2% (=58–31.8) of YS.
- With a 0.65\*PR, which is below the existing RH rent level, the potential market would enlarge to 44.5% of YS.

<sup>9</sup> The VOA does not provide data for some housing types.

**Table 30 Proportion of HHs who could not afford the key housing costs in Newmarket: Bedsit**

rent type	Housing cost (£)	required income (£)	unaffordable YS (%)
<b>RH</b>	75.34	215.26	22.0
<b>PR</b>	103.85	296.70	58.0
<b>0.8*PR</b>	83.08	237.36	31.8
<b>0.65*PR</b>	67.50	192.86	13.5
<b>LHA rate</b>	n.a.	n.a.	n.a.

- Table 31 sets out the housing costs for a One-bedroom property and the corresponding figures each for S and C0. Recall that C0 has two net income distribution curves – one is based on THP and the other on THP + benefits. The proportions of C0 drawn from the latter curve is on the last column of the table. As seen earlier, however, C0 did not have a stark difference between THP and THP + benefits, and so the two kinds of C0 proportions appeared much the same.
- On S:
  - The lowest RH rent is estimated as affordable by those above the bottom 20.5%, the highest RH rent is estimated as affordable by those above the bottom 32.8%.
  - As 80.5% cannot afford PR, 60% (= 80.5–20.5) of S would be a potential market size for Racing Homes.
  - If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 21.3% (= 80.5-59.2) of S.
  - With a 0.65\*PR, which is above the existing RH rent level, the potential market would enlarge to 44.3% (= 80.5-36.2) of S.
  - 74.8% cannot afford the 30-percentile market rent.
- On C0:
  - Even without benefits, almost of all C0 could afford the RH rent. Only the poorest 5.9% cannot afford to rent the most expensive RH one-bedroom property.
  - 29.1% cannot afford PR without benefits, while 28.9% cannot with benefits. The potential market size for Racing Homes would be 25.9% (= 29.1-3.2) of C0 without benefits. It would be almost the same with benefits.
  - If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 14.1% (=29.1-25.0 without benefit; =28.9-14.8) of C0.
  - With a 0.65\*PR, which is above the existing RH rent level, the potential market would enlarge to 22.3% of C0 in either case.
  - 24.2% (without benefits) or 24.0% (with benefits) cannot afford the 30-percentile market rent.

**Table 31 Proportion of HHs who could not afford the key housing costs in Newmarket: 1-bedroom**

	HC (£)	required income	unaffordable HHs (%)		
			S	C0	C0 (+ benefits)
<b>RH min</b>	74.22	212.06	20.5	3.2	3.1
<b>RH max</b>	84.88	242.51	32.8	5.9	5.8
<b>PR</b>	135.00	385.71	80.5	29.1	28.9
<b>0.8*PR</b>	108.00	308.57	59.2	15.0	14.8
<b>0.65*PR</b>	87.75	250.71	36.2	6.8	6.6
<b>LHA rate</b>	126.05	360.14	74.8	24.2	24.0

- Table 32 sets out the housing costs for a Two-bedroom property and the corresponding figures each for C1+ and LP. Both HH types have two net income distribution curves – one is based on THP and the other on THP + benefits.
- On C1+:
  - Without benefits, the cheapest RH two-bedroom property is estimated as affordable by those with a net income above the bottom 10.8%, with benefits, above the bottom 8.2%.
  - Without benefits, the most expensive RH two-bedroom property is estimated as affordable by those with a net income above the bottom 15.6%, with benefits, above the bottom 12.2%
  - 54.0% cannot afford PR without benefits, while 48.5% cannot with benefits. The potential market size for Racing Homes would be 43.2% (=54.0-10.8) of C1+ without benefits and 40.3% (=48.5-8.2) with benefits.
  - If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 22.0% (=54.0-32.0) of C1+ without benefit and 21.4% (=48.5-27.1) with benefits.
  - With a 0.65\*PR, which is fairly close to the current highest RH rent level, the potential market would enlarge to 38.0% (without benefits) or 35.9% (with benefits).
  - 47.5% (without benefits) or 42.0% (with benefits) cannot afford the 30-percentile market rent.
- On LP:
  - Without benefits, the cheapest RH two-bedroom property is estimated as affordable by those with a net income above the bottom 65.1%, with benefits, above the bottom 23.2%.
  - Without benefits, the most expensive RH two-bedroom property is estimated as affordable by those with net income above the bottom 71.6%, while with benefits, above the bottom 33.4%
  - 92.9% cannot afford PR without benefits, while 85.2% cannot with benefits. The potential market size for Racing Homes would be 27.8% (=92.9-65.1) of LP without benefits and 62.0% (=85.2-23.2) with benefits.
  - If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 8.5% (=92.9-84.4) of LP without benefits and 23.6% (=85.2-61.6) with benefits.
  - With a 0.65\*PR, the potential market would enlarge to 20.8% (without benefits) or 50.9% (with benefits).

- 90.9% (without benefits) or 79.7% (with benefits) cannot afford the 30-percentile market rent.

**Table 32 Proportion of HHs who could not afford the key housing costs in Newmarket: 2-bedroom**

	HC (£)	RI (£)	unaffordable HHs (%)			
			C1+	C1+ (+ benefits)	LP	LP (+ benefits)
<b>RH min</b>	88.50	252.86	10.8	8.2	65.1	23.2
<b>RH max</b>	96.82	276.63	15.6	12.2	71.6	33.4
<b>PR</b>	150.00	428.57	54.0	48.5	92.9	85.2
<b>0.8*PR</b>	120.00	342.86	32.0	27.1	84.4	61.6
<b>0.65*PR</b>	97.50	278.57	16.0	12.6	72.1	34.3
<b>LHA rate</b>	140.74	402.11	47.5	42.0	90.9	79.7

#### 6.10 Results of Epsom

- Table 33 sets out the housing costs for a Room and the corresponding figures.
- 88.7% of YS cannot afford PR.
- If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 17.2% (=88.7-71.5) of YS.
- With a 0.65\*PR, the potential market would enlarge to 40.0% of YS.
- 38.8% cannot afford the 30-percentile market rent.

**Table 33 Proportion of HHs who could not afford the key housing costs in Epsom: Room**

rent type	Housing cost (£)	required income (£)	unaffordable YS (%)
<b>RH</b>	n.a.	n.a.	n.a.
<b>PR</b>	138.46	395.60	88.7
<b>0.8*PR</b>	110.77	316.48	71.5
<b>0.65*PR</b>	90.00	257.14	48.7
<b>LHA rate</b>	82.46	235.60	38.8

- Table 34 sets out the housing costs for a Bedsit and the corresponding figures.
- 96.8% of YS cannot afford PR.
- If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 8.1% (=96.8-88.7) of YS.
- With a 0.65\*PR, the potential market would enlarge to 23.8% of YS.

**Table 34 Proportion of HHs who could not afford the key housing costs in Epsom: Bedsit**

rent type	Housing cost (£)	required income (£)	unaffordable YS (%)
<b>RH</b>	n.a.	n.a.	n.a.
<b>PR</b>	173.08	494.51	96.8
<b>0.8*PR</b>	138.46	395.60	88.7
<b>0.65*PR</b>	112.50	321.43	73.0
<b>LHA rate</b>	n.a.	n.a.	n.a.

47.4% (without benefits) or 46.9% (with benefits) cannot afford the 30-percentile market rent.

- 
- Table 35 sets out the housing costs for a One-bedroom property and the corresponding figures each for S and C0. Recall that C0 has two net income distribution curves – one is based on THP and the other on THP + benefits. The proportions of C0 drawn from the latter curve is on the last column of the table. As seen earlier, however, C0 did not have a stark difference between THP and THP + benefits, and so the two kinds of C0 proportions appeared much the same.
- On S:
  - 97.7% cannot afford PR.
  - If Racing Homes provided Affordable Rent at a level of  $0.8*PR$ , the potential market size for the housing product would be 5.3% ( $=97.7-92.4$ ) of S.
  - With a  $0.65*PR$ , which is above the existing RH rent level, the potential market would enlarge to 15.9%.
  - 92.8% cannot afford the 30-percentile market rent.
- On C0:
  - 68.0% cannot afford PR without benefits, while 67.7% cannot with benefits.
  - If Racing Homes provided Affordable Rent at a level of  $0.8*PR$ , the potential market size for the housing product would be 21.5% ( $=68.0-46.5$  without benefits) or 21.6% ( $=67.7-46.1$ ) of C0.
  - With a  $0.65*PR$ , which is above the existing RH rent level, the potential market would enlarge to 40.7% (without benefits) or 40.9% (with benefits).
  - 47.4% (without benefits) or 46.9% (with benefits) cannot afford the 30-percentile market rent.

**Table 35 Proportion of HHs who could not afford the key housing costs in Epsom: 1-bedroom**

	HC (£) required income		unaffordable HHs (%)		
			S	C0	C0 (+ benefits)
<b>RH</b>	n.a.	n.a.	n.a.	n.a.	n.a.
<b>PR</b>	207.23	592.09	97.7	68.0	67.7
<b><math>0.8*PR</math></b>	165.78	473.67	92.4	46.5	46.1
<b><math>0.65*PR</math></b>	134.70	384.86	81.8	27.3	26.8
<b>LHA rate</b>	167.22	477.77	92.8	47.4	46.9

- Table 36 sets out the housing costs for a Two-bedroom property and the corresponding figures each for C1+ and LP. Both HH types have two net income distribution curves – one is based on THP and the other on THP + benefits. Recall that all proportions below are applied when households require one bedroom for their child(ren).
- On C1+:
  - 94.1% cannot afford PR without benefits, while 91.4% cannot with benefits.
  - If Racing Homes provided Affordable Rent at a level of  $0.8*PR$ , the potential market size for the housing product would be 10.0% ( $=94.1-84.1$ ) of C1+ without benefits and 13.2% ( $=91.4-78.2$ ) with benefits.

- With a 0.65\*PR, which is fairly close to the current highest RH rent level, the potential market would enlarge to 25.7% (without benefits) or 32.1% (with benefits).
- 80.9% (without benefits) or 74.1% (with benefits) cannot afford the 30-percentile market rent.
- On LP:
  - Almost all LP cannot afford PR even with benefits. Recall that when benefits are included, the variation of LP's net income becomes compressed with the result that a proportion of LP at the top or bottom end becomes significantly small. Therefore, the estimated proportion of LP who cannot afford PR with benefits appears greater than that without benefits. Readers are advised to interpret not that benefits increase the proportion but that the proportion is significantly large anyway.
  - Even 0.8\*PR or 0.65\*PR is regarded as affordable by the great majority of PR.
  - 96.2% (without benefits) or 95.9% (with benefits) cannot afford the 30-percentile market rent.

**Table 36 Proportion of HHs who could not afford the key housing costs in Epsom: 2-bedroom**

	HC (£)	RI (£)	unaffordable HHs (%)			
			C1+	C1+ (+ benefits)	LP	LP (+ benefits)
<b>RH</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>PR</b>	276.92	791.21	94.1	91.4	98.3	99.2
<b>0.8*PR</b>	221.54	632.97	84.1	78.2	96.7	96.8
<b>0.65*PR</b>	180.00	514.29	68.4	59.3	94.2	91.2
<b>LHA rate</b>	210.57	601.63	80.9	74.1	96.2	95.9

### 6.11 Results of Lambourn

- 27.3% cannot afford the 30-percentile market rent.
- **Table 37** sets out the housing costs for a Room and the corresponding figures.
- The lowest RH rent is estimated as affordable by YS with a net income above the bottom 34.6%, while the highest one is estimated as affordable by those above the bottom 42.1%.
- As 61.6% cannot afford PR, 27.0% (= 61.6–34.6) of YS would be a potential market size for Racing Homes.
- If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 25.7% (=61.6-35.9) of YS.
- With a 0.65\*PR, which is above the existing RH rent level, the potential market would enlarge to 45.1%.
- 27.3% cannot afford the 30-percentile market rent.

**Table 37 Proportion of HHs who could not afford the key housing costs in Lambourn: Room**

rent type	Housing cost (£)	required income (£)	unaffordable YS (%)
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<b>RH min</b>	79.00	225.71	34.6
<b>RH max</b>	84.50	241.43	42.1
<b>PR</b>	99.92	285.49	61.6
<b>0.8*PR</b>	79.94	228.40	35.9
<b>0.65*PR</b>	64.95	185.57	16.5
<b>LHA rate</b>	73.67	210.49	27.3

Note: LHA rate (shared accommodation rate)

- Table 38 sets out the housing costs for a Bedsit and the corresponding figures.
- 80.5% cannot afford PR.
- If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 22.4% (=80.5-58.1) of YS.
- With a 0.65\*PR, the potential market would enlarge to 46.3% of YS.

**Table 38 Proportion of HHs who could not afford the key housing costs in Lambourn: Bedsit**

<b>rent type</b>	<b>Housing cost (£)</b>	<b>required income (£)</b>	<b>unaffordable YS (%)</b>
<b>RH</b>	n.a.	n.a.	n.a.
<b>PR</b>	121.15	346.15	80.5
<b>0.8*PR</b>	96.92	276.92	58.1
<b>0.65*PR</b>	78.75	225.00	34.2
<b>LHA rate</b>	n.a.	n.a.	n.a.

- Table 31 sets out the housing costs for a One-bedroom property and the corresponding figures each for S and C0. Recall that C0 has two net income distribution curves – one is based on THP and the other on THP + benefits. The proportions of C0 drawn from the latter curve is on the last column of the table. As seen earlier, however, C0 did not have a stark difference between THP and THP + benefits, and so the two kinds of C0 proportions appeared much the same.
- On S:
  - The lowest RH rent is estimated as affordable by those above the bottom 43.1%, while the highest one is estimated as affordable by those above the bottom 45.3%.
  - As 89.0% cannot afford PR, 45.9% (= 89.0–43.1) of S would be a potential market size for Racing Homes.
  - If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 14.9% (=89.0-74.1) of S.
  - With a 0.65\*PR, which is above the existing RH rent level, the potential market would enlarge to 34.9% of S.
  - 76.5% cannot afford the 30-percentile market rent.
- On C0:
  - The lowest RH rent is estimated as affordable by those above the bottom 5.0% (without benefits) or 4.8% (with benefits), and the highest one is estimated as affordable by those above the bottom 5.6% (without benefits) or 5.3% (with benefits).

- 38.9% cannot afford PR without benefits, while 38.4% cannot with benefits. The potential market size for Racing Homes would be 33.9% (=38.9-5.0) of C0 without benefits. It would be 33.6% (=38.4-4.8) with benefits.
- If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 19.1% (=38.9-19.8 without benefits; =38.4-19.3) of C0.
- With a 0.65\*PR, which is above the existing RH rent level, the potential market would enlarge to 30.5% (without benefits) or 30.3% (with benefits).
- 21.9% (without benefits) or 21.5% (with benefits) cannot afford the 30-percentile market rent.

**Table 39 Proportion of HHs who could not afford the key housing costs in Lambourn: 1-bedroom**

	HC (£)	required income	unaffordable HHs (%)		
			S	C0	C0 (+ benefits)
<b>RH min</b>	87.68	250.51	43.1	5.0	4.8
<b>RH max</b>	89.61	256.03	45.3	5.6	5.3
<b>PR</b>	150.00	428.57	89.0	38.9	38.4
<b>0.8*PR</b>	120.00	342.86	74.1	19.8	19.3
<b>0.65*PR</b>	97.50	278.57	54.1	8.4	8.1
<b>LHA rate</b>	123.58	353.09	76.5	21.9	21.5

- Table 40 sets out the housing costs for a Two-bedroom property and the corresponding figures each for C1+ and LP. Both HH types have two net income distribution curves – one is based on THP and the other on THP + benefits. Recall that all proportions below are applied when households require one bedroom for their child(ren).
- On C1+:
  - Without benefits, RH is estimated as affordable by those with a net income above the bottom 18.4%, with benefits, above the bottom 11.7%.
  - 67.9% cannot afford PR without benefits, while 59.2% cannot with benefits. The potential market size for Racing Homes would be 49.5% (=67.9-18.4) of C1+ without benefits and 47.5% (=59.2-11.7) with benefits.
  - If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 21.2% (=67.9-46.7) of C1+ without benefits and 22.4% (=59.2-36.8) with benefits.
  - With a 0.65\*PR, which is fairly close to the current highest RH rent level, the potential market would enlarge to 40.2% (without benefits) or 40.0% (with benefits).
  - 52.3% (without benefits) or 42.4% (with benefits) cannot afford the 30-percentile market rent.
- On LP:
  - Without benefits, RH is estimated as affordable by those with a net income above the bottom 86.2%, with benefits, above the bottom 57.5%.
  - 96.5% cannot afford PR without benefits, while 94.9% cannot with benefits. The potential market size for Racing Homes would be 10.3% (=96.5-86.2) of LP without benefits and 37.4% (=94.9-57.5) with benefits.

- If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 2.9% (=96.5-93.6) of LP without benefits and 9.4% (=94.9-85.5) with benefits.
- With a 0.65\*PR, the potential market would enlarge to 7.0% (without benefits) or 25.2% (with benefits).
- 94.4% (without benefits) or 88.6% (with benefits) cannot afford the 30-percentile market rent.

**Table 40 Proportion of HHs who could not afford the key housing costs in Lambourn: 2-bedroom**

	HC (£)	RI (£)	unaffordable HHs (%)			
			C1+	C1+ (+ benefits)	LP	LP (+ benefits)
<b>RH</b>	105.89	302.54	18.4	11.7	86.2	57.5
<b>PR</b>	184.62	527.47	67.9	59.2	96.5	94.9
<b>0.8*PR</b>	147.69	421.98	46.7	36.8	93.6	85.5
<b>0.65*PR</b>	120.00	342.86	27.7	19.2	89.5	69.7
<b>LHA rate</b>	156.38	446.80	52.3	42.4	94.4	88.6

## 6.12 Results of Malton

- Table 41 sets out the housing costs for a Room and the corresponding figures.
- The RH rent is estimated as affordable by YS with a net income above the bottom 35.8%.
- As 46.2% cannot afford PR, 10.4% (= 46.2-35.8) of YS would be a potential market size for Racing Homes.
- If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 19.0% (=46.2-27.2) of YS.
- With a 0.65\*PR, which is above the existing RH rent level, the potential market would enlarge to 32.21%.
- 17.3% cannot afford the 30-percentile market rent.

**Table 41 Proportion of HHs who could not afford the key housing costs in Malton: Room**

rent type	Housing cost (£)	required income (£)	unaffordable YS (%)
<b>RH</b>	75.50	215.71	35.8
<b>PR</b>	84.92	242.64	46.2
<b>0.8*PR</b>	67.94	194.11	27.2
<b>0.65*PR</b>	55.20	157.71	14.0
<b>LHA rate</b>	58.59	167.40	17.3

- Malton did not have any relevant data on bedsits.
- Table 42 sets out the housing costs for a One-bedroom property and the corresponding figures each for S and C0. Recall that C0 has two net income distribution curves – one is based on THP and the other on THP + benefits. The proportions of C0 drawn from the latter curve is on the last column of the table. As

seen earlier, however, C0 did not have a stark difference between THP and THP + benefits, and so the two kinds of C0 proportions appeared much the same.

- On S:
  - 48.5% cannot afford PR.
  - If Racing Homes provided Affordable Rent at a level of  $0.8 \times \text{PR}$ , the potential market size for the housing product would be 18.3% ( $=48.5-30.2$ ) of S.
  - With a  $0.65 \times \text{PR}$ , which is above the existing RH rent level, the potential market would enlarge to 31.8%.
  - 38.1% cannot afford the 30-percentile market rent.
- On C0:
  - 6.1% cannot afford PR without benefits, and 5.9% cannot with benefit.
  - If Racing Homes provided Affordable Rent at a level of  $0.8 \times \text{PR}$ , the potential market size for the housing product would be 4.3% ( $=6.1-1.8$ ; without benefit) or 4.1% ( $=5.8-1.7$ ; with benefits) of C0.
  - With a  $0.65 \times \text{PR}$ , which is above the existing RH rent level, the potential market would enlarge to 5.7% (without benefits) or 5.4% (with benefits).
  - 3.2% (without benefits) or 3.0% (with benefits) cannot afford the 30-percentile market rent.

**Table 42 Proportion of HHs who could not afford the key housing costs in Malton: 1-bedroom**

	HC (£) required income		unaffordable HHs (%)		
			S	C0	C0 (+ benefits)
<b>RH</b>	n.a.	n.a.	n.a.	n.a.	n.a.
<b>PR</b>	91.15	260.44	48.5	6.1	5.8
<b><math>0.8 \times \text{PR}</math></b>	72.92	208.35	30.2	1.8	1.7
<b><math>0.65 \times \text{PR}</math></b>	59.25	169.29	16.7	0.4	0.4
<b>LHA rate</b>	80.55	230.14	38.1	3.2	3.0

- Table 43 sets out the housing costs for a Two-bedroom property and the corresponding figures each for C1+ and LP. Both HH types have two net income distribution curves – one is based on THP and the other on THP + benefits. Recall that all proportions below are applied when households require one bedroom for their child(ren).
- On C1+:
  - 27.3% cannot afford PR without benefits, while 18.3% cannot with benefits.
  - If Racing Homes provided Affordable Rent at a  $0.8 \times \text{PR}$  level, the potential market size for the housing product would be 14.7% ( $=27.3-12.6$ ) of C1+ without benefits and 11.5% ( $=18.3-6.8$ ) with benefits.
  - With a  $0.65 \times \text{PR}$ , the potential market would enlarge to 22.3% (without benefits) or 16.2% (with benefits).
  - 19.3% (without benefits) or 11.8% (with benefits) cannot afford the 30-percentile market rent.
- On LP:
  - 79.6% cannot afford PR without benefits, while 44.3% cannot with benefits.

- If Racing Homes provided Affordable Rent at a 0.8\*PR level, the potential market size for the housing product would be 10.9% (=79.6-68.7) of LP without benefits and 19.0% (=44.3-25.3) with benefits.
- With a 0.65\*PR, the potential market would enlarge to 22.9% (without benefits) or 31.8% (with benefits).
- 74.6% (without benefits) or 34.6% (with benefits) cannot afford the 30-percentile market rent.

**Table 43 Proportion of HHs who could not afford the key housing costs in Malton: 2-bedroom**

	HC (£)	RI (£)	unaffordable HHs (%)			
			C1+	C1+ (+ benefits)	LP	LP (+ benefits)
<b>RH</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>PR</b>	115.38	329.67	27.3	18.3	79.6	44.3
<b>0.8*PR</b>	92.31	263.74	12.6	6.8	68.7	25.3
<b>0.65*PR</b>	75.00	214.29	5.0	2.1	56.7	12.5
<b>LHA rate</b>	103.56	295.89	19.3	11.8	74.6	34.6

### 6.13 Results of Middleham

- Table 44 sets out the housing costs for a Room and the corresponding figures.
- The lowest RH Room is estimated as affordable by YS with a net income above the bottom 33.5%.
- The highest one is estimated as affordable by those with net income above the bottom 39.2%.
- 31.7% cannot afford the 30-percentile market rent.

**Table 44 Proportion of HHs who could not afford the key housing costs in Middleham: Room**

rent type	Housing cost (£)	required income (£)	unaffordable YS (%)
<b>RH min</b>	70.00	200.00	33.5
<b>RH max</b>	75.50	215.71	39.2
<b>PR</b>	n.a.	n.a.	n.a.
<b>0.8*PR</b>	n.a.	n.a.	n.a.
<b>0.65*PR</b>	n.a.	n.a.	n.a.
<b>LHA rate</b>	68.35	195.29	31.7

- Table 45 sets out the housing costs for a Bedsit and the corresponding figures.
- 29.0% of YS cannot afford PR.
- If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 13.3% (=29.0-15.7) of YS.
- With a 0.65\*PR, the potential market would enlarge to 21.3% of YS.

**Table 45 Proportion of HHs who could not afford the key housing costs in Middleham: Bedsit**

rent type	Housing cost (£)	required income (£)	unaffordable YS (%)
<b>RH</b>	n.a.	n.a.	n.a.

<b>PR</b>	65.77	187.91	29.0
<b>0.8*PR</b>	52.62	150.33	15.7
<b>0.65*PR</b>	42.75	122.14	7.7
<b>LHA rate</b>	n.a.	n.a.	n.a.

- Table 46 sets out the housing costs for a One-bedroom property and the corresponding figures each for S and C0. Recall that C0 has two net income distribution curves – one is based on THP and the other on THP + benefits. The proportions of C0 drawn from the latter curve is on the last column of the table. As seen earlier, however, C0 did not have a stark difference between THP and THP + benefits, and so the two kinds of C0 proportions appeared much the same.
- On S:
  - 53.3% cannot afford PR.
  - If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 17.3% (=53.3-36.0) of S.
  - With a 0.65\*PR, which is above the existing RH rent level, the potential market would enlarge to 31.2% of S.
  - 65.2% cannot afford the 30-percentile market rent.
- On C0:
  - 6.3% cannot afford PR without benefits, and 6.0% cannot with benefits.
  - If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 4.5% (=6.3-1.8; without benefits) or 4.4% (=5.8-1.7; with benefits) of C0.
  - With a 0.65\*PR, which is above the existing RH rent level, the potential market would enlarge to 5.9% (without benefits) or 5.6% (with benefits).
  - 13.0% (without benefits) or 12.6% (with benefits) cannot afford the 30-percentile market rent.

**Table 46 Proportion of HHs who could not afford the key housing costs in Middleham: 1-bedroom**

	HC (£) required income		unaffordable HHs (%)		
			S	C0	C0 (+ benefits)
<b>RH</b>	n.a.	n.a.	n.a.	n.a.	n.a.
<b>PR</b>	94.62	270.33	53.3	6.3	6.0
<b>0.8*PR</b>	75.69	216.26	36.0	1.8	1.6
<b>0.65*PR</b>	61.50	175.71	22.1	0.4	0.4
<b>LHA rate</b>	110.72	316.34	65.2	13.0	12.6

- Table 47 sets out the housing costs for a Two-bedroom property and the corresponding figures each for C1+ and LP. Both HH types have two net income distribution curves – one is based on THP and the other on THP + benefits. Recall that all proportions below are applied when households require one bedroom for their child(ren).
- On C1+:
  - 29.4% cannot afford PR without benefits, while 20.4% cannot with benefits.

- If Racing Homes provided Affordable Rent at a 0.8\*PR level, the potential market size for the housing product would be 15.1% (=29.4-14.3) of C1+ without benefits and 12.3% (=20.4-8.1) with benefits.
- With a 0.65\*PR, the potential market would enlarge to 23.4% (without benefits) or 17.7% (with benefits).
- 39.9% (without benefits) or 30.3% (with benefits) cannot afford the 30-percentile market rent.
- On LP:
  - 82.3% cannot afford PR without benefits, while 42.9% cannot with benefits.
  - If Racing Homes provided Affordable Rent at a 0.8\*PR level, the potential market size for the housing product would be 11.5% (=82.3-70.8) of LP without benefits and 19.5% (=42.9-23.4) with benefits.
  - With a 0.65\*PR, the potential market would enlarge to 24.7% (without benefits) or 32.1% (with benefits).
  - 87.2% (without benefits) or 54.9% (with benefits) cannot afford the 30-percentile market rent.

**Table 47 Proportion of HHs who could not afford the key housing costs in Middleham: 2-bedroom**

	HC (£)	RI (£)	unaffordable HHs (%)			
			C1+	C1+ (+ benefits)	LP	LP (+ benefits)
<b>RH</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>PR</b>	121.15	346.15	29.4	20.4	82.3	42.9
<b>0.8*PR</b>	96.92	276.92	14.3	8.1	70.8	23.4
<b>0.65*PR</b>	78.75	225.00	6.0	2.7	57.6	10.8
<b>LHA rate</b>	136.93	391.23	39.9	30.3	87.2	54.9

#### 6.14 Results of the South West

- Table 48 sets out the housing costs for a Room and the corresponding figures.
- 42.2% of YS cannot afford PR.
- If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 21.6% (=42.2-20.6) of YS.
- With a 0.65\*PR, the potential market would enlarge to 34.8%.

**Table 48 Proportion of HHs who could not afford the key housing costs in South West: Room**

rent type	Housing cost (£)	required income (£)	unaffordable YS (%)
<b>RH</b>	n.a.	n.a.	n.a.
<b>PR</b>	86.08	245.93	42.2
<b>0.8*PR</b>	68.86	196.75	20.6
<b>0.65*PR</b>	55.09	157.40	7.4
<b>LHA rate</b>	n.a.	n.a.	n.a.

- Table 49 sets out the housing costs for a Bedsit and the corresponding figures.
- 56.6% of YS cannot afford PR.



- If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 24.2% (=56.6-32.4) of YS.
- With a 0.65\*PR, the potential market would enlarge to 41.6% of YS.

**Table 49 Proportion of HHs who could not afford the key housing costs in South West: Bedsit**

rent type	Housing cost (£)	required income (£)	unaffordable YS (%)
<b>RH</b>	n.a.	n.a.	n.a.
<b>PR</b>	98.08	280.22	56.6
<b>0.8*PR</b>	78.46	224.18	32.4
<b>0.65*PR</b>	63.75	182.14	15.0
<b>LHA rate</b>	n.a.	n.a.	n.a.

- Table 50 sets out the housing costs for a One-bedroom property and the corresponding figures each for S and C0. Recall that C0 has two net income distribution curves – one is based on THP and the other on THP + benefits. The proportions of C0 drawn from the latter curve is on the last column of the table. As seen earlier, however, C0 did not have stark difference between THP and THP + benefits, and so the two kinds of C0 proportions appeared much the same.
- On S:
  - 67.6% cannot afford PR.
  - If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 21.2% (=67.6-46.4) of S.
  - With a 0.65\*PR, which is above the existing RH rent level, the potential market would enlarge to 40.2% of S.
- On C0:
  - 17.4% cannot afford PR without benefits, and 16.3% cannot with benefits.
  - If Racing Homes provided Affordable Rent at a level of 0.8\*PR, the potential market size for the housing product would be 10.4% (=17.4-7.0; without benefits) or 10.0% (=16.3-6.3; with benefits) of C0.
  - With a 0.65\*PR, which is above the existing RH rent level, the potential market would enlarge to 15.0% (without benefits) or 14.2% (with benefits).

**Table 50 Proportion of HHs who could not afford the key housing costs in South West: 1-bedroom**

	HC (£)	required income	unaffordable HHs (%)		
			S	C0	C0 (+ benefits)
<b>RH</b>	n.a.	n.a.	n.a.	n.a.	n.a.
<b>PR</b>	115.38	329.67	67.6	17.4	16.3
<b>0.8*PR</b>	92.31	263.74	46.4	7.0	6.3
<b>0.65*PR</b>	75.00	214.29	27.4	2.4	2.1
<b>LHA rate</b>	n.a.	n.a.	n.a.	n.a.	n.a.

- Table 51 sets out the housing costs for a Two-bedroom property and the corresponding figures each for C1+ and LP. Both HH types have two net income



distribution curves – one is based on THP and the other on THP + benefits. Recall that all proportions below are applied when households require one bedroom for their child(ren).

- On C1+:
  - 54.7% cannot afford PR without benefits, while 38.1% cannot with benefits.
  - If Racing Homes provided Affordable Rent at a 0.8\*PR level, the potential market size for the housing product would be 20.8% (=54.7-33.9) of C1+ without benefits and 18.6% (=38.1-19.5) with benefits.
  - With a 0.65\*PR, the potential market would enlarge to 36.5% (without benefits) or 29.7% (with benefits).
- On LP:
  - 86.7% cannot afford PR without benefits, while 72.2% cannot with benefits.
  - If Racing Homes provided Affordable Rent at a 0.8\*PR level, the potential market size for the housing product would be 7.5% (=86.7-79.2) of LP without benefits and 19.4% (=72.2-52.8) with benefits.
  - With a 0.65\*PR, the potential market would enlarge to 16.3% (without benefits) or 38.2% (with benefits).

**Table 51 Proportion of HHs who could not afford the key housing costs in South West: 2-bedroom**

	HC (£)	RI (£)	unaffordable HHs (%)			
			C1+	C1+ (+ benefits)	LP	LP (+ benefits)
<b>RH</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>PR</b>	144.23	412.09	54.7	38.1	86.7	72.2
<b>0.8*PR</b>	115.38	329.67	33.9	19.5	79.2	52.8
<b>0.65*PR</b>	93.75	267.86	18.2	8.4	70.4	34.0
<b>LHA rate</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

## 7 Conclusions

### 7.1 Summary of key findings

The initial discussions with industry stakeholders showed that housing is an issue about which there are strong opinions, but where robust data and coherent evidence are lacking and knowledge is informed by personal experience and anecdotal evidence. Previous research found that housing was considered to be the second most common welfare issue (Public Perspectives Ltd's, 2013), but did not explore why this was the case or what the issues with housing were. This research aimed to provide evidence about the scale and nature of housing need in the industry.

The survey conducted for this research showed that most respondents had only one main home. Most people live in a bedroom in a shared property or with their partner but no children. The next most common housing arrangement is to live alone in self-contained accommodation or live with a partner and children. Probably reflecting the relatively young age profile of staff in the industry, 10% live with parents. Only a very small proportion live on their own with children or in accommodation with shared bedrooms. Staff are overwhelmingly likely to be living in a permanent structure.

It is most common (36 per cent) to rent from a private landlord. In total 30 per cent of respondents live in some form of employer provided housing (14 per cent paying rent, 16 per cent provided for free). Owner occupation accounted for 19 per cent. Two thirds of respondents thought that owner occupation was the preferable tenure. People were generally satisfied with their current housing and this was likely to be close to work, both in terms of distance and journey time. Overall, the analysis of the survey suggests that the current housing circumstances may be not ideal for some in the industry, but the majority were satisfied with their accommodation and living in a suitable property close to their workplace.

The survey sought views from people who have worked in the industry, but are not currently doing so. The most common reason for leaving the industry was poor pay, followed by a career change, injury and the hours of work.

At the end of the survey, all respondents were invited to make any comments on issues specifically relating to housing for people in the horseracing industry. The most common issues raised were that housing is of a poor standard, is expensive compared to wages and there is a lack of accommodation.

The quantitative housing need analysis showed that, if we consider affordable housing to be spending 35% or less of net income on housing costs, then for a high proportion of staff in the racing industry there is a lack of affordable housing. There is some regional variation, but housing is least affordable for singles, particularly young singles, and lone parents. The greatest proportions of households finding housing unaffordable are in Epsom, followed by Lambourn, then Newmarket and the South West. The smallest proportions of households finding housing unaffordable are in Malton and Middleham.

However, these results need to be considered in the context of the broader research findings. Some households will be spending more than the benchmark of 35% of their net income on housing costs. However, the survey and interviews showed that some households will be living with their family, living in employer provided housing, sharing housing to reduce costs, or more generally living in the lower end of the housing market.

The qualitative interviews showed that staff make a range of choices, have different options, and take different strategies in making decisions about their housing situations. The housing decisions made by stable staff often took into account their personal resources, aspirations, commitments and career stage. About one in five are already home owners. There were numerous diverse examples of how people have managed their housing. This includes applying for social rented housing, taking a lodger, living in employer provided housing, sharing with friends, living with parents, purchasing through shared ownership, renting in the private market, and purchasing a property in a cheaper area as an investment for the future.

The research highlighted issues with housing in the private rented sector. There was stigma from landlords who were reported to not want to rent properties to racing staff, particularly very young people. They were considered to be poor tenants, likely to not maintain properties and with a high risk of non-payment of rent and leaving without notice. The interviews with staff and employers suggest that this concern amongst landlords was not completely unfounded. Employers who provided accommodation for staff said that poor upkeep by tenants was a problem and some had sold their housing stock in part because of the high maintenance costs. Some employers had tried to mediate with local landlords by paying rent directly and building networks with landlords to make finding accommodation easier. The problems with maintaining a tenancy in the private rented sector reflect some of the difficulties very young people entering the industry have in adjusting to independent living. The research also found that for some staff having a tenancy in the private rented sector was not desirable. They wanted the freedom to move jobs and locations when they chose to do so, rather than be tied by a formal lease, and preferred informal arrangements such as sharing with a friend or being a lodger without a formal contract.

Only a very small proportion of respondents were living on their own with their children i.e. lone parents. The housing need analysis showed that housing is particularly unaffordable for lone parents. The qualitative responses in the survey and the interviews also suggest that family housing is lacking. It is also hard to combine having a family with the split shift pattern common in the industry. The shift pattern posed challenges for finding suitable housing options as it means that staff have to live close to their place of employment. This problem is compounded by people not being able to drive or to afford a car.

There was generally a lack of housing for single people, particularly in Lambourn. The research highlighted some of the problems of shared accommodation, including the difficulty of sharing with different cultural groups, social problems such as drugs and alcohol, and the insecurity of losing housing through poor behaviour of some tenants. Housing can be insecure when living in informal arrangements, in employer provided accommodation that is tied to a job, and in shared housing.

The research showed the varying roles employers take in supporting their staff with housing. The duty of care towards very young members of staff, particularly those moving to a new

area, varied. The racing industry is relatively unusual in that very young people often have to migrate for employment and in many cases move away from their family and support networks to live independently for the first time and may have to secure their own housing. New staff to Malton, especially if they were young, had their housing secured by their employer, either through the use of employer provided housing or use of the employer's informal networks to secure private rented housing. Staff in Newmarket could expect support for housing from employers, for example with loans for bonds, but this assistance stopped short of securing housing, unless this was in the minority of employer provided housing. Finding accommodation for new staff was particularly problematic in Lambourn.

Whilst the qualitative case studies highlighted differences in the level and type of support offered by employers in relation to housing for staff, it also showed differences in the initiative and planning of staff for their own housing. For example, staff in Malton were inventive in finding solutions to their housing circumstances, taking lodgers, buying property to rent elsewhere to fund their own rent in the racing centre and entering shared ownership. There was both a higher level of support from employers but also sense of self responsibility for housing solutions. In contrast, there was a general sense in Newmarket that housing was 'someone else's problem'. Staff wanted their employers to find housing, employers wanted staff to be self-sufficient and staff and employers both turned routinely to Racing Homes for housing.

The shortage of affordable housing has a detrimental impact on staff recruitment and retention, particularly in Lambourn. Collective action had been taken by Lambourn trainers to provide housing, but there is still a lack of supply.

A further housing challenge identified in the research is the loss of tied housing once a staff member retires. This is particularly an issue in studs. Whilst some staff in this situation had made plans for their retirement, qualitative interviews with staff and employers suggested that others made no provision for their future housing needs. There was a strong reliance on Council and Racing Homes housing for staff in this situation.

One key tension identified in the research is the aim and expectation of home ownership within a transient industry where there is a lack of future career and housing planning. The qualitative case studies highlighted the transient nature of the workforce, with many of the participants reporting working in several racing centres throughout their careers to date, regardless of age. The interviews with stable staff also highlighted a relative lack of career planning, such as being unsure how long they would stay in the industry, whether they were likely to move and how they saw their careers developing. The research identified that roughly 20 per cent of survey respondents were homeowners and some people interviewed in the qualitative case studies were owner occupiers. However, it may be that whilst homeownership is suited to and affordable for some racing staff, it is unlikely to be desirable or achievable for the majority.

## **7.2 Recommendations**

Whilst Racing Homes cannot solve problems of a lack of housing or unaffordability, there were issues in the findings of this research that Racing Homes could consider addressing in the short, medium and long-term. Some of these recommendations could also be addressed

by other industry stakeholders. There are further recommendations that the wider industry would need to collectively consider.

### **7.2.1 Racing Homes**

- Provide training or workshops at the racing colleges about managing tenancies in the private rented sector. This could help to equip staff with the skills to maintain their tenancy and address poor behaviour of tenants in the private rented sector. Landlords may be more willing to let to young tenants if they can demonstrate they have undertaken such training.
- Consider providing training for transferable employment and life skills, for example, basic qualifications and money management.
- Raise awareness of different housing options amongst racing industry staff and employers.
- Provide training or workshops for residents of tied housing about planning for housing in retirement. This could help staff to plan for their future housing needs and reduce reliance on Racing Homes' housing stock. If this was successful, there may be less need for non-specialist retirement housing. This is likely to involve working closely with employers in studs.
- Consider using existing housing stock more efficiently long term. Technically two bedroom general needs accommodation used to house retired staff could be used to house families or two singles/couples sharing a property.
- Support commuting to enable staff to live further away from their places of employment in cheaper areas, possibly through loans for driving lessons or supporting and encouraging car sharing.
- Support households to ensure they are claiming all eligible benefits. Support households to apply for social rented housing.
- Develop links with local landlords and provide staff, particularly those new to the area, with information and signposting about the local rental market.
- Racing Homes could offer a housing management service to employers in the industry providing accommodation for staff.
- A rent guarantee system could be developed to help support staff to access the private rented sector.
- Support the use of social media, such as facebook, to help people to find housing, for example, to match up people looking to share housing or find lodgings. This could also help employers who have in the past rented properties for single staff to share, but have found it difficult to find an appropriate group of people to share one property (as in Lambourn), to match appropriate people to spaces in the available housing.

- Consider providing short-term temporary housing for newcomers to a racing centre. This would be particularly useful for young singles. Such housing could be most beneficial in Newmarket.
- A good model for shared housing for singles in a hostel could be a unit with both private and communal space. The hostel in Lambourn with individual front doors, en-suite bedrooms and also some communal areas was well regarded. This could help to manage some of the difficulties identified with shared housing. The qualitative and quantitative analysis suggests that such a hostel would fill a need in Lambourn.
- In considering future development plans, the research showed that housing is least affordable for singles, particularly young singles, and lone parents (although there are relatively few in the industry). The greatest proportions of households finding housing unaffordable are in Epsom, followed by Lambourn, then Newmarket and the South West.
- The collective action taken by trainers in Lambourn to use funds raised from open days has enabled some housing provision. The scope for supporting this in other areas could be explored.

### **7.2.2 Wider industry**

- Industry-wide consideration of working patterns away from the split shift format. Rolling shift patterns or an alternative could prevent loss of staff from the industry who are unable to balance the demands of work in the industry with family life and may allow staff to live further away from work thus easing housing difficulties. The split shift system is very incompatible with child care provision and this could be particularly relevant for staff retention.
- Advocate for new housing in racing centres and provide support where necessary. This could be in the form of demonstrating the need for more housing. Signposting employers to information about providing accommodation for employees and obtaining planning permission for new housing could prevent problems arising e.g. conversion of properties without planning consent, problems arising with tax queries when paying rent for staff.
- Advocate for higher wages. The industry suffers from staff retention problems because of relatively low wages. Finding affordable housing is difficult on low incomes. Some employers offer low wages but also offer free or subsidised housing, but this is rarely for all members of staff, leaving some at a disadvantage in accessing affordable housing in the private market.

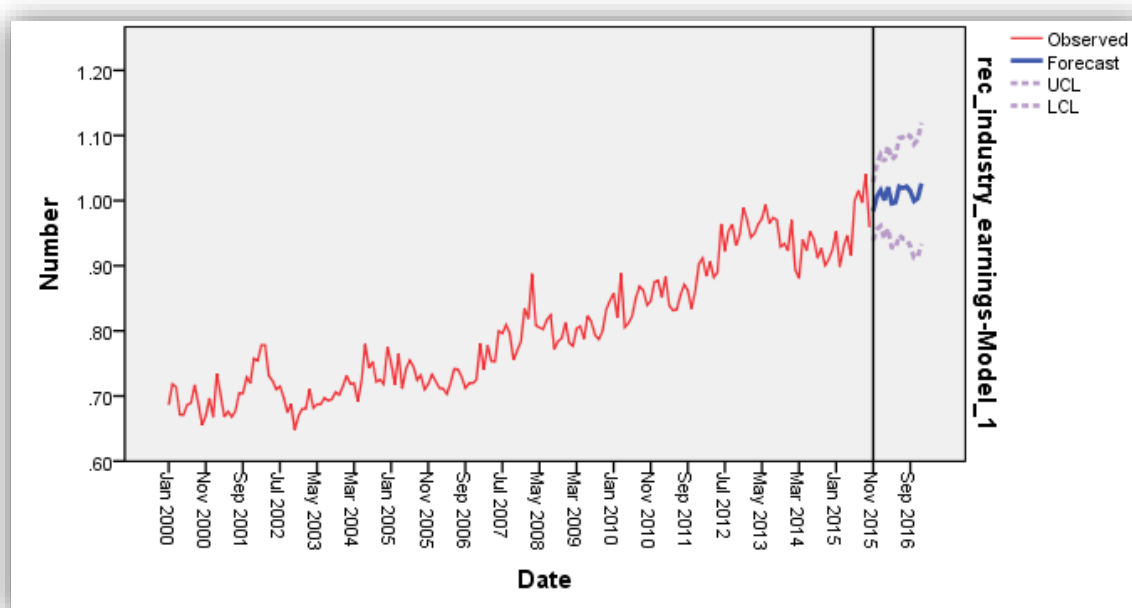
## 8 Appendix

### 8.1 Inflationary adjustment of net income

The inflationary adjustment multipliers were created depending on the survey month (June 2015, July 2015 or August 2015) as in the last column of Table 52. They are drawn from CCHPR's forecast (see Figure 6 and the first column of Table 52). The forecast was based on the trend of average weekly earnings with bonus and arrears in Arts, Entertainment and Recreation Industry released by the Office for National Statistics (ONS) in December 2015.

<sup>10</sup>

**Figure 6 Trend and forecast of weekly average earnings in the recreation industry**



Note: June 2015=1.00.

**Table 52 Inflationary adjustment multiplier for net income in the survey**

	average earnings (June 2015 = 1.00)	inflationary adjustment multiplier
	<i>x</i>	<i>January 2016 price /x</i>
<b>Jun-15</b>	1.00	<b>1.02</b>
<b>Jul-15</b>	1.02	<b>1.00</b>
<b>Aug-15</b>	1.00	<b>1.02</b>
<b>Sep-15</b>	1.04	
<b>Oct-15</b>	0.96	
<b>Nov-15</b>	0.98*	
<b>Dec-15</b>	1.01*	
<b>Jan-16</b>	1.02*	

<sup>10</sup> Accessed ONS on 16<sup>th</sup> of December 2015. Forecast was undertaken by autoregression of Winter's Additive model.

Note: Average earnings up to October 2015 were observed figures drawn from ONS. Those afterwards (\*) are forecast.

## 8.2 Subsample size boosting

The online and interview survey achieved a relatively large sample size (203 households) <sup>11</sup>. Disaggregation by household type and area made each subsample size too small to obtain robust outcomes without an appropriate adjustment. There are three methods addressing a small sample problem:

- Bayesian estimation - borrowing net income distribution curves from other sources and adjust the curve with pieces of information from the original survey;
- Weighted sample – assigning a weight each case in the survey;
- Bootstrap re-sampling – random re-sampling with replacement from an original sample by multiple times and using statistics of the re-sampled data as a variable.

The first option, however, did not produce outcomes robust enough particularly for LP. Thus, this examination employed combination of the following two methods – i.e, firstly weighting each case in the original sample to represent the unknown population as closely as possible, secondly, re-sampling the weighted cases a thousand times, and then using the thousand pieces of information from the re-sampled data to produce a net income distribution. The weights ranged from three to one within a target household group, according to the geographical relevance to the target area, and the weight of zero was given to the other household group regardless of areas. For example, when estimating net income distribution for Singles in Newmarket, Singles in Newmarket were had a weight of three, Singles in the rest of the East region were two, Singles in the rest of UK were one, and the other cases had zero. For households in the South West region, two for a target households in the region and one for those in the rest of UK. The weighting gradation not by household type but by geography is arising from the fact that earnings are generally less varied across regions when controlling a household type than those across household types when controlling a region.

The weighted subsamples are as in Table 53. Still the LP's subsample sizes appeared small. Therefore, the estimation drew on bootstrapping re-sampling, so that the data counts amounted to a thousand. The method was applied to the other household types as well. The analysis is, however, still subject of caveats that the estimated results are not fully from margins of error. Information of the top and low ends of net income cohorts were less reliable, in particular for LP. Readers are advised to see the statistics as reference in these cohorts and use some auxiliary information (e.g. qualitative analyses) for business strategy targeting households on extreme income.

**Table 53 Size of subsamples for the estimations**

	<b>S</b>	<b>YS</b>	<b>C0</b>	<b>C1+</b>	<b>LP</b>
<b>Newmarket</b>	237	191	101	42	8
<b>Epsom</b>	160	133	57	25	5

<sup>11</sup> A few cases did not report a household type and/or a working area but they were estimated drawing from information on them and the other respondents.



<b>Lambourn</b>	178	149	61	26	6
<b>Malton</b>	151	122	61	26	5
<b>Middleham</b>	153	123	62	27	6
<b>South West</b>	140	116	50	24	4

## 9 Contact

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