

Affordable Homes for NHS Staff in North Central London

Residential Research Report for NHS
North London Partners and Community
Health Partnerships





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Foreword

London is one of the greatest cities in the world. It is renowned for its vibrancy and its diversity, and the NHS workforce in the capital reflects that.

However, as a city and a workforce, we face serious challenges. None of those is more acute than housing affordability, which has a profound impact on the quality of life of those who live here. In the North Central London (NCL) area, we know all too well the problems facing individuals looking to find an affordable, quality home to live in.

The most startling figure from the analysis commissioned is this; 13,600 hospital staff working in North Central London cannot afford to live in a home that provides the basis for a sustainable future working in London's health service. That is a staggering figure that points to a huge, looming, retention challenge for the NHS.

As a health and care system, we face the very real prospect of losing talented, dedicated, and skilled members of staff who may seek to move out of London, so that their families can live in good quality homes, in an affordable location. In recent focus group sessions, we heard from numerous members of NHS staff who are considering exactly that. None were looking forward to the prospect of commuting two or, even three hours, to work every day.

Our aim will be to work with partners over the coming years to help stabilise the situation and reverse the existing pattern where possible. We want to reduce commuting times for our staff and help provide an environment where they can enjoy a good work life balance, and the best quality of life possible. The work undertaken by CHP at Finchley Memorial Hospital, that features in this report, is a step in the right direction, and more of this will be needed in the years to come.

We hope this report continues the conversation that was started by the Cambridge University Hospitals NHS Foundation Trust when their research into housing affordability in Cambridge was published two years ago. It is important NHS organisations come together and continue to work on solutions to an issue that has an impact on many of us.

Frances O'Callaghan

**NCL Clinical Commissioning Group
Accountable Officer**

Rob Hurd

**NCL Integrated Care
System Lead**



NHS Staff in North Central London

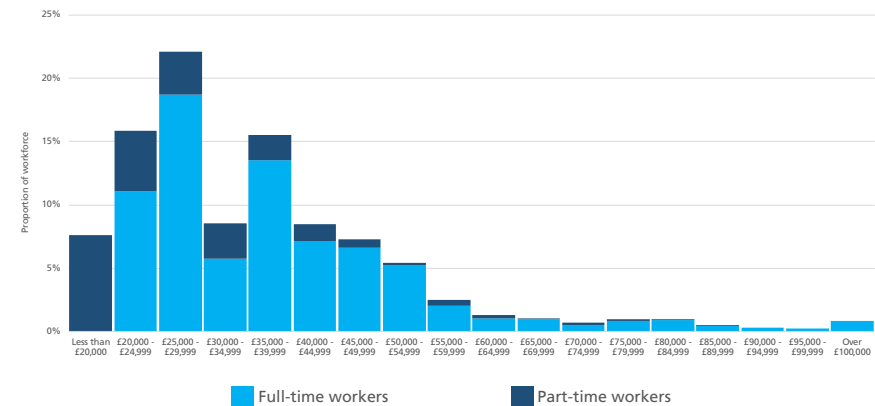
In North Central London, 47,600 hospital staff work across a wide range of jobs and level of seniority, with 80% working in pay bands 2 to 8. The jobs range from healthcare assistants, clinical support workers and pharmacy assistants, to senior nurses, clinical psychologists and pharmacists, as shown below.

Using these figures, the chart below shows the distribution of earnings among NHS staff within North Central London, which demonstrates the vast majority of individuals earn between £20,000 - £55,000 per annum. Around 7% earn less than £20,000 per annum.

NCL hospital staff by pay band

Band	Number of staff	Portion of staff	Example job roles
Band 1	15	0%	No longer recruiting at Band 1
Band 2	3,383	7%	Nursing and clinical support workers, assistants and technicians
Band 3	5,199	11%	
Band 4	4,175	9%	
Band 5	7,787	16%	
Band 6	8,330	18%	Nurses and allied health professionals (physiotherapists, radiographers, paramedics)
Band 7	6,527	14%	
Band 8a	2,724	6%	
Band 8b	1,122	2%	
Band 8c	615	1%	
Band 8d	232	0.5%	Senior nurses, allied health professionals and managers
Band 9	110	0.2%	
Medical & Dental	7,361	15%	Junior doctors, anaesthetists, paediatric consultants
Total Staff	47,580	100%	

NCL hospital staff earnings - All staff



This snapshot provides the context within which the ensuing report should be read.

There are 47,600 NHS staff working in North Central London across a wide range of jobs and level of seniority





Staff Research Overview

The NHS has spent significant time considering how best to tackle the growing lack of affordable homes for staff in London. At a time where staff wellbeing is pivotal to the delivery of ongoing patient care and escalating demand, staff are more challenged than ever before.

NHS Trust charities commissioned Insight-ful to coordinate and lead survey work for North London Partners (the North Central London STP), to understand the attitudes of NHS staff to their housing conditions. The work was completed in 2020, focused on staff in the North Central London area. Participating staff from hospitals (including the Royal Free, Whittington and Great Ormond Street) were interviewed as well as individuals working for other NHS bodies including the Barnet, Enfield and Haringey Mental Health Trust. Participants were asked about their current living conditions and their aspirations for the future.

Our report outlines the serious challenge we have in providing homes for staff of all levels – those working in hospitals, in the community and in local care facilities. We want to underline the need which exists for staff at all levels and roles across our health and care system.

There is sometimes a tendency for people to interpret “NHS Staff” as acute hospital staff and we want to underline the need which exists for staff at all levels and roles across our health and care system.

The case studies help to illustrate what we heard and these have been anonymised to protect the confidentiality of participants.

In addition to the Insight-ful work, several other pieces of research have been undertaken in the past five years, including:

- A Royal College of Nurses survey in 2019 which showed 57% of nursing staff say they will either definitely leave London or would like to.
- Research by Ipsos MORI for NCL in 2018 found 39% of staff subsidised accommodation was an important benefit for their Trust to offer.
- Savills completed a piece of research on NHS staff housing need in Cambridge in 2020, which outlined the challenge of housing affordability there.

Taken together this research helps to inform the interventions being taken to address the challenge of housing affordability.

What we heard:

In many instances, we heard the following from participants:

- Many are lucky to be supported by their parents but are unable to move out and move on with their own lives.
- Where individuals have moved out, the rent they pay is so high, they are unable to afford their own space and privacy.
- Some were living in sub-standard accommodation, at the mercy of landlords who do not deal with problems.
- Moving outside of London was a serious option for NHS staff, which could result in a longer commute, or leaving their employment altogether.
- Most have basic aspirations to have “a place they can call home that does not mean living in a box”.
- In the main the challenges have not eased in as many years and without action, the situation is likely to get worse. The case studies illustrate some of the issues staff are facing.

CASE STUDY

Amy



Works in an administrative job at a hospital in North London. Despite working in London, she is in the process of purchasing a new home in Birmingham, where she plans to stay at the weekends. Despite paying over £600 per month for her London accommodation, she continues to have issues that are not being dealt with by her landlord. Having taken the decision to buy in the Midlands, she is considering whether she has a future working in her current job.

CASE STUDY

Paul



Works in physiotherapy at a hospital in North London. Having graduated back in 2018 he dreamed of moving out of his parent’s place and starting to build his life. However, owing to the cost of renting, he finds himself back at home with his parents and siblings, living in the same 3 bedroom house they grew up in. Whilst the house was fine when they were kids, it is cramped for five adults and Paul is now considering moving out of London to find somewhere affordable to live.

Key Findings

London's health service faces a staffing crisis as housing affordability pressures mount. Many NHS workers are viewing a career in London as unsustainable, because of the housing compromises that they are having to make.

The affordability pressures are most severe for low to middle income households that include NHS workers on salary bands 2 to 8, with earnings starting from £21,800 in Outer London. There is a wide range of roles and seniority within these bands, including healthcare assistants, newly qualified nurses, allied health professionals, such as physiotherapists and radiographers, and senior nurses.

Hospital workers in these lower to middle pay bands cope with high housing costs in London by various means, including living with parents where they can. High rental costs make it impossible to save for a deposit to buy, with many sharing as a necessity, just to afford basics, and some renting in sub-standard conditions.

The unmet need is basic - some private space that allows privacy and dignity, something they call their own, be that rented or owned. Coping strategies become more difficult for older staff living as couples and with families. This is potentially becoming more of a problem, as there is some anecdotal evidence that staff are joining the health service at later life stages than in the past.

As affordability pressures have mounted in recent years, people are having to move further and further away from their hospital to find space that they can call home, adding a costly and stressful commute to their daily life.

“

13,600 hospital staff working in North Central London cannot afford to live in a home that provides the basis for a sustainable future working in London's health service.”

RESEARCH COMMISSIONED
BY THE NHS

CASE STUDY

Pauline

Is a Medical Secretary a hospital in North London, a job she has enjoyed for over 11 years. A decade on from when she first started working for the NHS, she rents a room in a private house during the week and moves out of London at the weekend to stay with family, stating that she feels like she is still living like a student, restrictive with limited amenities and privacy with an hour's commute. Sadly, the price of housing and rents in London means she will probably move meaning she will have to leave her current job and, potentially the NHS, for good.





A single full-time worker earning a median salary across North Central London of £35,000 cannot afford to buy a lower quartile priced flat in any of the five NCL boroughs with a 5% deposit.

Key Findings

Affordable housing pressures are building to an unsustainable point for the health service in London, with many workers unable to move on with their lives and concluding that they will have to leave their current job and potentially the NHS, for good.

Housing options in North Central London are limited by the relative scarcity of social rented housing, albeit that the highest proportions are found in the higher priced boroughs of Camden and Islington. As an example of the difficulties of accessing social rented housing, Barnet Council's website states that 'there are very few council and housing association properties available in Barnet and demand for housing far exceeds our supply'.

This shortage of social rented housing is also echoed by Enfield and Haringey council websites, with Haringey's website identifying housing as a top priority but with 'not enough social housing to meet demand.' A 'limited supply of social housing available' is also picked up by the councils in the higher priced boroughs of Camden and Islington 'where people in the greatest need often face a delay of several years before housed'.

Those identified in housing need are advised by Barnet Council 'to find your own accommodation in the private rented sector.' In the central boroughs of Camden and Islington, the councils recommend 'to consider other options like moving into the private rented accommodation in cheaper areas and downsizing', in addition to 'low-cost home ownership and low cost renting'.

Research conducted by Savills shows:

- Circa 139,000 households in North Central London are being financially stretched by their housing costs, with incomes between £15,000 and £65,000
- In the private rented sector, households with an income of £40,000 can afford a median priced studio in Barnet and Haringey, but would require a discounted rental tenure in Camden and Islington
- Households earning £20,000 would require a discounted rent to access any property across North Central London
- An income of £60,000 means a household can rent up to a two bed flat in Barnet, Enfield and Haringey, but not in Islington or Camden
- Hospital workers earning between £22,000 and £55,000 are employed as nurses, allied health professionals, such as paramedics and radiographers, and in administrative roles
- At least 27% of hospital staff in North Central London are in housing need, having to pay more than 30% of their income on housing
- Staff are often living in overcrowded conditions and are having to commute long distances
- 29% of the 47,600 hospital staff in North Central London are priced out of a suitable home, translating to 13,600 individuals.

Affordability of housing in London

London is one of the least affordable cities in the world to live in and North Central London includes some of the least affordable parts of London. The median house price in Camden and Islington is £800,000 and £650,000 respectively, compared with the London median of £490,000.

In Barnet, Enfield and Haringey the median price is £565,000, £420,000 and £525,000 respectively. These prices mean home ownership is an almost impossible dream for many working in the NHS.

In terms of purchasing property, the research shows:

- London has the highest median house price to income ratio of all regions across England and Wales, at 12.5, compared with the national average of 7.8.
- The annual household income of a first-time buyer was, on average, £38,000 in 2000. That figure has risen to £87,000 in 2020.
- The average first time buyer in London required a deposit of around £155,000 in 2020, which was up 80% from £86,000 in the past 10 years.

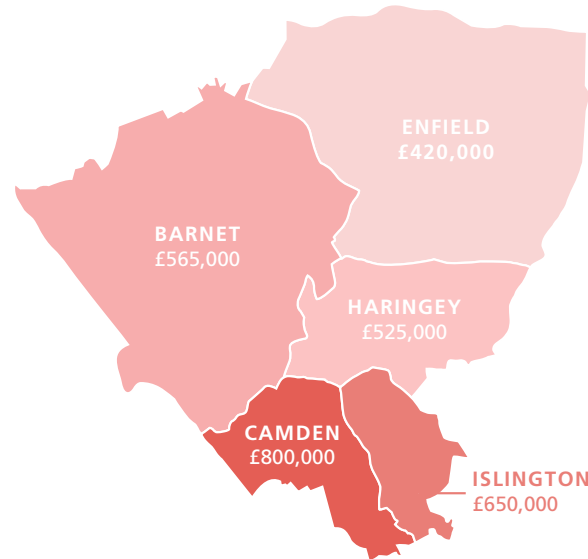
The map opposite shows the median house prices in each Borough within North Central London and shows the gap between the inner London boroughs of Camden and Islington, and those outer London boroughs of Barnet, Enfield and Haringey.

From a rental perspective:

- PWC research shows nurses pay around 40% of their income on rents in London, which could reach 47% by 2022/23.
- Savills research forecasts a further 19% increase in rents in London to 2025.
- The cumulative impact of these increases in rental prices is to create an affordability gap, which is estimated to be around 139,000 households in North Central London

The chart demonstrates the affordability gap across North Central London by household income band. The affordability gap is particularly acute within the £30-35k household income band, and this applies across all five boroughs within the NCL area.

Median house prices in North Central London



CASE STUDY

Adam

Adam is a Specialist ICU Nurse at a hospital in North London, a position he has held for three years. He currently lives in a 10th floor apartment with a flat mate in Stratford, and commutes into the Hospital using the overground service. He pays £700 a month for his share of the accommodation. He has found the last 18 months chaotic as he has been at the frontline of dealing with the impact of the pandemic. Whilst he likes the flat, he says he would like to buy in the future and may consider moving out of London altogether, as the cost, even for a shared ownership property, is far too high.



Housing affordability gap, by borough

	£15-20k	£20-25k	£25-30k	£30-35k	£35-40k	£40-45k	£45-50k	£50-55k	£55-60k	£60-65k
Barnet		5,899	7,882	7,713	4,458	3,890	2,589	96		
Camden			1,765	6,797	5,445	4,871	3,949	2,200	1,108	504
Enfield	3,769	7,593	6,803	5,949	2,761	1,336	512			
Haringey		5,977	7,285	6,498	4,349	3,403	441			
Islington				5,393	5,781	5,254	4,045	2,117	607	

Affordability within travel to work areas

People travel to work in North Central London from a wide range of locations in and outside the area, with their housing location choices being based on many factors other than place of work, including neighbourhood ties to family and friends, previous workplace, other household members' workplace and schools.

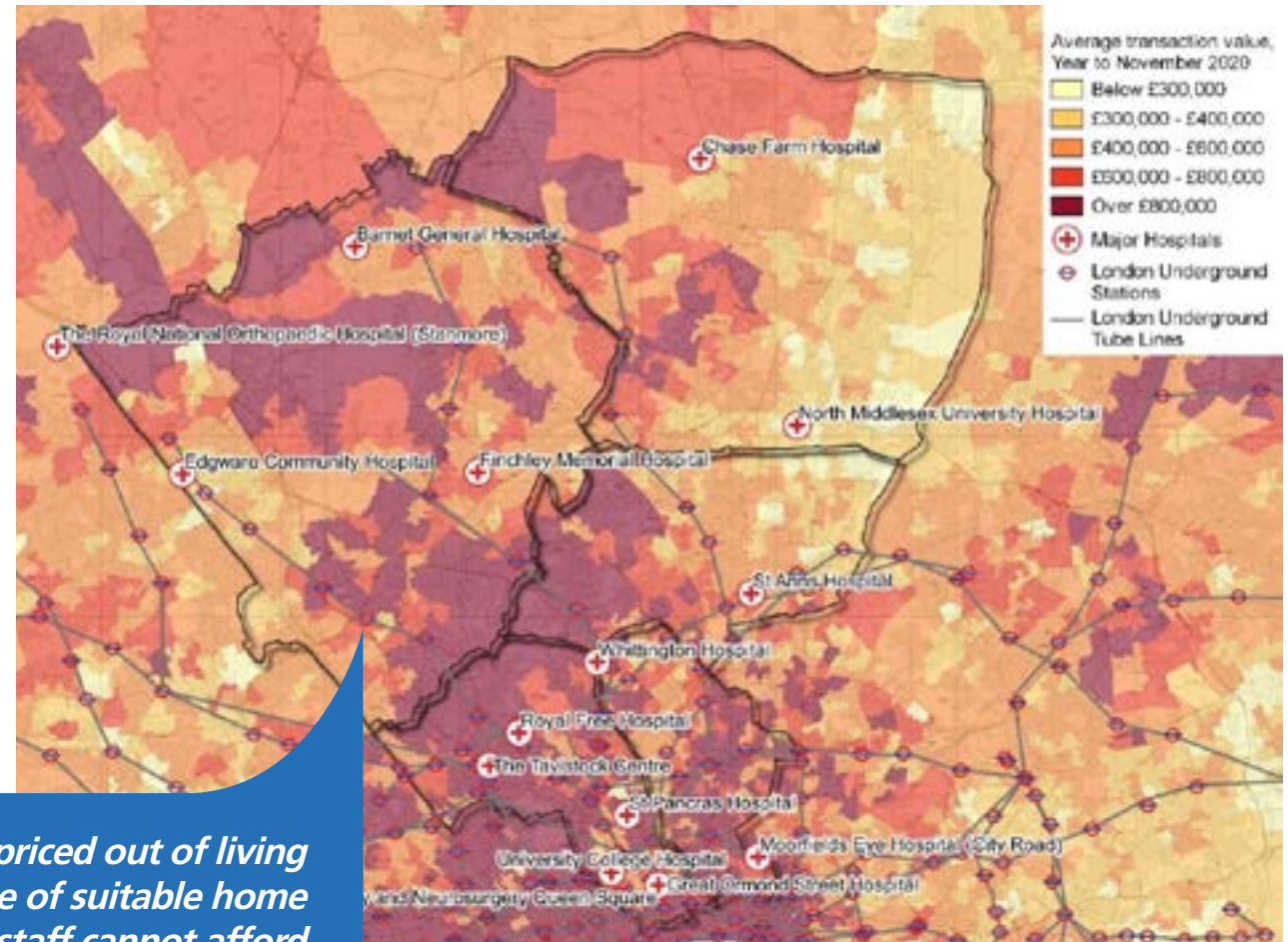
It is clear from the survey evidence that the long distances travelled to work are an impediment to NHS staff recruitment and retention. Therefore our affordability test is based on travelling to work from within North Central London. This is defined as an area within a 45 minute via public transport.

The table illustrates how in which boroughs our staff currently work in:

Camden & Islington	33,032
Haringey	1,029
Barnet	6,632
Enfield	6,886
TOTAL STAFF	47,580

13,600 are priced out of living in any type of suitable home and 24,300 staff cannot afford to rent in the private sector in North Central London.

Average transaction prices near major NHS facilities



Affordability within travel to work areas

Affordability of private renting

The size of deposits required and the increase in median house price to income ratio means it is unaffordable to buy a home for lower to middle income households, so the affordability test is centred around renting in the travel area. The research shows:

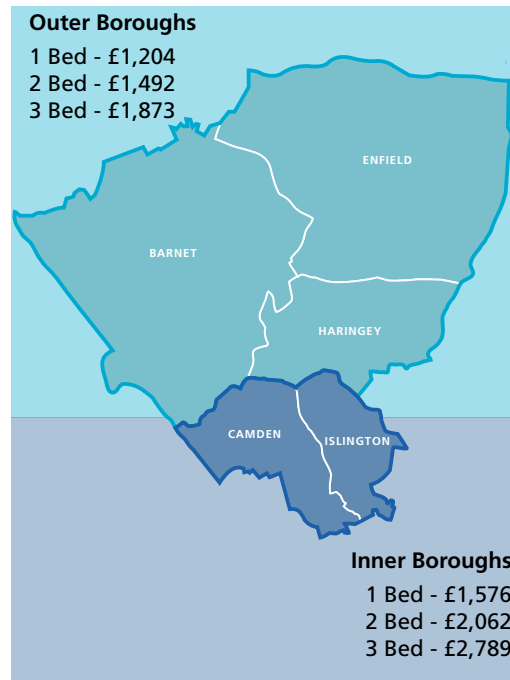
- In Barnet, affordability is stretched for 56% of households, with the greatest pressure experienced by single parents with children. 95% of these households cannot afford to rent in the private sector.
- In Camden and Islington, affordability is stretched for 49% of households, with 95% of single parent families unable to afford to rent in the private sector.
- In Enfield, affordability is stretched for 44% of households, with 92% of single parent families unable to afford to rent in the private sector.
- In Haringey, affordability is stretched for 56% of households, with 95% of single parent families unable to afford to rent in the private sector.

Taken together, across North Central London, 95% of single parent households cannot afford to rent in the private sector. 70% of couples with two children fall into this category, alongside 59% of couples with one child.

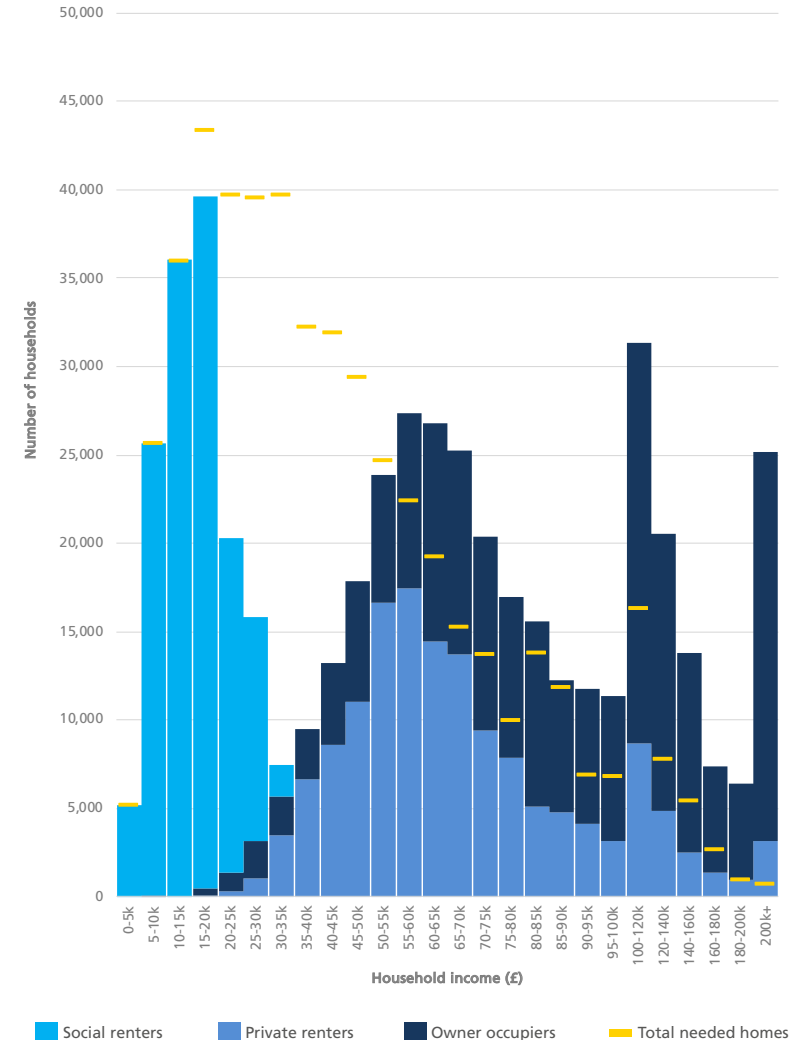
There is established need across every group detailed in the research, and an estimated 24,300 staff who cannot afford to rent in the private sector in North Central London.

Whilst it is focused primarily on house prices, the visual illustrates the key issue. Around many hospital locations in North Central London, the average house price is over £800,000, and the situation is particularly acute around the Royal Free Hospital and the Whittington Hospital. There are very few locations that have an average transaction value below £300,000, meaning most properties are out of reach for NHS staff from both a purchasing and rental perspective.

Average rental prices



Homes needed, by income bracket



NHS staff housing need in North Central London

The data shows the housing need in North Central London. 51% of hospital staff working in North Central London would be in housing need, if seeking accommodation in the private rented sector. These figures are based on renting at lower quartile pricing, for properties that may well be in below average repair and condition.

In reality, the households in need resort to paying more than 30% of income on housing, living in overcrowded conditions, often in a poorly maintained and managed home, and travelling long distances to work. These are the issues that are making staff recruitment and retention increasingly difficult, threatening the sustainability of health service provision in North Central London.

CASE STUDY

Ciara

Ciara is a nurse at a hospital in North London, and lives in Holloway with her two children. Having spent time staying in hostels in central London, she now lives in a housing association flat paying around £500 p/m but would like to move to somewhere a bit bigger now that her children are getting older. The problem is the private rented sector is out of reach for Ciara as she only has one income, so she will have to bid through the Council's system and hope for the best. A good, affordable home in Finchley would be a good option for her and her children.



93% of single parent households cannot afford to rent in the private sector in North Central London.

Affordability of private renting for hospital staff in North Central London

Household Type	% of Hhld Type who cannot afford	No of Staff in Hhld Type	% of all staff in hhld type	No of Staff in Need	% of Staff in Need
Single person	57%	9,206	19%	5,236	22%
Single parent with children	93%	6,441	14%	6,020	25%
Couple no children	23%	10,296	22%	2,387	10%
Couple with children 1 (full time)	58%	2,461	5%	1,438	6%
Couple with children 1 (part time)	45%	777	2%	348	1%
Couple with children 2 (full time)	69%	4,921	10%	3,416	14%
Couple with children 2 (part time)	56%	1,554	3%	875	4%
Two sharers	49%	5,962	13%	2,892	12%
Three sharers	29%	5,962	13%	1,703	7%
Total Staff	51%	47,580	100%	24,316	100%

The housing requirement in North Central London

As has been demonstrated the lack of affordable housing in North Central London is creating significant need among NHS staff working in the area.

Affordability is not the only issue however. A significant proportion of private rented sector homes are of poor quality, with 25% of homes in the private rented sector in England not meeting the decent homes quality standard. Renting a home at a lower quartile rent is unlikely to provide the quality required to increase rates of staff recruitment and retention.

A staff attitudes survey completed in 2020 showed high satisfaction amongst staff living in key worker housing and housing association homes, albeit that it was regarded as expensive compared with sharing in the private rented sector. When staff are able to access good quality, affordable homes to live in, their quality of life is increased.

At the macro-level, the research shows 12,061 new affordable homes to meet need, across a range of sizes, are required in the North Central London area. This will require between 50 to 120 hectares of land, in North Central London, to deliver. The identification of surplus land within the health estate will form a key part of delivering on that need.

At the more micro-level, when is broken down by household, two bedroom properties constitute the highest proportion, at 46% of the overall quantum needed. This is primarily driven by the requirements of single parent families with children, two sharer households, and among couples with 1 child. However, it is worth noting there is significant need across the spectrum of household types and a mix of new properties will need to be delivered to address the challenges faced.



Hospital staff households in need in North Central London

Household Type	Property Required	No of Staff in Need living in PRS or with family	% of staff in need
Single person	Studio or one bedroom flat	3,265	24%
Single parent with children	Two bedroom flat	3,149	23%
Couple no children	One or two bedroom flat	1,530	11%
Couple with children 1 (full time)	Two bedroom flat	692	5%
Couple with children 1 (part time)	Two bedroom flat	137	1%
Couple with children 2 (full time)	Three bedroom flat	1,755	13%
Couple with children 2 (part time)	Three bedroom flat	371	3%
Two sharers	Two bedroom flat	1,635	12%
Three sharers	Three bedroom flat	1,031	8%
Total Staff		13,566	100%

CASE STUDY

Nigel

Is a Medical Physicist who has worked for the NHS in North London for over 1 years. He is living in staff accommodation and paying around £600 per month, with a shared kitchen and bathroom between six people. He would like to move into his own place and have access to his own washing machine and fridge space but there are few options locally that he would be able to afford. He is thinking of moving out of London to find somewhere more reasonable to rent, which may mean leaving his current job, which he really enjoys.

Property Required	Number of affordable units required	Proportion of unit type
Studio	1,633	14%
1 bed	2,397	20%
2 bed	5,561	46%
3 bed	2,470	20%
Total	12,061	100%

Making it happen

The detailed analysis commissioned by NCL & Community Health Partnerships Ltd (CHP), and co-funded by One Public Estate (OPE), should demonstrate to Local Authorities, as the custodians of housing supply as it comes forward through the planning system, the critical demand for Affordable homes for Key Workers across London. We hope it will also help developers, charities, and Registered Providers consider the affordable housing make up of their schemes, giving a clear steer as to the scale of need, likely housing tenure needed and the geographical area of search, to close the housing affordability gap.

CHP are progressing the first response to this need on the site of Finchley Memorial Hospital (FMH). An Outline Planning Application was approved by Barnet Planning Committee in June 2021. This is a scheme for 100% Affordable homes for NHS staff.

To ensure the scheme meets the needs of Key Workers, CHP has worked collaboratively with NCL, the Greater London Authority (GLA), NHS Charities and Barnet OPE. This culture of partnership across public bodies resulted in gathering the specific data needed to progress FMH as an example of innovation across organisational boundaries. Barnet Council have also been partners in progressing the dialogue about affordable housing delivery through supportive interpretation of housing policy, planning obligations and S106 agreements.

Immediate priorities:

- CHP worked with Councillors, Housing and Planning Officers in Barnet to ensure the findings of this research supported the successful planning application to build affordable homes for NHS staff in North Central London.

- This research identifies a real gap in provision based on the lack of Affordable delivery in recent years. We believe this could be met by more innovative approaches to affordable housing for working people in the 'affordability gap' identified, which we believe will require a fresh look at how affordable housing policies are derived, interpreted and applied.

Next Steps:

- CHP, as an NHS property company, want to continue with a systemic approach to develop the demand data and gain a greater understanding of ongoing need, as we work with strategic partnerships, charities, Registered Providers and developers to progress the immediate prospects of delivery with FMH.
- Share the knowledge, learning and communicate the challenges in how we delivery affordable homes for key workers and the benefits for the NHS as a whole.
- Work with partners to develop a 'staff accommodation service' to support those seeking quality housing – with clearly defined requirements (tenure type, housing typology, location preferences, rent levels etc).
- Work with partners to ensure any housing delivered for NHS purposes has the highest rates of occupancy possible.

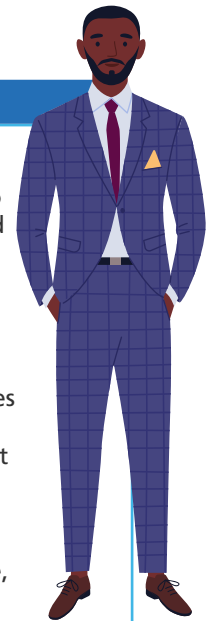
We want to ensure this is the beginning of a new conversation, leading to the delivery of new solutions to the need demonstrated in this report.



CASE STUDY

Alan

Is a psychologist working for two different Trusts across Barnet and Camden. He was until recently sharing a place with three other housemates but has recently moved to Maida Vale with his fiancé in a one-bedroom flat, which is close to both of his places of work. However, the place is small and, at £1,700 per month, it is difficult to afford, despite the fact they have two incomes to rely on. They would like to stay in London, as they feel it is home, but they are now considering their options for the future and whether a life outside of London is the only realistic way forward.



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