

The learning priority needs of the housing association sector in strengthening its community investment role

## Contents

Purpose of the Report .....	4
The objectives.....	4
Approach .....	4
Key Findings .....	6
Recommendations .....	8
1.    COMMUNITY INVESTMENT: the bigger picture.....	9
Localism: the policy landscape .....	10
The role of the third sector .....	11
Growth, funding and regulation .....	11
Welfare Reform.....	12
Challenge and opportunity .....	13
Potential learning needs .....	14
Table 1: Models of Community Investment .....	16
Figure 1: The impact of state, market and community drivers on types of community investment strategy	17
Table 2: Zones of hybridity: influences on housing association social investment activities.....	17
2.    KNOWLEDGE WORK STREAMS.....	18
Social Impact.....	18
Social Enterprise .....	21
Commissioning: .....	22
Local Economies.....	23
Place Making .....	25
3.    FINDINGS.....	28
Spread, size, restructure and partnerships (Table 3).....	28
Perspectives on community investment (Table 4) .....	30
Location of CI function, priorities and learning needs: (Table 5) .....	32
Scaling up work streams.....	34
Social Impact .....	34
Social Enterprise .....	36
Financial Inclusion .....	37
Neighbourhood Planning .....	38
Learning Needs (Table 6) .....	39
4.    EVALUATION .....	41
Embedding change.....	41

---

5. RECOMMENDATIONS .....	42
Building partnerships .....	42
With academics.....	42
HACT/TSRC/CHASM: potential knowledge transfer collaboration (Table 8) .....	42
With delivery partners .....	43
With housing association networks.....	43
Fostering insight.....	43
References.....	44

## Purpose of the Report

This scoping report as required by the Technical Strategy Board-funded Knowledge Transfer Partnership (KTP) on behalf of the Housing Associations Charitable Trust (HACT) has been prepared by Dr Tricia Jones seconded from the Third Sector Research Centre (TSRC) at the University of Birmingham to act as the Knowledge Transfer Associate (KTA). The aim of the report is to identify the learning priorities and needs of the housing association sector in strengthening its community investment role within the current legislative and policy context. This assessment is fundamental to the KTP's core aims to *'enable HACT to transform into a knowledge-based business by co-producing learning packages that release the community investment potential of social housing organisations'*. (UoB/HACT KTP Proposal, June 2012).

## The objectives

- To identify the current policy context relevant to the sector's learning priority needs
- To review the continued relevance of the four work streams that form the framework for HACT's action learning programme:
  - Social impact
  - Social enterprise
  - Neighbourhood planning
  - Financial inclusion
- Establish how HACT might meet these needs
- Consider how the learning approach can be taken forward in HACT
- Draft an evaluation framework as the basis for further discussion and agreement with the business and academic partners
- Make recommendations for further KTP associate research and activities

## Approach

The report uses the following methodology:

- Desk top literature review
- Participant observation including action research activity with HACT staff
- Discussions with HACT staff and senior managers
- Qualitative research involving 11 depth telephone interviews with senior staff from housing associations already committed to community investment; on their perceptions of HACT's potential role in supporting strategic development in the sector.

This report is divided into six sections. The first section considers the policy context and implications for the housing association sector of engaging in community investment activity. A second section scopes literature relevant to the four knowledge work streams within the wider context. The literature review is followed by a section considering analysis of primary data gathered from telephone interviews conducted over eight weeks

with housing associations that have established interest in the future work of HACT. This section reflects back on the implication of both previous sections. The fourth section considers how to take the learning approach forward within HACT and summarises the work that HACT has engaged in to date. The fifth section turns to the process of embedding and evaluating the KTP framework alongside requirements of HACT's aspirations. The report ends with recommendations (for further discussion) regarding KTA activity and sharpening/refocusing of the aims of the KTP.

## Key Findings

- Community investment strategy has long been part of the DNA of many housing associations in England and they have invested £747 million in community investment activity
- At present the socio-economic context is becoming increasingly important in driving investment decisions
- There are both challenges and opportunities for housing associations in the current policy landscape
- Challenges include Welfare Reform where it is anticipated that changes will increase rent arrears over 50% yet over 50% of tenants are unaware of these changes
- 97% of housing associations are now concerned about the risks and are investing in raising awareness, worklessness and in financial and digital inclusion activity
- Opportunities are included in parts of the Localism Act (2011) where a set of community rights have been created that relate to community investment and place-making in local neighbourhoods
- Housing associations are struggling to balance their investment in development with their investment in localities
- HACT's new business is taking shape following its re-launch in 2012 and HACT's involvement with the KTP process and how the learning from TSRC across a broad spectrum of research work is being better understood. The relationship has gathered pace and a series of TSRC/HACT Round Tables together with housing practitioners has been organised for 2013
- HACT has begun to conceptualise its work along four dimensions: major Development Initiatives; Action-Learning Programmes; Master Classes and Research Programmes
- The action-learning approach has been the main focus of the research that underpins this report and findings are based on analysis of data from interviews with diverse housing associations to understand their learning priority needs
- Integration of action-learning has several advantages:
  - Assisting in a rationalised pricing strategy
  - Building continuity and product profile
  - Increasing long-term partnerships with delivery partners
  - Creating a unique combination of knowledge and shared practice moving towards the financial and business modelling that housing associations are in need of at present
  - Providing the opportunity to revisit the underlying values drivers of the sector and secure real engagement from the sector to enact these values through communities of practice
- The housing association sector is a dynamic one and exposed to fast-moving changes in the wider socio-economic context, inevitably, reframing will continue to be a feature of the work streams.
- The use of the 'umbrella' model (Appendix A) more strongly paints the idea that the *cloth* of a community investment strategy stretched around the *metal frame* of the community investment

framework and the cross cutting *spokes* of leadership, collaboration skills and organisational culture change may have a longer shelf life than the specific workstream content that is vulnerable to sector-related changes

- It is these elements therefore that need to be core to HACT's approach and product mix

## Recommendations

- The KTA work jointly with the academic partner to develop the Community Investment Framework (CIF) to provide a statement of values underlying community investment strategies for the sector. This will involve revisiting and integrating the Think Piece and CIF together with recent reports by Orbit Housing Association, ResPublica, St Andrews University and others. The output will provide the content for the KTA's Away Time project.
- The KTA continues to build partnerships and contribute to HACT's transformation and ability to produce sustainable learning packages for the housing sector
- The KTA continues to explore how application of the knowledge from inside the University of Birmingham (UoB) can be better achieved through investing the learning in different aspects of HACT's engagement strategy with the housing association sector
- The KTA devises a research strategy in collaboration with both academic and business partners



## 1. COMMUNITY INVESTMENT: the bigger picture

Since the 1930s, community investment has been a part of many housing associations' activity (Mullins, 2011). Government policy around social inclusion and neighbourhood renewal over the last fifteen years offered those housing associations operating as community investors a strategic framework for their work (Slatter, 2001).

Promoting the strategic role of community investment in achieving sustainable communities is the driver for HACT's repositioning as it moves from charity to entrepreneurial business trading within the housing association sector. Evolving from the analysis in a commissioned 'think piece' (Mullins, 2011), HACT and a leading group of housing associations have devised a community investment guide to act as a practical stepped map for organisations wishing to develop strategy.

In 2010-2011 housing associations delivered more than 9000 neighbourhood services and maintained 1500 community spaces. Overall housing associations invested £530 million of their own funds and attracted an additional £217 million from national and local government, charities and health agencies (National Housing Federation, 2011). However, housing associations' investment decisions are determined by many drivers. Within the 1,200 or so organisations in England there is a broad spectrum of views on how community investment fits (if at all) with core business strategy.

Present day economic and legislative changes are exerting a huge influence over housing associations' priorities. The protracted global financial crisis has prompted radical and rapid international change in legislation, regulation and reform affecting the sector, its staff, tenants and localities in response to the austerity of the

### Community Investment:

"Increasing the ability of communities to manage change effectively for themselves"; that is, creating more *sustainable communities*"

(Slatter, 2001:37)

times (Milligan *et al.*, 2012; MacLennan and Chisholm, 2013). There is an unresolved debate within the sector about the relationship between the social and the business case for community investment (Mullins, 2011). Whether housing associations continue or begin to develop community investment strategy depends on their response to the wider socio-economic context.

Housing associations in England are being subjected to a series of paradoxical drivers that offer both challenge and opportunity (Lupton and Leach, 2011). The austerity programme and Welfare Reform that could jeopardise rent revenue has created a new focus for most housing associations' work with their residents around digital and financial inclusion activity. Cuts in public services affecting community infrastructure have stimulated new partnerships with other local bodies to maintain services. This has changed the scope and dynamics of housing associations' wider-than-housing roles. Changes to regulation, Homes and Communities Agency (HCA) grant

funding and requirements in the Social Value Act have set a new climate for associations to consider their broad social and economic impact and its measurement. Open source planning and the community rights agenda taken forward by parts of the Localism Act present housing associations with greater freedoms and opportunities to engage with local communities, authorities and other partners. However, the same legislation posed serious challenges for social landlords by changing the terms for developing new homes, reducing tenants' security and increasing rents. When taken alongside the Welfare Reforms these bigger changes dwarf those of the community rights agenda, instead putting community investment work in a defensive role (Mullins, 2011).

### Localism: the policy landscape

Nevertheless localism provides a potentially supportive policy agenda for community investment to work. The Localism Act, 2011 means that alongside the Government's approach of public sector and civic society sector funding cutbacks there is a discourse of radical community rights agenda including rights to provide, challenge, buy and build that aim to stimulate grassroots initiative and enterprise underpinned by Big Society thinking based on the use of local volunteer involvement in alternative service provision. This is reinforced by the Open Public Services White Paper, 2011 encouraging a wider diversity of service providers.

When Big Society ideology, linked to a greater role for third sector organisations (TSOs) was launched by David Cameron in 2010 it appeared to offer inspiration for social responsibility and cohesion through volunteering and significantly, small scale ownership and production (Blond, 2010) that would be welcomed by larger not-for-profit agencies such as housing associations working in local neighbourhoods. An important strand in this policy was reform of public service delivery to extend the role of TSOs as service providers in their own right (Alcock, 2012). However, structures of funding and commissioning of public services have increasingly adopted a large-scale contracting approach with payment by results, prime contractors and supply chains all militating against third sector providers in winning direct contracts with the state in cases such as the Work Programme (Rees, Mullins and Bovaird, 2012).

Nevertheless, some provisions in the Localism Act 2011 do provide opportunities for the housing association sector to work more formally with their communities to stabilise neighbourhoods and help stimulate local economy and growth. The community rights agenda resonates with housing associations that are engaging in asset transfer/management as well as community and neighbourhood planning. Notwithstanding the impact of changes in regulation and funding, housing associations, under increased pressure as a result of Welfare Reform and housing shortage, find the major challenge is in getting the balance right between investment in development and investment in localities (Duncan and Thomas, 2012; Power *et al.*, 2012).

### The role of the third sector

Perhaps because of its rapid growth in recent decades, the housing association sector is often perceived by other TSOs more as a 'benevolent uncle' than as a significant part of the third sector in its own right. Yet housing associations as Mullins implies, '*occupy the same position in relation to the state and market as other social enterprises*' (Mullins, 2010:33). Moreover, housing associations often use their own surpluses for work in local neighbourhoods – a strategy which distinguishes them from many other TSOs (Richardson, 2012). Whether they adopt a corporate strategy-based approach, a contract-based approach or local relationship or partnership approaches (Sacranie, 2012) can make a significant difference to the impact of community investment on community empowerment (Mullins, 2011).

The UK voluntary and community sector will lose around £911 million in public funding a year by 2015-16 (Kane and Allen, 2011) and an intense round of public spending cuts resulting in greater demand for services, attributable to the economic downturn have had a huge impact on many TSOs outside of the housing sector. The impact has been felt on services, service users and communities; organisations and their staff and importantly the shape and quality of the service provider market with the concern that the targeted specialist services that TSOs were renowned for will be replaced by large scale private sector corporate service provision (Buckingham, 2010). Both TSOs and community organisations are faced with choices (and some would consider these opportunities) to undergo changes of funding regime, outlook and roles as outlined in localism legislation. Many participants agree that the independence of TSOs is vital if they are to retain their social value (Fries, 2012).

The key to deciding what innovations and knowledge products would assist housing associations at this critical time is dependent on their own analysis of localism and their response to the economic and policy landscape. Perspectives are also likely to be affected by geography where economic challenges are expected to be different in the north and south of the UK as well as between London and other cities and wider conurbations (Stoker, 2012).

### Growth, funding and regulation

The 'Local Growth' White Paper (Business, Innovation and Skills, 2010), funded by a Regional Growth Fund of £1.6 billion took steps to facilitate these opportunities through local enterprise partnerships to promote growth and jobs; encouraging collaboration with local authorities and increasing local accountability via elected mayors. The Paper proposed reform of the planning system to link local development and local benefit with an emphasis on neighbourhoods leading their own development plans. Within the Paper the role of housing in driving economic growth and jobs was considered fundamental and linked to incentivised innovation for the use of energy from renewable sources.

The 2010 Comprehensive Spending Review cut 63% in the capital budget from Government to build affordable homes. The gap left by the drastic cut in capital grant will be filled, in part, through revenue from the introduction

of a new affordable rent—up to 80% of the market rate—to be charged for newly built homes and a proportion of re-let properties. The new investment model transfers much of the development risk to housing associations and requires much higher levels of borrowing to build new homes (National Housing Federation, 2012). The National Housing Federation expressed a number of concerns about the weaknesses of this new approach:

- The model fails to meet local housing need
- Delivery in low value areas will be difficult due to the limited additional financial capacity that can be secured through higher rents
- The model creates an uncertain future for affordable home ownership products
- The impact of risk in a revenue based model of development for both government and providers
- The impact of Welfare Reform on the viability of the new investment framework
- Affordability and work disincentives (benefit trap) for tenants paying the new intermediate rent
- Local authority opposition to the new model
- Erosion of long term sustainability for housing association capacity to deliver on housing needs

At the same time, the HCA has taken over the role of regulator for the sector. Regulation is now on the basis of minimising interference and co-regulation based on a new value for money standard (HCA, 2012). The recent reduction in regulatory burden has been generally welcomed as the lighter touch indicates more independence for housing associations to define social responsibility and value. Moreover, it is reported that the new regulator is already giving special attention to associations that are diversifying significantly from their core housing roles and will take a more holistic approach to regulation (<http://www.insidehousing.co.uk/regulation/new-regulator-takes-'holistic'-approach/6521972.article>).

However the bar to securing HCA affordable homes grant has been set unusually high. Importantly funding is paid on completion rather than on-site start up and schemes that will not be completed by March 31<sup>st</sup> 2015 will not qualify for funding (Wilson, 2012). The National Housing Federation submission to the CLG Committee found that the new investment model is unlikely to be sustainable much beyond 2015 in its current form.

## Welfare Reform

By far the most immediate driver of change in the housing association sector and therefore to community investment activities is Welfare Reform; one of the most sweeping changing that have been made to the benefits system, which will be enacted from April 2013 moving towards Universal Credits from October 2013. Key changes include local caps to the maximum housing benefit to the bottom third of market rents; total welfare benefits cap of £500 per week; bedroom tax for under-occupying social tenants losing around £15 per week for the first room and £25 per week for 2 rooms and the end of direct payments to the landlord for all non-elderly claimants.

A survey of 232 housing associations conducted by Ipsos Mori for the National Housing Federation has found:

- On average arrears are expected to rise by 51%
- 80% of housing associations anticipate that direct payments of housing benefits will have a negative impact
- 80% of housing associations have raised concerns about the under-occupation penalties for working age families on housing benefit
- 57% are concerned that their tenants know little about the changes
- 95% are concerned about the risks of Welfare Reform and are planning to spend £50,000 on average during 2013 preparing for the impact

The Federation's submission to the Communities and Local Government Committee makes the case for housing as an economic stimulus, highlighting previous research in advance of the 2010 Comprehensive Spending Review that indicates *"for every £1 spent on housing, £1.40 of expenditure is driven into the wider economy"* (National Housing Federation 2012:4). An added advantage is that housing can ensure that spending is committed very quickly in comparison with investment in major infrastructure project such as road and rail.

## Challenge and opportunity

In addition to overall reduced public funding and the impact of Welfare Reform, further challenges for the housing association sector include: maintaining wider social and environmental stability in deprived neighbourhoods; inadequate community capacity to take part in the localism agenda; cuts in funding to TSOs and the need to revise internal organisational culture and practice (Duncan and Thomas, 2012).

Recent Government financial forecasts suggest that sustained recovery from recession will be slower than anticipate and business organisations including housing associations are likely to build future business plans on both central and alternative scenarios. The convergence between the social and business case for community investment strategy is even more important for housing associations as they consider the value of their business assets to be directly dependent on the value of their communities.

The shift away from public sector provision to third sector and private service provision, coupled with limited government subsidy has far reaching implications for the role of housing associations (Pryce, 2012). Even for those with the scale and resource to diversify and take over public services, it will depend on their willingness to exploit present opportunities; their perceived competencies to undertake wider than affordable housing delivery and the level of competition from other third sector or private sector contenders. TSRC research on the 'civic core' in volunteering and on the role of public funding support for TSOs suggests that the areas with the greatest social need are those least likely to have a strong civic core or significant non-public funding going into TSOs (Mohan, 2012; Clifford, 2011). However, housing associations are relatively well represented in many such areas and therefore could play a significant role in partly tackling this 'civic deficit' depending on their business model. A key question is whether they will be drawn to civil society partnerships on areas where social capital is

relatively high and strong TSO partners can be found or work together with communities in poorer areas where such capital is weaker.

Unsurprisingly, advocates recommend that Government endorse the present demand for community investment strategy within the sector (Duncan and Thomas, 2012).

Research regarding the nature of organisational change highlights the importance of changing the mindset of staff (Duncan and Thomas, 2012) as well as the mindset of residents where residents still tended to see staff as 'managers and enforcers' rather than 'supporters and enablers' (Power *et al.*, 2012).

Notwithstanding these barriers to radicalisation of the housing association sector from its operating and institutional context and competing business models, there do appear to be new freedoms for diversification; to forge new partnerships; to create new relationships with residents and the wider community and opens up wider asset ownership with housing associations acting as the '*key agents of change*' (Duncan and Thomas, 2012:10).

### Potential learning needs

The housing association sector is well-placed to take a new perspective on its community investment role within the localism agenda. Many housing associations are embedded in local neighbourhoods; have an established relationship with residents; communities; local authorities and agencies and already invest £747 million in community investment activities (Duncan and Thomas, 2012).

However the majority of housing associations are yet to deliver on the localism agenda. There is little commentary on the business case for localism in securing sustainable communities. Housing associations vary on the basis of their origins, size, mission, leadership style, ethos and local contexts so community investment is considered a greater or lesser priority according to local circumstance. It is inevitable that learning needs will vary and that learning packages need to be flexible, innovative and targeted.

Understanding why some housing associations are community investors is vital and reasons may include; those with wider philanthropic objectives and those who want to protect and enhance their bricks and mortar investment (Slatter, 2001). Mullins suggests that there have always been "*underlying philosophies to support doing more than housing*" (Mullins, 2011:24) yet Lupton and Leach (2011) contend that despite aspirations to do otherwise, housing associations are principally about facilitating the large-scale development of new homes.

There has been an on-going debate about whether the social or the business case drives housing associations' community investment strategy (Mullins, 2011) and increasingly commentators and community regeneration consultants contend that the social and business cases are inextricably linked (Duncan and Thomas, 2012; Power *et al.*, 2012) although the types of intervention and approach (Figure 1, p 17) show how state, market or community orientation can change the nature of community investment strategy.

Nonetheless it is apparent that some of the current changes are unifying the social and business case for community investment activity around financial inclusion (Cope, 2011). Rent revenue comprises about 90% of

the sector's income. If as anticipated arrears double due to direct payments, under-occupation, Universal Credits and reduction in allowances, servicing the arrears balance, debt recovery and bad debt would increase income and expenditure to such an extent that 12% extra subsidy would have to be put into every new home (Moat, 2012). Activity to inform and support residents and engage them in training and employment has become central to core business strategy. In addition there are already tensions about whether community investment is inwardly focused on tenants or outwardly focused on communities. It may be the case that Welfare Reform has made community investment more business focused but more inward looking.

The Public Services (Social Value) Act is also likely to some extent to rebalance the interface between the social and the business case by construing community investment as a central plank of procurement procedures insofar as housing associations must be prepared to define the social and economic impact of the services they offer when tendering for a service from a local authority or other relevant body. Furthermore they may apply similar considerations to their own commissioning of external services by giving greater recognition to social impact in relation to economic impact.

Many housing associations adopt a 'go it alone' organisation rather than partnership focus for measuring impact although community investment strategy is often carried out in partnership with other service providers and TSOs. Collaborative working has long been a characteristic of housing associations but additional drivers such as preserving local services, reducing duplication and sharing back office facilities are expected to become more important as the deficit reduction programme and open services agenda evolves (Rees, Mullins and Bovaird, 2012). Networked governance whether for issues of accountability or as a framework to make the business case for collaborative community investment involve different styles of leadership. Horizontal networks require leadership as much as more vertical supply chain management and this is a further development of the community investment framework within which the work streams can be located.

It appears that housing associations can be plotted along a community investment continuum from project-based initiatives to being a part of core business strategy. The London School of Economics Housing and Communities was commissioned by Orbit Group, one of England's largest housing association groups to develop a sustainable framework for future community investment in the current economic and policy climate. Based on extensive interviews in three of Orbit's varied communities the LSE team developed three stand-alone or accumulative models of community investment (see Table 1). It was found that the preferred 'Triple Bottom Line' approach whereby community investment addresses social, economic and environmental needs as part of core strategy is dependent on funding, organisational capacity and strategic choice.



Table 1: Models of Community Investment

“Freeway Community Chest”	“Invest to Save”	“Triple Bottom Line”
Doing ‘as now’ on community front Many small disparate projects Many bright ideas Some significant impacts Some lost opportunities Strategic priorities unclear Financial inclusion Employment opportunities Increase well-being Children/youth/community	Raises profile and status of strategic priorities ‘as now’ plus deploy resident volunteers In-depth training for volunteers Peer research tackling: <ul style="list-style-type: none"> <li>• Energy saving</li> <li>• Financial advice and support</li> <li>• Social care</li> <li>• Children and young people</li> </ul> Needs strong leadership and capacity to deliver	Links ‘invest to save’ to social landlord responsibility Tried and tested over many areas Modify staff structure to reflect model Introduce strong frontline focus ‘big up’ face-to-face contact Develop entrepreneurial approach to social projects Assess income streams to foster social investment Measure inputs and community benefits
Risks		
Shrinking resources Some failures Unsystematic approach Hard to sustain/monitor Short-term/one off Overshadows wider needs Reduces ambitions No influence on overall ambition	Level of support Bridging gap to residents Upfront costs where payback is longer term Strategic focus can reduce local initiative Lack of steady hand-holding Not strongly enough integrated with high level decisions	Loss of capacity for quick response Diversion of energy into measuring and monitoring Experimental focus weakens Can be over-ambitious, diluting core housing role
Gains		
Lots of projects and partners Staff conscious of social focus Some communities benefit Valid experiments Potential demonstrated	More viable, recognisable priorities More resident participation Skill building More social focus Environmental benefits	Social landlord task becomes more interesting Staff develop motivation Attracts new skills Expands social enterprise Attracts wider recognition and support If done well, can create unique long-run synergies

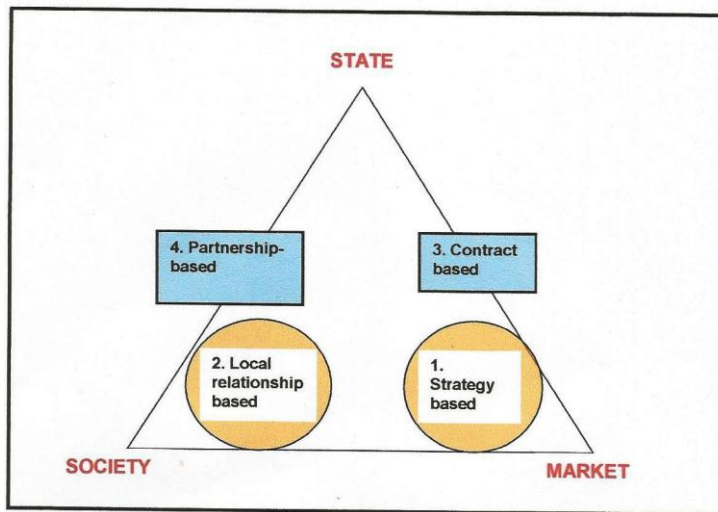
Source: (Power *et al.*, 2012:9)

While we can contest that the mid-continuum model of resident volunteering was a necessary output of this specific study, these models support the notion of incremental change taking place in housing associations as community investment moves from a project-based approach to a core-based corporate strategy (Table 1). They confirm earlier work on measuring social performance in the housing sector (Mullins *et al.*, 2010; van Bortel and Mullins, 2010) which found that the project focus was more common than strategic organisation-wide focus for measuring community investment activities. Very few associations at that time reflected their community investment activities in their balanced score card for corporate performance reporting. Some were found to have quite distinct frameworks for corporate social responsibility (CSR) at corporate level and community investment at project level.

This analysis could be useful to HACT in positioning its action-learning programme. If the drive towards a synthesis of the social and business cases persists then these three models represent the continuum on which housing associations find themselves moving in relation to corporatizing community investment strategy. There is a challenge for HACT in mapping this continuum as there is often a disjunctive between espoused and real actions (Argyris, 1976) particularly in value-driven organisations. Nonetheless it may be productive to HACT to plot milestones, focused perhaps on aspects of organisational change from within the sector in order to locate product and marketing strategy at the juncture of model transformation, offering the necessary learning for housing associations to move in a graduated manner towards a more sustainable framework.



Figure 1: The impact of state, market and community drivers on types of community investment strategy



Source: Mullins and Sacranie (2009) developed from Gruis (2009)

It can be argued that housing associations are well-placed to deliver social as well as financial returns via not-for-profit enterprises that rely on building sustainable neighbourhoods for successful business outcomes. However this potential depends on the extent to which they follow state, market or community driven models for this work.

Figure 1 (Mullins and Sacranie, 2009 in Sacranie 2011) demonstrates the significance of the ways in which organisations construct, prioritise and measure their implicit CSR community investment activities. It shows that if their “principal ownership” is primarily market driven, CSR will be driven by their corporate business strategy in the same way as a private company. Alternatively, if they are more “society driven”, that is neighbourhood focused, then community investment activities will emerge from locally based relationships between staff and residents and success will be judged through local stakeholders feedback. (Mullins, 2010:31-33). Inevitably there is potential for hybridity within this model offering more complex outcomes (Table 2) where Mullins and Sacranie (2009) consider four approaches based on state/market, society/market intersections defined by the sides of the triangle (Figure 1).

**Table 2: Zones of hybridity: influences on housing association social investment activities**

<b>1. Strategy based</b>	CSR becomes the corporate planning framework and priorities for social and community investment activities are set and monitored corporately
<b>2. Local relationship based</b>	Priorities are set locally by local managers with residents and community
<b>3. Contract based</b>	Priorities are set externally by contracts won from state (and local state) who are seen has having the legitimacy to make these decisions
<b>4. Partnership based</b>	Priorities are negotiated externally through partnerships with other social actors

Source: Mullins and Sacranie (2009), drawing on Billis (2010) in Sacranie 2012

## 2. KNOWLEDGE WORK STREAMS

Social impact, social enterprise, financial inclusion and neighbourhood planning have been previously identified by HACT's Strategic Framework Group<sup>1</sup> in roundtable discussion as four key areas where community investment might be fostered. The Community Investment Framework (CIF) that emerged from these discussions has been developed by Sally Thomas from Social Regeneration Consultants to form an on-line Guide drawing partly on a commissioned 'think piece' produced by the KT partner, Professor David Mullins, who has been involved throughout in its refinement and editing. A visioning document will now be developed by the KT Associate and KT partner to inform the strategic embedding of community investment strategy into core business within the social housing sector to reassert the link with value and ethos<sup>2</sup>.

### Social Impact

Since the late 1990s Government policy has taken an 'outcomes' focus towards the assessment of public services. There has also been increased emphasis on measurement of the impact and outcomes of community investment associated in the housing sector with the need to be able to demonstrate the benefits of various community investment initiatives across a variety of domains to public and potential funders (Wilkes and Mullins, 2012; Mullins *et al.*, 2010). The National Housing Federation's (2012) second neighbourhood audit uses the following domains to report inputs and outputs of such activity:

- Community safety and cohesion
- Education and skills
- Employment and enterprise
- Environmental liveability
- Well being – health support
- Poverty and exclusion

More recently the emphasis is shifting to accounting for the outcomes and social impact of both community investment activities and the whole business impact of housing associations (Wilkes, 2012). A range of approaches to measurement has evolved and one study for the TSA to examine the contrasting approaches taken by Dutch and English housing associations to social performance measurement generated a checklist of 17 tools: 5 to appraise and prioritise projects; 8 to measure outputs and outcomes and 4 linking social performance to corporate goals (van Bortel and Mullins, 2010).

However, measurement activity is extremely diverse across the sector. A TSRC report for HACT based on study of 34 participants (Wilkes and Mullins, 2012) showed that few housing associations used the same tools or

---

<sup>1</sup> A group of 20 diverse social housing providers who worked to develop a framework through which they could articulate, evidence, evaluate and prioritise their work within neighbourhoods

<sup>2</sup> This task is to be undertaken by Patricia Jones and David Mullins in 2013 as part of the required 'mini project' for the KTP. It will also serve as a baseline model for the knowledge transfer process itself

approaches. While there was a higher satisfaction rate with tools that had been developed externally, not one housing association was completely convinced that their system was the solution to all their needs. Wilkes and Mullins (2012) draw a similar conclusion to Mullins *et al.*'s study in 2010 that a toolkit rather than a single tool is required to serve the very different purposes housing associations are seeking from social impact measurement. Some tools such as Outcomes Star are excellent in being transparent to users and in engaging users directly to co-producing assessments of impact while others are more abstract and use proxy values to monetise social value.

An approach that has received particular attention is Social Return on Investment (SROI) because of its claim to comprehensively combine qualitative narratives with monetised language. It uses financial proxies to estimate the value of non-market goods and has a strong tradition of stakeholder engagement in mapping social impact. As with many assessment tools SROI has its challenges (Arvidson *et al.*, 2010) including:

- The need for robust monitoring systems
- Judgement and discretion in setting the indicators
- A focus on impact at the expense of understanding process
- The omission of activities with outcomes that cannot easily be measured
- All benefits cannot be adequately reflected by financial proxy
- A monetary value for volunteering is problematic
- The ratio does not lend itself to benchmarking
- It involves high labour and training costs

Recently HACT itself has commissioned a new analysis that explores wellbeing values and focuses on similar territory to SROI. HACT has also been commissioned by a major housing association in London and the South and by a group of organisations in the North West to develop wellbeing metrics further into a tool that can describe the social value and social impact of housing associations, both as providers of housing and investors in communities. This work has been conducted by Daniel Fujiwara, an economist at the London School of Economics and Matt Leach, Chief Executive of HACT. Housing associations and others have contributed to the progress of this research through participation in round tables and sounding boards (Fujiwara, 2013).

It will be important for housing associations to have access to good advice and guidance on the bewildering range of tools currently available and to ensure that effective choices of tools are made to meet their different purposes. Peer learning networks such as this will provide an excellent institutional environment in which this can take place.

A significant development in raising the profile of social impact has been the Public Services (Social Value) Act 2012. The legislation applies to all public service contracts and complements existing procurement guidance. For housing associations the Act means they must be prepared to define the social and economic value and impact of the services they offer when tendering for a service from a local authority or other relevant body.

One of the problems with the Act is that social value is not universally defined although it is inferred that pre-procurement process will be looking at how the services could improve economic, social and environmental well-being and how that improvement can be secured.

Generally the 'Social Value' Act has been well received by those promoting social enterprise and those wanting to see the social and economic value of businesses being given greater consideration in the procurement process. However, Duncan and Thomas (2012) suggest there needs to be a radical organisational and cultural overhaul of housing associations if they are to rise to this challenge, which has long term implications for the learning needs of the sector:

*"Housing associations need to re-think the way they operate their businesses to enable them to deliver the maximum possible social value for their communities across every part of their organisation. How they work with social enterprises and support community entrepreneurs, how they run their procurement processes and the way in which they deliver existing and potentially new services in neighbourhoods are all important aspects of this change. For many associations, this re-think will require significant internal cultural change."*

*(Duncan and Thomas, 2012:51)*

Partnership working emerged as an important element in all four work streams and the role of the local authority in community leadership in this has been part of the modernisation agenda since 2000 to describe the value that councils can bring to their localities in conjunction with other partners. The role is founded on its accountability and democratic legitimacy and a unique sense of place associated with geographical boundary (NLGN, 2005). Local authorities lead on strategic and area partnership work in many of the localities in which housing associations operate. However, in the context of the substantial public spending cuts, the resources and in some cases strategic leadership of well-resourced local TSOs such as housing associations will be essential to ensure effective local partnerships to make best use of resources such as back office services and premises to maintain local community services and deliver social impact.

## Social Enterprise

These funding cuts to local authorities and to TSOs combined with withdrawal of services from neighbourhoods such as education and training, financial and benefits advice, employment support and advice on rights and entitlements are beginning to take effect. In conjunction with the advent of Welfare Reform and the likely effect on a sizeable percentage of social housing tenants these changes are prompting renewed interest in social enterprise business models by TSOs with the purpose of sustaining neighbourhoods in difficult economic times.

TSOs are in a state of flux and change because their funding has been significantly diminished at national and local level. A general swing can be detected in the third sector away from charitable funding as core business strategy moves towards trading models, self-sustainability and social enterprise. However, there are no universally accepted definitions of social enterprise and the sector has been described as a 'big tent' with significant variations in motivation, strategic priorities and governance models (Teasdale, 2010).

Recent research commissioned by the National Housing Federation (NHF) into the potential for housing associations to create jobs for the disadvantaged via social enterprise provides a good example of this revival of interest (Richardson, 2012) and the EU definition of social enterprise provides one widely cited attempt to capture the distinctive features of social enterprise.

Recent discussion at a HACT seminar confirmed that larger numbers are beginning to recognise that they are themselves social enterprises and they have the potential to trade with social enterprises to employ more tenants and local people and keep the benefits of their substantial commissioning of services within the local community.

NHF research findings were based on a returned survey from of 91 housing associations and 16 interviews with Chief Executives and social enterprise specialists<sup>3</sup> and showed that although there is a broad spectrum of engagement, there is a growing interest in social enterprise amongst housing associations. Motivations in response to the wider context included:

- Creating employment for tenants (91%) (high unemployment particularly for NEETS<sup>4</sup>)
- Delivering wider community benefit (78%) (cuts to public services)

### Social Enterprise:

*"Social enterprise' means an enterprise whose primary objective is to achieve social impact rather than generate profit for owners and stakeholders. It operates in the market through the production of goods and services in an entrepreneurial and innovative way, and uses surpluses mainly to achieve social goals. It is managed in an accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activity" (Richardson, 2012:14).*

<sup>3</sup> The survey was sent to 600 housing associations and the report notes that responses were returned from an interested self-selecting group, Figures are likely to show greater involvement with social enterprise than for the housing sector generally.

<sup>4</sup> 16-24 year olds not in employment, education or training

- Improving service delivery for tenants (69%) (fewer grants for CSOs coupled with growing social financial sector willing to invest in social enterprise)
- Opportunities presented by recent policy including localism; 'right to provide'; social value and the green deal

The report highlights four key areas where housing associations engage with social enterprise:

- Procurement – designing policies to maximise social value, making processes accessible to social enterprises
- Capacity building – financial, back office and brokerage with other social enterprises and private sector firms
- Partnerships – with existing social enterprises and creating greater social impact
- Setting up – where partnerships are not possible, starting up social enterprises provides an option for employing residents

## Commissioning:

As noted above a major way in which housing associations are now engaging with social enterprises and TSOs is as the commissioners of services to meet the needs of their residents, the support needs of their business and increasingly through joint commissioning of services with local partners. It will be of clear value for the KTP process to consider commissioning as a central theme in other work streams. This could be further strengthened by combining commissioning with a focus on social value and social impact.

A key outcome of successful commissioning is successful investment of housing associations' own spending power in ways that promote the local economy rather than leaking to large scale contractors with little local anchorage. However, there are sometimes concerns as to whether local social enterprises are fit for purpose and how that can be measured and monitored by housing associations acting as commissioners.

Based in the Centre for Voluntary Sector Research at Sheffield Hallam, Morgan and Fletcher's (2011) study of charities' compliance with public benefit reporting<sup>5</sup> found that only 26% of the 1402 charities over the audit threshold researched were fully compliant in providing a clear explanation as to how their activities had led to benefits for their beneficiaries. In addition they found an enormous variation in standards. It was noted that where trustees were professionals (with an understanding of charity compliance issues) or experienced staff, there was a better grasp of the importance of public benefit reporting (PBR) requirements.

The Sheffield Hallam report suggests indicators for PBR good practice might consist of:

- Clear statement of aims for public benefit
- Evidence that the guidance on PBR has been considered

---

<sup>5</sup> Since April 2008 the Charities Regulations have stipulated a two-fold compliance with public benefit reporting. Trustees are required to consider public benefit alongside their annual Trustees' Report

- Systematic reporting on the activities to show how PB requirements and assessments were implemented
- A clear recognition of who the beneficiaries are
- An explanation of achievements against targets for the year
- A discussion about the affordability and accessibility of the charity's services
- Discussion about future strategy

These indicators form a starting point for housing associations when considering which TSOs to support, partner with or commission in service delivery for the benefit of residents in their local communities. Current research in progress by Dr Jenny Harlock, TSRC will explore the relations between commissioners and contractors in understanding what types of social impact are most valued and how this is best measured. There is much scope for joint learning in this area between housing associations and other commissioners such as local authorities.

There are newly emerging tensions around TSOs becoming engaged in the delivering of services. Early scaling up of TSOs into social enterprises was based on alternative strategies for provision that were targeted to meet the needs of specific client groups (Lyon and Fernandez, 2012). In looking to improve social impact the challenge therefore was to build on the franchise approach but adapt this to a social enterprise context (ibid). However analysis of the 300+ TSOs involved in the Work Programme assumes commissioning readiness of TSOs and suggests that the impact of outcomes targets is a focus on the 'easiest-to-help clients' (Damm, 2012:5).

## Local Economies

Social housing tenants have long experienced much higher levels of financial exclusion than the general population, reflecting the increasing residualisation of social housing; lower levels of labour market participation and lower paid and part-time work for those who do participate (NHF, 2011). It has been estimated that tenants in social housing make up 60% of all financially excluded people in England and Wales

([http://www.cih.org/publication-free/display/vpathDCR/templatedata/cih/publication-free/data/Financial\\_inclusion\\_and\\_housing\\_-\\_baseline\\_survey](http://www.cih.org/publication-free/display/vpathDCR/templatedata/cih/publication-free/data/Financial_inclusion_and_housing_-_baseline_survey)). The DWP's Family Resource Survey (2007/08) found that 21% of social rented tenants did not have a bank account (NHF, 2011). Pay day loans and loan sharks are a particular hazard on housing estates reflecting limited access to more affordable sources of credit. Balancing debt, household expenses and housing costs have always been difficult but the prospective removal of direct payments of benefits to landlords and amalgamation of housing benefit within Universal Credit will soon increase the difficulty of preventing housing debt and potential evictions.

Most housing associations that own stock in areas of high Indicators of Multiple Deprivation (IMD) have developed social and financial inclusion strategy including; money management training; work with advice agencies; targeted support for families in particular hardship and employment and training initiatives. The majority of housing associations (80%) are offering help, advice, services or work opportunities to residents to



increase their chances of finding or staying in work (Gardiner and Simmonds, 2012). However, Welfare Reform introduces a raft of wide-ranging changes to the benefit system that will affect housing associations and their residents across the social housing sector.

A recent baseline report on these Welfare Reform impacts commissioned by the National Housing Federation outlines key findings (Ipsos MORI, 2013:4-5).

- Of all the reforms, the introduction of direct payments to tenants is expected to have the biggest impact – more than 80% of housing associations say it will affect their organisations a great deal or a fair amount.
- The bed-room tax is anticipated to have a significant impact for more than 60% of associations. This rises to 80% or more for associations operating in Yorkshire and Humberside, East Midlands and the East of England.
- The household benefit cap is expected to have less impact on housing associations across the country, which is consistent with Government estimates that fewer housing association residents will be affected by the measure than by other changes with the main impact falling on private rented tenants.
- More than half of associations (57%) believe that their tenants know hardly anything or nothing at all about the benefit changes.
- 84% of associations believe that rent arrears will increase as a direct result of welfare changes. The average increase expected is 51%, which, if replicated across the sector, would mean an additional £245m of arrears.
- Some 64% of associations are confident that increased arrears arising from Welfare Reform will not affect their ability to meet loan covenants, but one in five (22%) say the changes will make it harder.
- 10% of associations involved in the Affordable Homes Programme believe that in particular the introduction of direct payments to tenants will make it a great deal harder to meet their delivery commitments.

Welfare Reform is likely to have a major impact as 65% of housing associations core rental income stream is funded through housing benefit (TSA, 2010). Housing associations that are at most risk from Welfare Reform (Ipsos MORI, 2013) include those with:

- a large proportion of benefit claiming households
- few one-bedroom properties
- a higher proportion of larger properties where children have grown up and left home
- A higher proportion of larger household with non-dependents
- A higher proportion of adapted stock

A report by Moat Communications and Public Affairs Team on behalf of the consortium of associations in the south east (CASE) address the barriers to Welfare Reform achieving its goal of helping people back to work and stability include:



- The need for increased one-bedroom properties – generally seen as an inefficient housing solution (7.5 of total stock would have to be rebuilt to meet demand)
- Under-occupiers would be unfairly penalised due to lack of appropriately sized stock
- Local authorities will find themselves under huge pressure to rationalise stock
- Pilots of direct payments have shown a significant increase in rent arrears affecting borrowing costs for new build
- Modelling around the benefit cap shows that it will not be cost effective for larger properties and there could be a reduction in homes with more than three bedrooms

The report speculates that:

*“There is a real danger that as the Department for Communities and Local Government embarks on a programme to increase housing supply, the Department for Works and Pensions (DWP) is preparing to implement policies that are certain to do the opposite” (Moat, 2012:3).*

Similarly, research from the University of Cambridge (Clarke, 2012) suggests that underlying assumptions regarding Treasury savings on the part of DWP are misplaced. In-depth study of under-occupation of social housing in four different areas of England shows that tenants are unlikely to stay in under-occupied properties and pay the shortfall; neither is housing associations’ behaviour to this legislation likely to remain unchanged. The research concludes that the DWP’s assumption that savings made will represent a permanent reduction to the Housing Benefit bill is doubtful.

## Place Making

In the UK, involvement of residents and local communities in planning decisions and design is not a new phenomenon. Many local authorities and housing associations enable community participation in place making activities as a matter of good practice via tools such as design workshops, participatory appraisals, imaging days and ‘Planning for Real’. Public involvement in planning has been enshrined in law since the Town and Country Planning Act of 1947 introduced the right for the public to object to and make representations on a plan. In 1969 the government sponsored Skeffington Report, People and Planning stated that people should be able to influence the kind of community they wanted to live in to the best of their aspirations.

The Localism Act 2011 introduced statutory neighbourhood planning in England as one of many changes to the existing planning system. Within the limitations of the new National Planning Policy Framework it is intended that communities take the lead in local development and place-making.

Communities are able to draw up a Neighbourhood Plan for their area to decide the future of the places where they live and work, creating the opportunity to:

- choose where they want new homes, shops and offices to be built
- have their say on what those new buildings should look like
- grant planning permission for the new buildings they want to see go ahead
- Protect green spaces

'Locality' has led a programme of work involving expert practitioners and professionals to give bespoke support to local groups developing neighbourhood plans. As yet there has not been a thorough-going analysis of outcomes from this process. Gallent and Robinson (2012) set out to understand the major challenge of neighbourhood planning in finding a more effective way for residents and other players to develop a relationship where they can communicate and work together with reference to empirical material drawn from study of community-based planning in 10 parish councils in response to the Ashford Growth Area Development in Kent where the borough's core strategy was one of rapid change in terms of new homes, employment sites and new infrastructure. Their findings suggest that there are three main aspects to this relationship:

- Community capacity, motivation and objectives and the importance of professionals' role in building capacity
- The crucial role of broker in bringing different players together towards consensus to develop the potential for new opportunities, capabilities and innovations
- Reconciliation between local projects and strategic vision where neighbourhood planning offers a progressive vehicle to deliver a way of development that addresses the needs of both people and place

As yet housing associations have not taken up the potential of neighbourhood planning as part of a formal process but there are clear roles and benefits should they chose to do so.

HACT is also undertaking a stream of work in supporting the development of community-led housing. Reflecting the origins of HACT in supporting small community-led housing provision, this stream connects with other provisions in the Localism Act and recent policy initiatives to support self-help housing groups bringing empty homes into use, community land trusts (CLTs) providing long-term access to affordable housing for sale in high cost areas, self-build and small housing associations. TSRC has also developed a research focus on community-led housing with a stream of projects with self-help housing.org (Mullins, Jones and Teasdale, 2011) that led to the establishment of the Empty Homes Community Grants Programme (EHCGP) investing £30 million in 95 non-registered housing providers between 2011-2015. A comparison of the institutional support provided to community land trusts and self-help housing has recently been produced (Moore and Mullins, 2012) and a new evaluation is now underway on the impact of the EHCGP.

It is important that this stream is connected to the KTP work with housing associations. Housing associations buying into the partnership model of supporting local social enterprise may also work collaboratively with community-led housing providers. There is considerable scope for providing access to properties and technical and support resources without undermining the independence and local embeddedness that is a major advantage of community-led projects. However, the lessons of history suggest that there are also dangers of unequal partnerships and of housing associations' business and asset management interests leading to a disregard of the social value generated by smaller local organisations and the adverse impact that unthinking internal business models (e.g. in relation to hand backs and rent setting) can have on these local innovators.

### 3. FINDINGS

Primary data for this section has been gathered principally from social housing sector participant respondents in telephone interviews from September to November 2012. In addition four feedback interviews following HACT's neighbourhood planning action learning launch, October, 2012 have been incorporated. Most respondents are investors in/members of the Strategic Framework Group for HACT therefore hold community investment activity in high regard so it is noted that the telephone interviews start from a progressive baseline. Respondents understood the purpose of the exercise in terms of HACT's repositioning within the sector. In two instances the initial interview was followed up by a second interview within the same organisation. All interviewees were assured that their contributions would be treated in confidence and a simple numerical coding system has been employed to protect this.

Although small-scale, the research field reflected some of the diversity and dynamism of the sector can be noted from the variation in regional base, stock size and the number of respondents' organisations undergoing restructure (see Table 3). There is a risk in drawing too definite conclusions from what is quite a small sample. Later in this report a wider ranging approach to gathering intelligence from and understanding the trajectory of the sector is proposed.

#### Spread, size, restructure and partnerships (Table 3)

Code No.	Region	Stock Size	Restructuring	Partnership Working
1	South/South West	34,000	Merging 4>1	HA consortium network/with TSOs to support community infrastructure
2	North West	14,000	Internal job losses	CSR best practice groups/TSOs
3	Yorkshire and Humber	21,500	Merging	Community groups LA/DWP/HAs/Colleges/Employers/Schools
4	South West	9000	Recently merged	LAs/Police/Locality/TSOs/ Residents Groups
5	North East	2250	Recent partnership	Key LA partners/TSOs
6	London/ SE/E Mids	38,000	Rationalised 4>1	National TSOs – partnering to avoid duplication
6a				
7	London/S/E/W England	5000	Stable in rural settings	National TSOs
8	London/SE/W Mids	65,000 12 HAs	History of increasing group structure	LAs/HAs/CVOs
9	East London	8500	Restructuring	Community Empowerment network/HAs/community groups
9a				
10	West Midlands	9000	Stable	TSOs/Job Centre+/LAs/service providers
11	North West	18000	Product of merger 2010	LAs/HAs/service providers/networks

The sample has been taken from a reasonably balanced regional spread although there was some territorial overlap within this. Three were based in the south-west; two in the south-east, four in London, one in the east of England, one in the east Midlands, two in the West Midlands, two in the north-east and one in Yorkshire and Humber (Table 3).

As Stoker (2012) suggests, divides exist along spatial lines. Geography did not seem to affect levels of engagement in CI but different geographical contexts created different CI priorities. For example, in response to Welfare Reform there appeared to be a greater focus on affordable rent products in areas of high housing need but emphasis on employment and skills training in areas of low demand housing. A different approach was taken to CI activity dictated by the demands of dispersed or rural areas in comparison with urban areas. In one large organisation this was acknowledged and clearly defined between two lead officers:

*"I think we see things through different lenses according to the stock as hers is dispersed and some rural while mine is mostly London and compact".*

Having a substantial number of local residents to take forward a social enterprise was a further challenge described by a respondent working in a rural setting:

*"To get a CIC we need a critical mass. We have tried to link villages together but even where there is only a mile between them it's difficult because they have a distinctive ID and we have had no success with joint ventures."*

Size-wise, the sample leaned towards the small to medium-sized organisations, although over 50% of housing associations own 10,000 or less stock (Ipsos MORI, 2013): six fell below the 15,000 homes bracket; two with 15-25,000 homes; two with 25-50,000 homes and one over 50,000. All organisations within the sample engaged in partnership activity to deliver community investment but size tended to govern how organisations were able to operate in partnership and there is no way of knowing how sensitive respondents were to inequalities in partnerships.

Those below 15,000 homes were clear that they could not deliver community investment strategy other than in partnership with others and lack of strategic leadership between partners emerged as an insoluble issue for one small organisation that did not have the capacity to take the lead:

*"the local authority brought a few of us together and said 'what shall we do about this?' – but there was no coherent plan from the local authority as to what to do with it."*

Larger organisations were able to take greater risks than smaller ones and one respondent described how a partnership developed because they led by example:

*"We put in £17,000 upfront to get this pooled local environment partnership going. But six other registered providers then joined in. Then the city council added additional resources. A big RSL spend almost all of their environmental programme resource budget putting it into the pool."*

Leadership from within organisations was also considered crucial in the development of corporate CI strategy:

*"There are community implications and there are organisational implications...we need an arbiter (where CI impacts on other directorates) and that is where the CEO sets the direction....CI can't be done without leadership"*

Most of the organisations were undergoing, or had recently undergone internal restructure. As Duncan and Thomas also found, the link between restructuring and the need for organisational culture change was evident. Seven respondents referred to it directly as being a barrier in the development of CI strategy, for example,

*“Some frontline staff need to undergo a cultural change. Because of restructuring and resource constraints they are struggling to do their ‘day job’ while we are saying community development is part of the same job”*

Some respondents referred to the conflicting interests sometimes evident between directorates but one respondent captured this tension as a means of other directorates realising common interest around the business case for community investment:

*“The Director of Development understands that they need the community stuff in order to sell the principle of a neighbourhood. The neighbourhood has got to be perceived as somewhere cohesive, safe and interesting to live. He’s thinking that what he wants is to make private sales to promote our mixed tenure strategy.”*

### Perspectives on community investment (Table 4)

Broad view of CI within social housing sector	CI Approach within own organisation
Timescale constraint	Focused on affordable rent products
Piecemeal	Could not deliver CIS alone
Depends on size	Not at heart, not sure of value
SHS not up to third sector	Trying to develop sense of purpose
Piecemeal, ad hoc	Evidence driven on basis of need
Chasing moving targets	Trying to mainstream CI via activities
Needs of Welfare Reform not being core funded	Approach is different according to rural/urban divide
A lot of good will but sector variable	Partnerships particularly with Parish Councils
Depends if part of business plan...	About enhancing what is already there
Perspective ‘too narrow’ for CI to meet social and business needs	Mostly Employment and Training for people ‘below the line’
Most meeting social needs – CD enables business needs to be met e.g. WR	Jointly procured CD function. Shares GP with 15 other CD workers in the Network
Time, capacity and interest is a challenge	Partnering to create an Employment and Training Social Enterprise but lack of employment opportunities in area
Some good projects but don’t necessarily make a difference	Pooling resources. Focused on meeting business needs and regulatory requirements

Comments invited about CI within the social housing sector as a whole were largely negative and most referred to the lack of time and resource, strategic planning, corporate coherence and core funding of CI activity (Table 4). None of the participants mentioned Government initiatives such as community organisers as a potential enabler of change. It was noted by several respondents that although there is good will within the sector to engage with community investment, there is little broader understanding or vision of how it interfaces with the business case:

*“As far as meeting the business case goes, I’m not sure that we were always clear about how CI supports the case. It was seen as the nice and right thing to do because you can see and feel valuable things. We need to get sharper about the business case and need a way of allocating things”*

The concept of Big Society was mentioned in terms of expectation that; *“there’s an interest and a capacity to take on these new powers”*. However, the capacity issue was highlighted as the main barrier:

*“We are willing to work with communities, but finding people with the interest, the capacity, the time to take part can be a challenge”*

However, Welfare Reform legislation has had a profound effect on CI strategy:

*“Most HAs are meeting social needs i.e. most are charities as well as businesses and this is part of their objectives. The community development agenda enables the business needs to be met and in instances where new thinking is required e.g. Welfare Reform, as well as meeting residents needs, action taken is also meeting the business needs as Welfare Reform is a huge risk to our business”*

This was seen as a counter dynamic by a respondent who had won one of the on-going arguments within the sector about the wider remit of community investment strategy. She was concerned that the focus on ensuring that individual residents were prepared for Welfare Reform was going to atomise strategy:

*“The discussion has been around whether we work just with our residents (a nonsense on mixed landlord and mixed tenure estates) but Welfare Reform is going to be a focused effort that might undermine the perspective that we now have that it is better to work with entire communities”*

Partnering, networking, and pooling resources were again mentioned as respondents summarised their internal organisational approaches to CI but there was a clear emphasis on the need to be able to measure both social and economic impact. Those organisations that have not got impact measurement systems in place are beginning to move from piecemeal project-based approaches to CI towards needs-led analysis and local neighbourhood pilots:

*“We have devised the community-strength assessment based on 9 indicators and have turned community profiles into strategy. We are establishing and measuring outcomes now.”*

The development of HACT’s Community Insight tool (p.45) in partnership with Oxford Consultants for Social Inclusion (OCSI) is linked to this kind of metrics to measure the social and economic impact of community investment strategy on the basis of wellbeing.

## Location of CI function, priorities and learning needs: (Table 5)

Location of CI	Priorities	Learning needs
1. Housing and Communities	'early action' model to meet the needs of the business and Welfare Reform	Use of social media to assist internal communication
2. Social Responsibility	Digital and financial inclusion and worklessness	Sharing good practice e.g. setting up jam jar accounts with Credit Unions
3. Neighbourhood Services	More coherent CI strategy	Impact measurement SE around the CRTB
4. Tenancy Management	Meeting regulatory and scrutiny requirements	Raising the profile of customer involvement
5. Housing Management	Communities in greatest need	Measuring social value organisation-wide. NHP with LA partners using Community rights efficiently
6. Community Investment and Regeneration	Mainstreaming CI through regeneration activities	Mixed portfolio of impact measurement
7. Operations	Financial inclusion, worklessness and local rural services	Issues and opportunities in NHP SE in rural areas
8. Sustainable Communities	Increasing life chances	Getting corporate buy-in Accessing external funding
9. Communities and Neighbourhoods	Employability and skills (especially for residents below the radar)	Embedding CIS SI across partnerships Corporate cohesion
10. Regeneration	Capacity building within the community	Improved partnership working
11. Neighbourhoods	Joining up service provision Achieving corporate buy-in	Sharing opportunities Collaborative working

Initially it appeared from the data that community investment function organisationally located within housing and management services is less likely to be operating community-wide than community investment based in regeneration and other neighbourhood spanning functions (Table 5). For instance, those respondents working within housing and management functions came across structural barriers when trying to develop a broader remit:

*"The asset teams are not involved with the neighbourhood approach. Organisational structure is a barrier"*

It was not only a case of where CI was located but how it was perceived internally:

*"There is an internal culture change going on and a need to change mindsets".*

However, participants proved that community investment work can be done within housing management operations but is constrained to the organisations' residents:

*"We have a mobile management service with housing staff generalists. They would be doing rent arrears and community involvement at the same time. There is no conflict – for example most in arrears can't pay not wont so it makes sense to get them involved in financial inclusion initiatives."*

Working in community-wide partnerships can be seen as an added complication when organisations are more concerned to monitor and assess their own organisation's social and economic impact than to assess local



impacts on communities. Trying to meet the needs of only the housing association's tenants can be seen as even more difficult although a very real dilemma for local authorities who must use the Housing Revenue Account (HRA) exclusively for tenants' benefit:

*"We can't justify spending the HRA on CI but when we are looking at sustainable communities we can't say no to other residents either. We need to partner up and monitor 'in kind' contribution".*

Where CI work was based in regeneration, funding leverage was an effective solution:

*"We lever in external funds by setting up charities around the residents – at one time it was a big problem working explaining to the Board how much we had raised but now we've started accounting for the TSOs and show that we are simultaneously bringing a partner and all their resources to work with us"*

Wherever CI was based, all the organisations we spoke to relied to a greater or lesser extent on the resolution of partnership working to deal with challenges of resources. Internal partnerships across the organisation between different directorates were also important:

*"We've got core funding and a good relationship with the central procurement team. They usually work on procuring huge contracts but they are keen to work with us and are looking at sustainable procurement for sustainable communities"*

Some initiatives can only be delivered with the co-operation of other partners. This respondent is speaking in the context of the Community Right to Build:

*"if we wanted to put a new development through and the local authority didn't support it, but we pushed ahead anyway, that would have negative repercussions in the long run".*

At local level collaboration was considered important in order to deliver across boundaries:

*"Partnership – "Often the problem is this: I'll have my job within a neighbourhood, the next organisation will have what they think is their job within that neighbourhood. I'll mow my patch of the lawn and they'll mow theirs, but in between there is a bit of land that gets neglected, which neither thinks is theirs to deal with. But actually the litter blows across into both our patches of land."*

Finally, one organisation noted that successful CI work was not only dependent on internal organisational support and the collaborative framework to deliver community-wide, but that overall context could still be the deciding factor:

*"In the area where we work there is a 'skills vacuum' where local industries have been wiped out. There has been regeneration, but that hasn't met the needs of the area".*

Evidently community investment is critical to local economies and it may be useful for HACT to focus on organisational change within housing associations to monitor how community investment strategy is developing. Recognition of the need for partnership working in local communities and to decide investment priorities and

measure impacts on a community-wide cross-organisation basis rather than an individual organisation basis remains as problematic for many housing associations as it was when the 'think piece' was written (Mullins, 2011). It is even more important as the need for social impact measurement is recognised that this becomes a real tool for collaborative partnership approaches to community investment rather than a credit claiming game for individual housing associations. Tools such as the Outcomes Arena report in van Bortel and Mullins (2010) advocated by Mullins (2011) have never been more relevant; with local pooled budget experiments now crucial to the preservation of public services in the current period of austerity.

### Scaling up work streams

Classifying the data from these interviews into specific work stream themes was a challenge because there is a natural link between all of them. Financial inclusion activity has often developed into local social enterprise; community involvement in asset management and regeneration is linked to neighbourhood planning and long term solution for local economies. The importance of being able to demonstrate outcomes for internal accountability and strategic planning as well as external regulation and funding is paramount throughout (Wilkes, 2012).

### Social Impact<sup>6</sup>

Although there was a perceived need for monitoring and evaluation of CI strategy, there was a general view that:

*"Housing really undersells itself, all the energy, time and resources that are put into CI without monitoring and evaluating it!"*

Although organisations were well aware of the on-going importance of being able to *"clearly set out what we've achieved for every pound we've invested"*.

Strategies for measuring social impact were found to be very patchy. Three respondents admitted that social impact was not being regularly assessed or monitored at all. Four organisations involved residents, including resident Board members and members of the local community in assessment:

*"We did a social impact report to the Board by having an event of stalls with all our partners and it was attended by people for the Food Bank etc and young people from Horizons so the Board Members could talk to those who had benefited"*

Two organisations employed external consultancies. In one case to develop a bespoke measurement on a project-by-project basis and in the other to refine a 'sustainability assessment' coupled with IMDs to develop community profiling on the basis of need. One organisation used social impact measurement for parts of the

#### Key Messages:

**Greater demand to link CI with core business**

**Purpose and method are linked**

**Cost and ease of use important**

**Benchmarking needed**

**Mixed portfolio of methods**

<sup>6</sup> 'social impact' and 'social value' were used interchangeably by participants

service e.g. youth engagement and training. Another organisation worked closely with local authorities and voluntary organisations and monitored against local PIs. One organisation adopted regulation-driven indicators but the respondent felt:

*"It doesn't measure the work we are trying to create. We are measuring community investment against indicators that are not what we are about....the IMDs are negative and they end up defining an area by its weaknesses."*

The drivers for measuring social impact were mixed: Internal reporting requirements; to meet regulatory demand; to account for strategic choices; to involve residents and the wider community; to define target areas; to monitor work in partnership and account for TSOs and other partners and to develop sustainable CI strategy. Generally the purpose for which an organisation used social impact measurement defined the method. For example where community-wide assessment was a requirement:

*"We capture the social impact via the annual RI assessment which is a really good way of doing it - it means we are not just focused on our residents but are community based and involve leaseholders and shareowners also".*

Different approaches to evidencing social impact were used for different purposes. Several organisations realised that there is no silver bullet and more than one approach to measuring social impact may be needed:

*"For social impact we use 'stories of change' and also SROI which is a good thing as we can do a big assessment and then not do one for years. The last one we did was with students from XXX University who discovered that we earned £8-11 for every £1 we spend on CI".*

When asked what support would be needed to mainstream the use of social impact, responses included the need for expert knowledge and information about what was available:

*"Social impact is hugely important – it is not a new methodology but guidance and information is needed to establish what it is and how to develop our own version of it."*

The need for a mixed methods approach to account for different circumstances as follows:

*"We want a tool based on 'net present value' to include bricks and mortar and social impact."*

*"SROI can add up a global figure that is simple and attractive to large organisations but it is laborious and makes assumptions about the monetisation of certain activities. There is still room for qualitative analysis e.g. in employment and in other obvious instances. We need a mixed portfolio"*

*"We could look at how and why using different tools for different situation and importantly get something that is easy and simple to use for monthly reporting purposes."*

*"I can do estimations but it would be great to be able to delve more into qualitative evaluations. If I'm honest I don't feel social impact is being adequately captured as we stand."*

And methodologies that take account of the size of organisations and diverse needs of the sector, particularly the need for low burden yet meaningful approaches for small organisations:

*"Social impact is not being captured by small organisations, HACT works well with bigger organisations but SI has to be proportional to the task and size of the organisation".*

## Social Enterprise

Approaches based on primary data to date suggest some housing associations are conscious that public services necessary to the well being of their residents are disappearing and are adopting different courses within social enterprise strategy to tackle this problem:

- To develop their own role as a social enterprise
- To foster social enterprise from within their own community bases
- To commission TSOs to deliver services on their behalf
- To attract SEs as a means of place shaping and local economic impact

Two organisations were still at the ideas stage with social enterprise but the remainder were all taking part in social enterprise activity in one way or the other. Six organisations were supporting TSOs to operate as social enterprises in partnership. Most initiatives were employment, training and work related. Support took various forms:

*"We have a Rural Enterprise Coach that we host. We do joint working with the CIC Team for XXX and we are helping with tenants' up-skilling to take part in scrutiny (perhaps creating a social enterprise)."*

*"London LAs are looking at commissioning out services and are talking more to HAs. HAs are doing the back office while SEs are being brought into the supply chain e.g. older people's front gardens where trained customers provide a service as part of accreditation. This is one big barrier to small social enterprises. By staff being involved in helping the residents it's made them realise the value of it all."*

### Key Messages:

**Partnership working is fundamental**

**Developing an SE takes time**

**Take up in rural areas can be a problem**

**Getting commissioning right**

**Benchmarking needed**

**Scope for a wider than housing role for housing associations**

It is evident that the successful development of a social enterprise takes time:

*"Environmental services are a social enterprise that began in the neighbourhood we started working in ten years ago. Initially 3 guys in a van, ten years later they have a turnover of over £1million."*

Not all initiatives were successful because of a variety of reasons such as getting the commissioning process wrong:

*"We have got a few SEs that are not working very well and they are looking at commissioning – not being able to benchmark is an issue"*

Some barriers were specific to setting up social enterprises in rural areas:

*"SE in rural areas has not worked. We ran a competition and the Board allocated some seed funding. We provided consultancy yet we did not receive one applicant!"*

Ambitions for local scale up included: developing SE in employment and training initiatives and in the supply chain; linking SE with scrutiny and the community right to challenge; benchmarking local SE development; trying to create joint ventures between villages in rural areas; taking on more direct provision of services that matter to the community e.g. youth service; scaling up a joint procurement model; sustainable outcomes and more employment opportunities for young people.

### Financial Inclusion

All organisations were taking initiatives around financial inclusion associated with areas of high unemployment and worklessness but the advent of Welfare Reform and cuts in public expenditure had evidently made these initiatives more urgent and mainstream. There was an overall impression that:

*“HAs feel that they have got to step up as other public agencies are stepping back.”*

Criticism came from two respondents who felt that the emphasis on financial and digital inclusion, maximising rental income, debt counselling and arrears advice had superseded some of the CI strategic work they had been engaged in long term to try and stimulate local economies and to include those least likely to be high Work Programme achievers:

*“We deliberately take people ‘below the line’ because a lot of organisations ignore their needs. It is not a question of getting people into work but how long do they stay in a job?”*

The lack of sustainability in financial inclusion initiatives was mentioned by several participants:

*“There are lots of initiatives around training, but there needs to be a next step for people to take what they’ve learned onto a next level or put it into use.”*

Some organisations had taken on new posts to deal with forthcoming legislative demands, such as secondees from the local Credit Union; the creation of a Finance Officer post to up skill area housing officers; taking on a dedicated Welfare Officer to address mortgage rescue packages. Signposting and advice work had been significantly increased, sometimes in partnership with voluntary agencies, to cope with the level of queries about changes to benefits and working tax credits. Initiatives around digital inclusion particularly where organisations had aging populations was given a high priority.

In one rural area fuel poverty were seen as the main issue but community services generally were considered at risk as organisations working in these areas also campaigned alongside other partners to keep local shops and post offices open. Online and outreach career and employment support was a feature of financial inclusion strategy in rural areas because services could not be easily accessed nearby.

### Key Messages:

**Welfare Reform top concern**

**Collaboration to protect community services in rural areas**

**Increased focus of CI on the business case**

**Danger that community-wide work on stimulating local economies might suffer**

Although the focus on Welfare Reform was paramount there was a view that this endorsed the status quo and there was a need to:

*“Stop thinking that people are going to continue to be poor, we need to think, ‘what are their choices and what can we introduce them to, to help?’”*

### Neighbourhood Planning

None of the organisations had participated directly in the neighbourhood planning (NHP) process as described within the open source planning legislation currently being piloted. Six organisations expressed an interest in finding how it could work so they could get involved. Four organisations felt that they engaged in similar activity where communities were involved at the forefront of design and planning issues, but considered this part of taking a community-led approach to neighbourhood planning projects and involving communities in regeneration strategy. Two organisations had done some work with community groups that wanted to develop into Community Land Trusts and one organisation took a holistic approach using what they called the ‘delivery-led model’ of regeneration building economic confidence as well as the physical environment.

The main interest in pursuing NHP was in connection with the community rights agenda involving asset transfer and the community right to build. Community capacity to engage was considered a barrier:

*“We are willing to work with communities, but finding people with the interest, the capacity, the time to take part can be a challenge.”*

A lack of knowledge of what the opportunities are for communities in neighbourhood planning or community rights was also cited as a barrier to people being able to take part. One organisation encouraged a community group to take over the ownership and management of a local asset and although they helped with business planning and legal issues so they could:

*“take more control locally, for example in terms of managing local assets, is perhaps one avenue for this, but groups need steering and support. The problem with the idea of Big Society where we were working though, was that groups often weren’t in a position to take on the assets”*

#### Key Messages:

**There was interest but a lack of information about NHP**

**Some organisations engaged communities in their own version of NHP**

**Housing associations were aware of retaining good relations with local authority partners regarding planning issues**

**The scope for working on planning issues within the community rights agenda was a main interest for housing associations**

**NHP could be a mechanism for bringing asset and development teams together with community investment activity**

The advantages of taking an early-involvement approach to communities in neighbourhood planning projects include; a sense of ownership and early identification of problems at local level but two organisations took a long term vision of this kind of activity to improve local economies:

*“We see NHP as a means of intervention that looks at the larger scale, we think of it in terms of what we are about as an organisation. It works for us as an organisation and it works for the communities. It’s about making the communities where we work more prosperous.”*

Supplementary interviews with four participants who had attended the NHP event saw further advantage in NHP in being a mechanism for bringing asset development and community investment closer together. Their concerns were largely around resources and apprehension that they might be damaging good relations with the local authority if they pursued NHP without LA support.

Below is a summary of specific learning needs as indicated by the findings to date represented as topic and competency:

### Learning Needs (Table 6)

Topic	Competency
Community Investment Strategy	CI practice in a rural context
“	The CI needs of small housing associations
“	Organisational change and staff attitudes to and understanding of CI
“	Making the business case for CI
“	Community-wide CI strategy – collaboration with local partners
Leadership/collaboration	The importance of corporate leadership to CI
“	Taking a leading role in local partnerships where it is appropriate (collaborative leadership)
“	Partnership working and shared interests
Social Impact	Measuring outcomes of community-wide CI strategy
“	Purpose and method
“	Mixed methods of social impact measurement
“	Capturing social impact for small housing associations
Social Enterprise	Commissioning local social enterprise
“	Developing and supporting new social enterprise
“	Benchmarking social enterprise activity
“	Social enterprise development in rural areas
“	Social enterprise in the supply chain
“	Housing associations bidding for outsourced service delivery (most evident in London)
Financial Inclusion	Sustainable financial inclusion strategy
“	Fuel poverty
“	Collaboration to sustain community services in rural areas
“	Financial inclusion and local economies
Community rights (Localism Act)	Opportunities in the community rights agenda
“	Local opportunity for asset transfer
“	Opportunities to link development and asset management departments
“	Building and maintaining fair relations with community-led partner organisations

It is clear from the above Table (6) that there are additional and intersecting themes that frame the action-learning topics and competencies. Appendix A serves to illustrate that the four work streams HACT have designated operate flexibly as themes under the ‘umbrella’ of community investment strategy and that leadership and collaborative working can be seen as a cross-cutting direction that community investment strategy needs to take.



The housing association sector is a dynamic one and exposed to fast-moving changes in the wider socio-economic context. HACT should be reassured that the work they are doing today is building on the trust-based relationships with organisations that have great respect for HACT's history and role within the sector. Reframing will continue to be a feature of the work streams. As has been evidenced, previous worklessness and financial inclusion projects have adapted to and been steered towards the needs of Welfare Reform and this is an aspect of the sector that has to be accepted. It would be counterproductive for HACT to be continually relabeling rather than using existing broad and flexible domains that can be easily recognised as their trademark.

The use of the 'umbrella' model (Appendix A) more strongly paints the idea that the cloth of a community investment strategy stretched around the metal frame of the community investment framework and the cross cutting spokes of leadership, collaboration skills and organisational culture change may have a longer shelf life than the specific workstream content that is vulnerable to sector-related changes. It is these elements therefore that need to be core to HACT's approach and product mix.



## 4. EVALUATION

### Embedding change

Embedding change within HACT is a critical element in the KTP process in this project. To understand what has taken place and to ensure change continues to happen, it is important to keep in mind such questions as:

- How can we evidence that change has it taken place?
- What are the contexts in which change is happening?
- What methodology can best be used to capture change?
- How can different contexts be analysed to demonstrate change<sup>7</sup>?
- How have others contestants for the same space changed?
- What would indicate that HACT had changed its sector persona?

Beyond this scoping report there is need for further partnership building and insight development to establish the most effective method and process that will create a framework to map change has taken place within this project.

---

<sup>7</sup> For example – internal organisational change will have different indicators to a change in stakeholder perceptions

## 5. RECOMMENDATIONS

### Building partnerships

#### With academics

This activity is on-going throughout the duration of the KTP and involved building relations with the internal KTP partners; the funders, academics and business partner to include all HACT's staff. Alongside this work it is important there is a conduit for new academic research to be discussed between HACT and UoB to include TSRC and other relevant academic colleagues, e.g, CHASM & GEES and this work has already begun with a summary of conversations about colleagues primary research interests (Table 8). The TSRC/HACT Roundtable events calendar is a critical part of this work (Appendix C) and the objective is to establish this as part of a sustainable process beyond the duration of the KTP.

#### HACT/TSRC/CHASM: potential knowledge transfer collaboration (Table 8)

Colleague	Area of expertise	Links with HACT's work streams
Professor David Mullins	Hybridity and social enterprise in housing organisations International perspectives on strategic position of non-profit housing between state and market and role of community investment Other work linked with HACT on community-led housing agenda (especially with self-help housing.org on empty homes programme (EHCP))	Social Enterprise Community Investment strategy and Practice Community-led housing
Professor Karen Rowlingson	Financial capability (credit, savings and debt) Assets and asset-based welfare Social Justice and Wealth agenda (Policy Commission on Distribution of Wealth)	Financial Inclusion
Dr Mike Beazley & Dr Austin Barber	Planning, urban regeneration policy, community involvement, impacts of local development on urban communities	Neighbourhood Planning Community Investment Strategy
Dr Ricky Joseph	Credit Unions Third sector delivery of financial security The role of housing associations in relation to savings for people on low incomes	Financial inclusion
Angus McCabe	Community Development Strategies Poverty, Ethnicity and Social Networks	Community investment and resilience
John Mohan & David Clifford (TSRC Southampton)	Quantitative research, volunteering and civic core Third sector data sets	Community Insight tool Community resilience
Dr Rob Macmillan	Making sense of the big society Making markets in the third sector infrastructure Third sector futures dialogue (organisational and cultural change) Qualitative longitudinal research (Real Times Panel of third sector organisations)	Organisational change Infrastructure Commissioning
Dr Simon Teasdale	The long term sustainability of hybrid forms of social venture	Social enterprise
Heather Buckingham	Third Sector role in employment and local economy development Commissioning and housing support and homelessness	Local Economic Impact Social enterprise Commissioning
Dr Jenny Harlock	Impact measurement in the third sector Performance measurement in third sector public service delivery Commissioners and TSOs understandings	Social impact Commissioning
Pete Lambert	Third Sector knowledge portal Third Sector grey literature Third Sector information seeking behaviour Social networking within the third sector research community	Knowledge sharing and inter-sector communication
Dr James Rees	Commissioning and procurement for TSOs Work Programme Service delivery partnerships	Social impact Social enterprise Worklessness
Dr Lindsey Appleyard	Responsible and ethical lending: customers and corporate social responsibility	Financial inclusion

### With delivery partners

HACT's Network Manager is presently at the forefront of this activity and the role of the KTP is to support him with monitoring frameworks, regular feedback reports, flexible packaging that links in to a coherent pricing strategy and standardisation of partnership agreements to build administrative instruments into the process for the future. The concept of building block components in cross-selling the products through learning packages means that long-term relationships can be built with established partners e.g. Social Regeneration Consultants delivering CIF components on a regular basis.

### With housing association networks

This is largely an intelligence gathering operation that had already been instituted by the Chief Executive who has been at the forefront of marketing the GIS tool and doing strategic work such as Futures Days with housing associations and arms-length management organisations. When we are considering housing association networks it is also significant to include partnerships with local authorities who often act as enablers to housing association innovation or are significant housing providers in their own right.

It is key to developing a workable marketing strategy where networks and groups are mapped and tracked with a view to selling to them corporately especially where smaller housing associations are members to enable them to access knowledge products that they might not be able to afford in isolation. HACT is currently exploring this with the group of small housing associations known as the G320.

### Fostering insight

HACT's perception of itself and its aims are fundamental to its business development. Models such as Power's *et al.*, (2012) that suggest a community investment continuum exists within the housing association field can be a helpful guide to HACT in developing its role as interventionist and change agent. The role that the KTP has in tracking organisational change within HACT's transformation offers the potential for keen insight into how and what works organisationally.

#### Recommendations for the next quarter:

- The KTA work jointly with the academic partner to develop the Community Investment Framework (CIF) to provide a statement of values underlying community investment strategies for the sector. This will involve revisiting and integrating the Think Piece and CIF together with recent reports by Orbit Housing Association, ResPublica, St Andrews University and others. The output will provide the content for the KTA's Away Time project.
- The KTA continues to build partnerships and contribute to HACT's transformation and ability to produce sustainable learning packages for the housing sector
- The KTA continues to explore how application of the knowledge from inside the University of Birmingham (UoB) can be better achieved through investing the learning in different aspects of HACT's engagement strategy with the housing association sector
- The KTA devises a research strategy in collaboration with both academic and business partners

---

## References

- Alcock, P (2012) *The Big Society: a new policy environment for the third sector*. Working paper 82. TSRC: University of Birmingham
- Arvidson, M., Lyon, F., McKay, S. & Moro, D. (2010) *The ambitions and challenges of SROI*. Working Paper 49. TSRC: University of Birmingham
- Argyris, C. (1976) *Increasing Leadership Effectiveness*. London: Wiley
- Blond, P. (2010) *Red Tory: How Left and Right Have Broken Britain and How We Can Fix It*. London: Faber and Faber
- Buckingham, H. (2010) *Capturing diversity: a typology of third sector organisations' responses to contracting based on empirical evidence from homelessness services*. Working Paper 41. TSRC: University of Birmingham
- Business, Innovation and Skills (2010) *Local Growth: realising every place's potential*. White Paper. London: The Stationery Office
- Chartered Institute of Housing (2009) *Financial Inclusion and Housing - Baseline Study*. Coventry: CIH
- Clarke, A. (2012) *Under-occupation and Housing Reform: Four local case studies*. University of Cambridge, Dept of Land Economy: Cambridge Centre for Housing and Planning Research
- Clifford, D. (2011) *Voluntary sector organisations working at the neighbourhood level in England: patterns by local area deprivation*. Working Paper 65. TSRC: University of Southampton
- Cope, H. (2011) *Anchoring Homes and Communities: Community Empowerment Fund Evaluation Report*. CEF/HEN: HACT
- Damm, C. (2012) *The Third Sector delivering employment services: An evidence review*. Working Paper 70. TSRC: University of Birmingham
- Duncan, P. and Thomas, S. (2012) *Acting on Localism: The role of housing associations in driving a community agenda*. London: ResPublica.
- Fries, R. (2012) *Charities and Big Society in The Big Society Debate* (Armine, I. and Szreter, S., eds.), Cheltenham, UK, Northampton, MA, USA: Edward Elgar
- Fujiwara, D. (2013) *The social impact of housing providers*. London: HACT
- Gallent, N. and Robinson, S. (2012) *Neighbourhood planning: communities, networks and governance*. University of Bristol: Policy Press
- Gardiner, L. and Simmonds, D. (2012) *Housing providers' approaches to tackling worklessness: assessing value and impact*. A report by the Centre for Economic and Social Inclusion for HACT
- Homes and Communities Agency, (2012) *The regulatory framework for social housing in England from April, 2012*. London: Crown Copyright
- Ipsos MORI (2013) *Impact of Welfare Reform on housing associations: 2012 baseline report for the National Housing Federation in partnership with CCHPR*
- Kane, D., and Allen, J. (2011) *Counting the cuts: the impact of spending cuts on the UK voluntary and community sector*. London: NCVO
- Lupton, M. and Leach, M. (2011) *At the Crossroads. A Progressive Future for Housing Associations*. London: ResPublica

- Lyon, F. and Fernandez, H. *Scaling up social enterprise: strategies taken from early years providers*. Working Paper 79. TSRC: University of Middlesex
- MacLennan, D. and Chisholm, S. (eds) (2013) *New Times, New Business: Housing Provision in Times of Austerity*. The Centre for Housing Research: University of St Andrews
- Moat Communications and Public Affairs Team (2012) *The impact of Welfare Reform on housing. On behalf of the Consortium of Associations in the South East (CASE)*
- Morgan, G. and Fletcher, N. (2011) *Public Benefit Reporting by Charities*. Sheffield Hallam University, Centre for Voluntary Sector Research on behalf of the Charities Commission
- Milligan, V., Nieboer, N., Hulse, K. and Mullins, D. (2012) *The old and the new: comparing strategic positioning of third sector housing organisations in the Netherlands and Australia*. ENHR Conference Lillehammer, July 2012.
- Mohan, J. (2012) *The idea of a 'civic core': what are the overlaps between charitable giving, volunteering, and civic participation in England and Wales?* Working Paper 73. TSRC: University of Southampton
- Moore T and Mullins D (2012) *From experimentation to replication: comparing self-help housing and community land trust facilitation*. ISIRC Conference Birmingham (forthcoming TSRC Working Paper).
- Mullins, D. (2010) *Housing Associations: Working paper 16*. TSRC: University of Birmingham
- Mullins, D. (2011) *Community Investment and Community Empowerment: The role of social housing providers in the context of 'Localism' and the 'Big Society'*. TSRC: University of Birmingham
- Mullins, D., Jones, P. A. and Teasdale, S. (2011) *Self-help housing – Towards a greater role*. Case Study Findings Summary to inform Consultation at St George's House, Windsor Castle, December 2010 TSRC, Case Study Report (54) Birmingham: University of Birmingham
- Mullins, D, van Bortel G, Ham J.Y. and Watson, C (2010) *Social Investment Performance Management Toolkit for Housing Organisations*. Webpage with key findings, and seven downloadable working papers, workshop reports, case studies and tools from two year project for Tenant Services Authority.
- National Housing Federation (2011) *Building Futures: Neighbourhood Audit, Summary and Key Findings*. London: National Housing Federation
- National Housing Federation (2012) *Communities and Local Government Committee: Written submission from the National Housing Federation*: parliamentary copyright
- New Local Government Network, (2005) *Making Community Leadership Real*. London: NLGN
- Power A., Herden E., Provan B. and Lane, L. (2012) *Bigger than Business: Housing associations and community investment in an age of austerity*. London: LSE Housing and Communities and Orbit Group Ltd.
- Pryce, V. (2012) *Changes in the economy 2011-2020 in Housing 2020: Six views of the future for housing associations* Graham, S. (ed.) Coventry: Orbit
- Richardson, M. (2012) *Green Light: Creating Jobs through Social Enterprise*. Social Impact Consulting.
- Rees, J., Mullins, D. and Bovaird, T. (2012) *Third sector partnerships for public service delivery: an evidence review*. Working Paper 60. TSRC: University of Birmingham
- Sacranie (2012) Hybridity Enacted in a Large English Housing Association: A Tale of Strategy, Culture and Community Investment, *Housing Studies*, Volume 27, Issue 4, Special Issue: Social Enterprise, Hybridity and Housing Organisations (<http://www.tandfonline.com/doi/abs/10.1080/02673037.2012.689691>)

Sacranie, H. (2011) *Strategy, Culture and Institutional Logics: A Multi-layered View of Community Investment at a Large Housing Association* PhD Thesis University of Birmingham

Slatter, P. (2001) *After the Crossroads: Housing Associations as Community Investors*. Joseph Rowntree Foundation: York Publishing Services Ltd

Social Impact Analysts Association, (2012) *Report on 'Housing providers: evidencing their impact'*, HACT Round Table, 9<sup>th</sup> June

Stoker, G. (2012) *The political environment and localism: what future?* in *Housing 2020: Six views of the future for housing associations*, Graham, S. (ed.) Coventry: Orbit

Teasdale S (2010) Models of Social Enterprise in the Homelessness Field. *Social Enterprise Journal*, 6(1): 23–34.

TSA (2010) *The impact of the credit crunch on housing associations*. TSA

van Bortel, G. and Mullins, D. (2010) *Measuring Social Performance by Social Landlords, Examples from the Netherlands*. Research Report for Affinity Sutton Group and Tenant Services Authority pp 1-19

Wilkes, V. (2012) *Understanding why and how Housing Associations measure the social impact of their community investment activities*. Unpublished PhD research Centre for Urban and Regional Studies, University of Birmingham

Wilkes, V. and Mullins, D. (2012) *Community Investment by Social Housing Organisations: Measuring the impact*. HACT Summary Survey Report: Third Sector Research Centre

Wilson, R. (2012) Clearing the funding bar. Accessed 07.01.13:

<http://www.insidehousing.co.uk/need-to-know/briefings/clearing-the-funding-bar/6522358.article>

Appendix A

