Briefing Paper 10

Housing Scoping Papers - overview

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Introduction

This overview summarises key issues from a series of six papers on the housing dimension of the third sector produced as part of the scoping work on Service Delivery for the Third Sector Research Centre (TSRC).

> *The papers aim to stimulate debate on what third sector housing is becoming and to set the agenda for further research on the housing dimension to contribute to the wider understanding of the third sector.*

While it is clear that housing associations are an important part of the third sector (specifically mentioned in the Government's definition of the sector[1]) the 1700 or so English housing associations account for only one subset of relevance to the housing dimension work of TSRC. Five further sub-sectors were selected for scoping papers based on the extensive knowledge that the research team has in this field and the priority areas they identified that are of relevance for TSRC's work. While these sub-sectors are to some extent overlapping, each presents a distinctive set of issues and may be regarded as windows through which the diversity of the third sector can be seen:

- housing associations
- mutual and co-operative housing sector
- the tenants' and community movement
- self-help housing organisations
- homelessness advice and support sub-sector, and
- social enterprises working in the homelessness field.

Each full scoping paper includes a short summary of the key features of the sub-

sectors (history, numbers, activities, funding, policy and regulation). They also identify issues of wider relevance to the third sector and make recommendations for further research. Each paper also identifies key organisations and umbrella bodies in each sub-field.

> *A key finding in each paper was that a thriving third sector is dependent upon strong inter-organisational links and it is therefore important for research to consider the ecology of organisational fields (nationally, regionally and locally).*

The following short summary provides a flavour of the key findings of each paper and a summary of common themes from the papers' recommendations for further research[2].

Current policy and regulation issues

The sub-sector papers identify a variety of current policy and regulation issues, but with some clear common themes around independence, regulation and commissioning and the active promotion of the social enterprise model.

Housing associations have been particularly concerned with perceived threats to their independence from recent legislation and case law which is pushing them in the direction of 'public bodies' which could threaten their ability to borrow outside of public expenditure[3]. They have also been hit by the recession, and are concerned at the prospect of deflationary rent increases, declining public expenditure and are already formulating their proposals for the next government[4].

Co-operatives have also been concerned about regulatory burden and in this respect have been seen as a 'square peg in a round hole'. However they have a good fit with current policy agendas including new localism and sustainable communities and have been at the centre of new forms of stock transfer through the 'community gateway model'[5].

The third paper considers the parallel development of community and tenant organisations and the similar roles played by these two sets of organisations. Community organisations have a long history but have been encouraged by the new localism and asset transfer agendas. Tenant associations have had opportunities to engage with the new social housing regulator's 'national conversation'[6] and become incorporated into their landlord's governance and consultation mechanisms. Landlords may view vocal tenant associations as negative and many prefer consumerist to representational approaches to tenant involvement.

Self-help housing has remained 'on the edge' of policy, but has a strong potential contribution to make to area regeneration and community cohesion if funding and support can be directed towards this sub-sector.

For homelessness organisations it has been the creation of 'quasi-markets' and inspection regimes and the imposition of targets, new contract specifications and commissioning structures that have threatened independence and viability. New commissioning regimes imposed by the Legal Services Commission and Supporting People commissioners, and the end to ring-fencing of the latter within Local Area Agreements have been at the centre of policy concerns.

Social enterprise is now strongly steered within homelessness policy by practitioner organisations that were able to align with government agendas to provide first steps to employment for homeless people. 'Places of Change', a three year £70 million programme starting in April 2008, pays specific attention to the role of social enterprise in moving homeless people into employment.

Summary and issues of wider relevance for the third sector

1. Housing Associations
Housing associations could be regarded as the 'distant uncle' of the third sector in England. Their experience of forty years of capacity building, struggles around combining public service delivery with a degree of independence and shifting from charity and philanthropy to state funded and then to social enterprise models has considerable relevance for other third sector organisations. However, the scale of the largest organisations, the relatively complete set of institutions dedicated to their field, and their reduced voluntarism in service provision and governance has tended to isolate them from other parts of the third sector. The hybrid financial model adopted by most large housing associations places them squarely between the state and the market, and the recent experience of credit crisis and recession has indicated both their resource dependency risks and their resilience. Their connections with civil society have been weakened by increasing scale, merger and centralisation but their potential as a 'benevolent uncle' investing surpluses in supporting a thriving third sector in their areas of operation through social investment is worth exploring notwithstanding the impact of the credit crisis on balance sheets. Their potential role as 'neighbourhood bedrocks'[7] is also being actively explored by some associations with the capacity, resources and self-interest to perform such a role. However, the extent to which large associations are prepared to share power and resources, and the difficulties in balancing competing interests and agendas raise interesting research questions. There are also a large number of small housing associations, many in specialist niches, some have strong community roots, many are closely linked to other third sector organisations.

2. Co-operative and mutual housing
The Co-operative and mutual housing sector has remained small and often under threat, yet is one of the most stable elements of the housing association sector. The regulatory system imposed on housing co-operatives in exchange for financial support does not fully recognise differences of housing co-ops vis-a-vis other housing providers, (and there may be useful comparison here with private developers receiving social housing grants). In some ways those leading the sector are comfortable in co-op housing playing a role at 'the respectable end of the social rented sector'. The sector does demonstrate benefits - both in its management performance and in the value-added around a wide set of desirable public policy outcomes. The scope for mutual solutions to make a much wider contribution to building successful communities deserves further research. A key

success factor explaining differences in activity between regions and localities is the existence of a network of supporting secondary co-operatives in some areas. This highlights the importance of looking at the ecology of organisational fields rather than at individual organisations in the development of a thriving third sector.

3. Tenants and community organisations

Housing is usually seen as separate from other aspects of community development and regeneration in the UK. While housing associations provide housing, some on a scale that crosses regional boundaries; self-help initiatives such as co-operative and mutuals provide housing on a local level; then tenants and community organisations provide the voluntary link that works to improve housing standards and wider community returns at neighbourhood level. The parallel developments of tenants' and residents' associations and community organisations leaves scope for improved integration but both structures offer common benefits for community engagement, social inclusion and voice. Being non-governmental, value driven and reinvesting any financial surpluses back into their social and environmental objectives means tenants' and residents' associations (TRAs) and community organisations share similar characteristics. Their relevance to TSRC includes their contribution to the localism agenda via models of asset management, transfer and enterprise initiative. The Development Trusts Association has identified a pool of 15,000 community organisations seeking an enterprise route to sustainability. TRAs face challenges in retaining autonomy during collective participation in regulation and local decision-making. Both sectors need to preserve grassroots 'support into work' activities for volunteers that provide confidence and skill-building pathways to employment in a funding climate that focuses on tackling worklessness. Asset transfer is an alternative mechanism for communities to take more control over local buildings and land. The Quirk Review (May 2007) suggests that it offers undercapitalised community groups a continuation pathway to overcome the political dimension of changing relationships between local authorities and the community and voluntary sector.

4. Self-help housing organisations

Self-help housing 'involves local people bringing back into use empty properties for their use, organising whatever repairs are necessary to make them habitable'. Self-help housing is often provided through co-operative forms of organisation but is usually seen as distinct from self-build and squatting although it is not easy to draw boundaries around what is essentially a 'bottom up' community based sector. While there are a number of successful self-help projects, these are generally small scale and 'below the radar' and most people are unaware of self-help housing or potential sources of properties and funding. Despite its relatively small scale, the self-help housing sector is of considerable potential interest to TSRC providing insight into below the radar organisations, service delivery, asset transfer, capacity building, social enterprise, volunteering and community engagement agendas; raising issues of funding, response to credit crisis and evolving relationships with other third sector organisations (TSOs) and support bodies. Self-help also provided the starting point for a number of organisations that later become established housing associations or co-operatives.

5. Homelessness advice and support sub-sector

The homelessness sector has made significant contributions to the third sector and wider public policy debates. A number of the leading national homelessness charities (e.g. Shelter, CRISIS, Salvation Army etc.) are also iconic figures in the wider third sector with very high public profile, attracting huge sums from public and corporate donations. Three main types of organisations are profiled in the paper, based on their central functions: those that provide *housing advice*; *supported housing* and *housing related support*. While having a variety of origins and constitutional models, what draws them together is a shared focus on government policy concerns around homelessness prevention, social inclusion and social justice. The shifting relationship between the third sector and the state, within the commissioning process of frontline services, has created tensions and debate within the homelessness sector. Some organisations have argued that what they perceive as restrictions on the type of activities funded through commissioning, have been at the expense of their independence, further limiting their traditional campaigning role, and their ability to advocate on behalf of their clients. There are also many smaller organisations which provide housing-related support to marginalised groups such as

refugees and faith groups, many of whom operate outside of state funded frameworks and which may operate below the radar.

6. Social enterprises working in the homelessness field

There is much current policy and practitioner enthusiasm for using social enterprise to tackle the problems of the homeless population, particularly those in the most acute housing need such as rough sleepers, hostel users and those in other forms of temporary accommodation. This scoping paper identifies a continuum of seven overlapping models of social enterprise in the field of homelessness. These vary according to whether trading activity is, or is not, central to social goals, whether homeless people are directly involved in the trading activity, and whether this provides training opportunities to boost long-term employment. Social enterprise involves balancing competing social and economic objectives. By prioritising social objectives over economic objectives an organisation may become financially unsustainable. By prioritising economic objectives an organisation may abandon the most excluded of its client group. In the homelessness field social enterprises cannot rely solely on trading revenue if they are to respond to the needs of the literal homeless population. However it may be that certain programmes can be delivered at a lower cost using a social enterprise model. Social enterprises contracted to deliver state services may face pressure to abandon those clients with the most complex needs as they prove unprofitable to work with. However social enterprise may offer opportunities to homeless people with less acute needs, particularly in conjunction with other TSOs.

Further Research

Each paper makes suggestions for further research. While many of these refer to specific sub-sector interests and issues, there are some common themes and strong connections to the broader third sector research agenda. Amongst the common themes are the impact of the credit crisis and the implications of more commercially oriented business models on meeting social needs, the relationship with the state and the impact of regulation and procurement strategies on TSOs, inter-organisational relationships including partnerships and mergers and the role of support institutions in creating strong organisational fields and finally the development of outcomes-based measures of social performance.

The climate of reduced public expenditure and the 2010 election will create new conditions for third sector housing. Implications for future business models and niches that may emerge are discussed in these papers and warrant further research (e.g. the role of self-help housing in relation to area regeneration, the role of asset transfers and community viability, and of corporate social responsibility and harnessing social investment).

The increasing mix of private, state and various types of third sector organisations in the same policy fields provides the opportunity to test the claims of different models and to study the linkages between organisations from different sectors to improve services and create sustainable places.

Footnotes

[1] http://www.communities.gov.uk/communities/thirdsector/ 'The Government defines the third sector as non-governmental organisations that are value driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. It includes voluntary and community organisations, charities, social enterprises, cooperatives and mutuals. We also include housing associations within the third sector' (CLG website).

[2] The paper refers only to the housing third sector in England. There are some important variations in the housing field in Scotland, Wales and Northern Ireland which it is hoped future collaborative research will explore.

[3] Queen's Bench Division (2008) Weaver v London and Quadrant Housing Trust http://www.bailii.org/ew/cases/ EWHC/Admin/2008/1377.htm

[4] National Housing Federation (2009) The Tools for Success. Election Manifesto. London: NHF.

[5] Confederation for Cooperative Housing http://www.cch.coop/gateway/index.html

[6] Tenant Services Authority (2009) http:// www.tenantservicesauthority.org/server/show/ ConWebDoc.18499

[7] See Wadhams (2009) Supporting the First Steps; London hact and New Start August 2009 p48 for outline of bedrocks concept.