



The Impact of Social Housing: Economic, Social, Health and Wellbeing

Executive Summary

UK Collaborative Centre for Housing Evidence (CaCHE) and
Housing Associations' Charitable Trust (HACT)
August 2020

Report Authors:

Kenneth Gibb – CaCHE
Louise Lawson – CaCHE
James Williams – HACT
Michael McLaughlin – HACT

Authors:



Research funders:



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In Sum

Social housing generates important economic and social impacts for its residents, communities and for Scotland. These impacts are multi-dimensional, measurable and can contribute to Scotland's national ambitions.

Social housing impacts are multi-dimensional:

- Investment in affordable housing, which includes social housing, has significant **economic impacts** which include promoting **inclusive growth** by creating jobs, increasing GVA and providing large multiplier effects
- Increasing the supply of affordable housing helps to **tackle inequalities** by reducing child poverty and homelessness and by providing inclusive, sustainable housing options
- Social housing providers support the delivery of affordable and good quality homes which can improve **health and wellbeing**, contribute to **successful placemaking** and strengthen **community resilience**, (including rural community resilience)
- Social housing providers are important **community anchors** which are well placed to support **anti-poverty strategies** and lead economic and social cohesion at a community level
- Housing interventions can be **preventative** if they offer savings in non-housing budgets (e.g. health care, justice, social security) however evidencing this **preventative spending** and translating to cashable savings is generally challenging

Impact measurement demonstrates the value of social housing:

- Measuring the **economic, social and health** impacts of social housing can deepen our understanding of the value and importance of the social housing sector
- Social housing providers can benefit from systematically monitoring and **understanding communities** by developing profiles of the areas in which they operate and using this to evidence need effectively
- Various tools, including the UK Social Value Bank, can be used to **measure impact locally** and demonstrate the **social value impacts** of social housing providers
- Social housing providers can **embrace the principles and practice of impact measurement** in order to demonstrate impact and value for money as well as to develop their services and monitor the success of specific interventions

Social housing contributes to Scotland's broader ambitions:

- Social housing impacts can be directly connected to the Scottish Government's **National Performance Framework** and other performance indicators
- Social housing and local strategies for sustainable communities can also contribute to high level policy outcomes including national plans for economic recovery and social renewal in the wake of **COVID-19**.

Key recommendations:

1. The Scottish Government should consider the importance of **the design and quality of our homes** in light of the COVID-19 experience and make this a central part of the recovery programme. In **building back better**, housing policy and strategy (e.g. housing quality, space standards, green space/gardens, affordability and energy efficiency) will need to reflect new demand including changes to occupancy patterns, working practices, schooling and care requirements.
2. Alongside increased investment in new affordable and social housing, as already outlined in a separate piece of research (Dunning et al, 2020), the Scottish Government should consider increased **investment in existing housing stock**.
3. The Scottish Government, and other stakeholders, should recognise the myriad of positive social and economic benefits provided by housing associations and co-operatives in Scotland. In light of their pivotal role in building **community resilience**, social housing providers should be an integral part of the national recovery from **COVID-19** and strategies for economic and social renewal.
4. Social housing providers and their partners should develop their evaluation activities to align their evidence of impact to the **National Performance Framework** and other performance indicators. This will help to demonstrate value for money to service users, funders and other stakeholders as well as reinforcing the important economic, social and health impacts offered by the social housing sector as a whole.
5. To further develop our understanding of **social value** as an approach to **measuring impact locally**, social housing providers should continue to work with SFHA, HACT and other relevant stakeholders in order to develop good practice and disseminate shared learning outcomes (i.e. as part of the parallel SFHA/HACT toolkit project and the SFHA Impact Manifesto).

Context: The impact imperative and responding to Covid-19

The idea of bringing together evidence about the varied impacts and value housing associations contribute was developed in 2019. The aim was to strengthen our evidence base regarding affordable housing and recognise the range and depth of beneficial effects that follow from investment and operational activities carried out by the sector. With uncertainty about future funding of capital investment programmes and an evolving consultation on long term housing policy development, it was important to position the housing association sector and point to robust evidence about impact. Now, in the ongoing COVID-19 crisis, there is urgent debate about how best to promote rapid but sustainable economic and social recovery (building back better). 'Impact' research is even more relevant now in providing evidence which supports investment in social and affordable housing as a major way of supporting the nation's recovery.

The case for social housing is shaped by the way it contributes to positive outcomes and the clarity of the evidence that supports such arguments. We may understand the evidence about social justice, about housing as a human right, tackling child poverty specifically and redistribution more generally, but in order to secure investment in social and affordable housing we must demonstrate impacts robustly. Achieving and then maintaining housing as a priority requires that the net benefits of improved outcomes achieved maps closely onto Scotland's National Performance Framework outcomes and aligns with overarching goals associated with wellbeing and inclusive growth. As value for public money, it must be shown that the housing sector performs well and offers specific advantages, particularly at a time of economic recession and recovery from the COVID-19 pandemic. Not only does this report make such a case across several dimensions of outcomes and impacts, it also suggests what is required (e.g. by measurement and data collection) for individual housing associations to demonstrate the impacts they make for various stakeholders.

Social housing impacts are multi-dimensional

We think of **impact** as to do with changing *outcomes* as the result of fulfilling an activity through an intervention. Impact also has an important relationship with processes, in particular due to the role housing associations can play in partnerships, regenerating places, working with health and care bodies and with local government. The most significant impact which housing associations can make is through their engagement with tenants, involving them in decision making processes and by supporting vulnerable tenants through day to day service delivery. Funders, regulators and other stakeholders increasingly expect housing associations to demonstrate impact through environmental, social and governance metrics (Good Economy, 2020) as a key way of showing wider impact but also value for money to the taxpayer and the use of scarce public resources.

In reviewing some of the potential economic, social and health and well-being impacts of affordable housing, which includes social housing, some common themes emerged from the existing literature:

- **Affordability** is a longstanding and continuing theme (Meen and Whitehead, 2020). While debates continue about defining and measuring affordability, there is no doubt that reducing the burden of housing costs remains critical for those on inadequate incomes and this is reinforced by the high incidence of **fuel poverty**. Investment in **energy efficiency** tied directly to affordable warmth is also connected to boosting affordability and wellbeing and is a key problem (and economic opportunity) for the sustainability of the existing housing stock (Turner, et al, 2018; EEIG, 2020).
- A particular concern is tackling **homelessness**. Pleace (2015) examines the additional costs associated with four vignette illustrations of single homeless people, indicating that 30 rough sleepers can cost as much as £600,000 in a 12-month period but funding homelessness prevention would cost considerably less.
- There are economic benefits associated with social and affordable housing investment by associations – relatively large multiplier effects boost employment, income and output growth, also benefiting local supply chains. Evidence discussed below suggests that such investment is largely economically additional to what the private sector can provide (Savills, 2019), productivity-enhancing (MacLennan, et al, 2019) and able to promote **inclusive economic growth**, as well as **combating market failures**.
- We also anticipate wider social impacts including anti-poverty and reducing inequality as discussed above, but also through supporting **better outcomes for communities** and **successful placemaking**. In particular, the Scottish Government and COSLA have launched the Place Principle (Scottish Government, 2019) which is aligned to the National Performance Framework. Many of these wider outcomes support the Place Principle and can be captured using the HACT and Simetrica-Jacobs social value bank, estimating the well-being associated with, for example, a good neighbourhood, green space nearby and other notions of place, liveability and well-being.
- Housing associations by their actions can also support resilient communities, be they urban neighbourhoods experiencing concentrations of multiple disadvantage, or **rural communities trying to maintain viable services and a sustainable future**.
- A particular interest is health and wellbeing. Better housing and greater security and affordability may help **address some of the structural drivers of health inequality** (Tweed, 2017), as well as raising housing standards that impact directly on **health (including mental health) outcomes**. At the same time, housing quality has become a critical public health issue through factors such as the impact of housing condition, energy efficiency and climate resilience. This focus has now been brought into sharper focus as a result of the COVID-19 lockdown, forcing recognition of the limitations of space standards and amenity levels. This creates a recognition that the **design and quality of our homes** needs to be a central part of any housing strategy in the recovery programme.
- Housing associations are an important component of investment finance in the UK and Scotland. Private finance more than doubles what the grant-in-aid affordable supply programme can achieve. Additionally, through Environmental, Social and Corporate Governance (ESG) reporting, private flows of capital, debt and increasingly equity, increasingly seek to **ensure social housing investment outcomes are delivering social and environmental impacts**.

Section 3 and 4 of the main report discuss the different forms of impact and existing evidence highlighting the following key messages:

- **Economic impacts** – the evidence indicates that successive studies across the UK and elsewhere support the notion that social and affordable housing investment is essential economic infrastructure that generates rapid returns for society, has large multiplier effects, is a strong counter-cyclical force producing additional output (and less deadweight) particularly when there is surplus capacity in the economy and private development is weaker.
- **Prevention and preventative spending** – we can calculate savings arising from housing interventions and cast them as potential savings on non-housing budgets; there is a growing body of evidence indicating how far and wide these important savings can be. However, we need to know whether those savings are actually cashable in a meaningful, even preventative way? Realising the full gains from prevention in general is challenging and requires significant changes to organisational cultures, structures and reward systems.
- **Social value impacts** – studies from Australia and England tell us, moreover, that carefully incorporating social value bank monetised wellbeing scores for hypothetical new developments also demonstrate important positive social benefits in the form of mental health, greenspace, positive neighbourhood outcomes, etc. We do note however that these exercises have to be carefully done and assumptions made explicit (what were the precise causal chains, where did beneficiaries come from – were they homeless or less in need – and how many would have received as good housing outcomes without the intervention?).
- **Anti-poverty strategies** – more social housing directly tackles child poverty but housing associations also support tenancy sustainment, provide welfare and money advice and play an important employment role by providing additional jobs through investment and maintenance programmes. Increasing numbers of associations also partner and deliver employability and skills programmes, link to apprenticeship schemes, and generate local community benefits.
- **Health and wellbeing** – the health evidence suggests that although the impact evidence is mixed, well targeted housing interventions can have major positive effects on population health outcomes. One study, for the King's Fund, found strong evidence that investment in new homes by English housing associations has a number of positive impacts on health outcomes, including preventative benefits and savings for the NHS.
- **Rural resilience** – rural research suggests that housing supply can be critical to fragile communities fighting population loss but that affordable supply is constrained by key factors such infrastructure and affordable land. However, even small increments of lower cost housing can make a huge difference in specific places. Again, the role of associations as community anchors and partners working to promote employment and training is important, as is their contribution to reducing housing and fuel costs.

Impact measurement demonstrates the value of social housing

Given the myriad of positive social and economic benefits of social housing to clients, stakeholders, and communities, housing associations can benefit from systematically monitoring and understanding their environment (what HACT calls their community profile). This evidence can then be incorporated into strategies and planning in order to measure progress against the baseline. To demonstrate this process, we undertook four case studies with SFHA member housing associations with the aim of understanding their community profiles as well as providing an insight into their mission and context. This also included a study of their activities and the resultant impact on their residents and communities. We also sought to both maximise the difference in the types of organisations represented and to identify housing associations which would reflect the interests of our funding group. After debate with our project steering group, we identified the four following types of housing association (with the chosen exemplar case study in brackets):

- A larger national or regional housing association (Clyde Valley Housing Association Ltd)
- A larger specialist housing association concerned with housing and care, particularly for older households (Bield Housing and Care)
- A rural housing provider (Scottish Borders Housing Association Ltd)
- A community-based housing organisation (Southside Housing Association Ltd).

The case studies were undertaken in the depths of the COVID-19 pandemic lockdown and this significantly impacted on our ability to meet with key officers and with tenant groups. Nonetheless, we were able to learn much and apply ideas from earlier parts of the study to the many examples of impact they could provide.

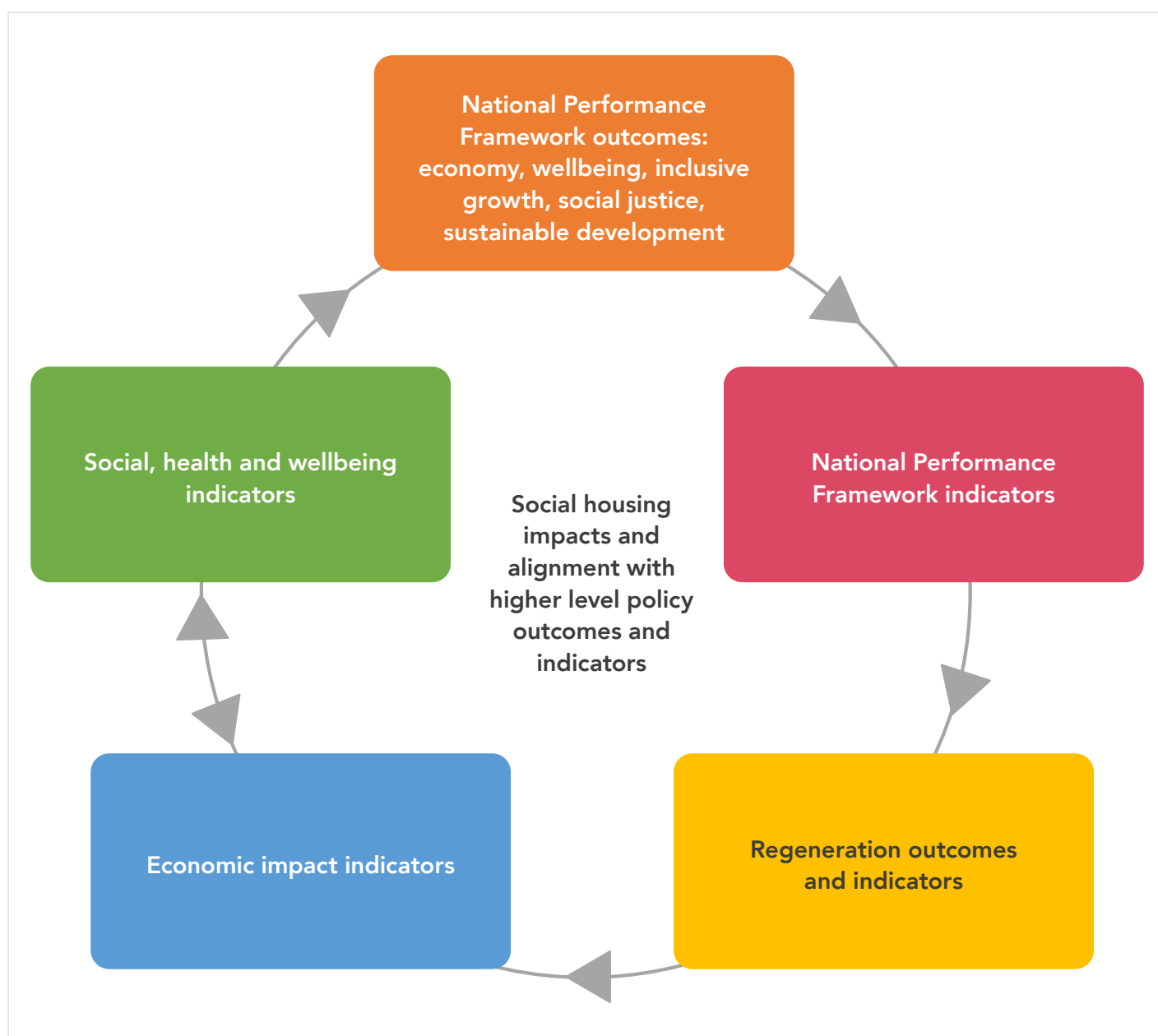
Sections 5 and 6 of the main report discuss the potential baseline impact indicators and case studies, respectively, resulting in the following key messages:

- **Understanding communities** – the case studies have much in common, both in terms of their profile but also in how they are responding to the challenges they face. We see also that in many different settings it is the same kind of challenge that different associations seek to overcome – e.g. poverty, homelessness and social isolation. Working well to achieve impact is promoted by understanding the context or community profile that creates needs. It is then possible to align one's corporate delivery plan or strategy to seek to deliver positive outcomes against what has been prioritised. The best examples seem to target evidence needs effectively, connect to provider strategy and mission and focus in on measuring outcomes and change as a result of interventions, community profiling and strategy.
- **Measuring impact locally** – while some of the initiatives discussed here take housing associations out of the housing space into community investment; others, such as changing provision of business models, or providing welfare advice, complement core housing management and community activities. Seeking to demonstrate impact has instrumental value for funding applications to stakeholders but it also allows housing associations to strengthen key partnerships and deepen their community role and make very specific interventions that change and improve lives. We saw that collecting survey responses, enumerating the scale of programmes and, critically, measuring outcomes allows associations to tap directly into the dashboard indicators being constructed in the adjunct SFHA/HACT project. This also helps to connect national performance and national housing outcomes to the work of individual associations and arrive at credible value estimates of impact.

Social housing contributes to Scotland's broader ambitions

Figure 1 is a schematic circular representation of how measures of housing impact (in blue and green) correspond with and relate to higher level **Scottish National Performance Framework** Outcomes, consequent NPF indicators and their representation for housing and regeneration policy (yellow), in terms of outcomes and associated indicators. In the main report we propose a series of housing economic and social impact indicators from the literature and from the HACT and Simetrica-Jacobs social value bank. These indicators align with the indicators and outcomes both for housing and regeneration and for the NPF. The research encourages social providers to profile their communities, collect data and measure useful outcome indicators which tell us about impacts they make and to use this evidence systematically to demonstrate the value they contribute to Scottish society.

Figure 1: Aligning social and economic indicators of housing impact to national performance indicators



Section 7 of the main report (Synthesis, Conclusions and Recommendations) seeks to align the existing evidence, the insights from the case studies and the potential impact indicators with higher level policy outcomes and indicators including the National Performance Framework and plans for post-pandemic economic recovery and social renewal. The following key messages are offered:

- **Covid-19 and counter-cyclical recovery** – housing association activities provide myriad positive social and economic benefits to clients, stakeholders, communities and the wider societal good. As recently articulated by the Economic Recovery Advisory Group, social housing counter-cyclical investment can make an important contribution to that recovery through new housing investment.
- **Designing for new realities** – lockdown has highlighted the importance of housing quality, space standards, green space/gardens and the problems associated with controversial policies like the spare room subsidy. Demands are growing to live in less dense suburbs and to make homes more liveable, if we are to continue spending more time there, working, schooling and caring. Arguably, our housing needs to change to reflect these new realities.
- **Investment in existing stock** – the sector is dominated by the existing stock. It will be activities in the second hand market (for instance, buying back council RTB stock in the PRS, facilitating house size generated moves and exchanges, community garden investments and key housing improvements to support energy efficiency, climate change and digital connectivity) that will, among other things, matter if communities are to be more resilient.
- **Community resilience** – while housing associations were already well placed to lead and perform as community anchors, this position has been strengthened during the Covid-19 lockdown. It needs to be recognised that this goes beyond the pivotal role which housing providers play in supporting tenancy sustainment through welfare, money and debt advice services. It is also about place-shaping and helping make our housing fit for the 'new normal'. This report suggests that there is a strong impact and outcome based social and economic case for investing in identifying and measuring impact at the association and sector level.
- **Embracing the principles and practice of impact measurement** – there are a wide range of beneficial social impacts that embrace powerful messages about positive outcomes that change lives and places. They can be estimated and analysed in ways completely consistent with the welfare economics of the Green Book and government investment appraisal. In order to make the most of this mode of thinking, associations should embrace the principles behind the national outcomes framework used by the Scottish Government and the focus on well-being and inclusive growth. They should collect outcomes data and quantify their many impacts because there is much to gain both for associations but more importantly for their service users and communities.

About the study

The project sought to demonstrate the impact of housing associations and co-operatives in Scotland in order to raise the profile of the difference the sector is making to people's lives. This evidence could then be used to strengthen the sector's position when making representations to government (and other key stakeholders), about the urgent need to invest in more social housing; and to complement ongoing research on the demand for affordable housing post-2021. The research was partly field-based (case studies) and partly desk-based, drawing on national, regional, and local published sources of evidence, including the HACT and Simetrica-Jacobs social value bank.

The project was funded as a partnership between the Scottish Federation of Housing Associations (SFHA) and the Joseph Rowntree Foundation, Public Health Scotland and the Rural and Islands Housing Association Forum. The work itself was undertaken by the UK Collaborative Centre of Housing Evidence and HACT (the latter was already working with SFHA developing practical ways to help housing associations demonstrate impact).

Please note that all references can be found in the full report.