



Report on 'Housing providers: evidencing their impact' round table

Westminster Hub, 1st Floor New Zealand House, 80 Haymarket, London, SW1Y 4TE

1. Introduction and context

HACT and SIAA convened a roundtable seminar for those active or looking to be active in this space, to share information of current activity and explore the scope for developing a collaborative approach to evidencing the social impact of the UK housing sector. The day was chaired by Jeremy Nicholls, Chief Executive of the SROI network and SIAA Chairman.

Social impact measurement is increasingly a key issue across the civil society sector. In the UK, housing providers in particular are seeking to develop approaches to more clearly articulate and evidence their economic value, particularly as they are increasingly engaging in 'non-core' activity, notably community investment. This comes at a time when the housing sector is facing the biggest challenges since its re-founding in the 1960s, including:

- changes in government subsidy for new homes that challenge the established business models of affordable housing providers;
- the sweeping away of top-down targets, inspection and regulation;
- radical welfare reforms;
- the emergence of localism; and
- the introduction of direct competition from the private sector.

These changes potentially provide housing associations with an opportunity to become a strong, independent, not-for-profit sector, delivering high quality homes at prices people can afford, with a passion for neighbourhood and community. They can now look beyond government, establish an identity of their own and explain the value of their work.

Individual housing providers are responding to increasing external demands from funders and their own internal demands to measure and evaluate the impact of these 'non-core' activities, including their impact on core business.

HACT commissioned Professor David Mullins and Vanessa Wilkes of the Third Sector Research Centre (TSRC) at the University of Birmingham to look at the range of approaches that the sector is taking to impact measurement. It revealed that there are wide variations in the tools and methodologies used by housing organisations to measure the social impact of their community investment activities. The research concluded that there is considerable impetus amongst housing providers to measure their impact, but little standardisation of practice or approach.

A key issue highlighted in discussion was the difference in practice between the UK and other comparator nations. In the Netherlands there is a tendency to consider impact during strategy planning ahead of making an intervention, which then informs both the design of the intervention and the process of impact appraisal. However, in the UK impact appraisal typically takes place after the event to evaluate its effectiveness.

There were advantages in organisations taking a whole organisation approach to impact - the question should be “What are we trying to achieve as an organisation?” not “What has the project achieved?”

See: David Mullins/Vanessa Wilkes presentation, ‘Social Impact measurement in housing sector – research evidence’, in the Reference section below.

2. Housing and Social Impact

Why is impact so important to the housing sector?

The historic regulatory and inspection system governing housing providers incentivised individual housing providers and their boards to meet regulatory requirements in terms of performance and efficiency. However, there was little focus on measuring or defining their wider economic and social value. The reduction in national regulation has meant that – increasingly – housing providers are looking to set their own business and social objectives and measure progress against them.

The discussion helped to identify a number of reasons why understanding social impact and value is so important to the housing sector:

- Ensuring Value for Money (VFM) and prioritising investment;
- Engaging with local partners;
- Making the case to government (see below) and to potential new institutional investors;
- Self-definition in a post regulatory world.

As a consequence of this challenge a range of housing providers has started to invest in initiatives aimed at measuring their social impact, or that of the sector as a whole. These included the G15, the Northern Housing Consortium and some smaller groups of associations. Moat and Viridian have been working with Altair consultants to try and monetise the value of things such as capital

investment in new house building. Brian Johnson from Moat and Larry Gold from Trafford Housing Trust made presentations on the approaches being taken by their respective housing associations.

See: Brian Johnson presentation: 'Social value measurement' and Larry Gold presentation: 'Housing providers: measuring their impact – more questions than answers'

Developing a theory of change

New Philanthropy Capital describes the need for adopting an agreed Theory of Change as an important first step towards in defining an organisation's mission and how it seeks to meet its aims. From this flows the approach that an organisation can take to measuring its impact.

A theory of change would take a housing provider's desired final outcome and work backwards to understand all the steps involved in achieving that outcome—showing how all the organisation's day-to-day activities come together to help it achieve its mission. Adopting a theory of change is often the first step in planning a new programme or thinking about evaluation.

It was noted that often in the sector there was a lack of clarity around overall strategic goals, which limited the effectiveness of current approaches to impact measurement.

See Sarah Keen presentation: 'Measuring social impact'

What are we measuring and who are we talking to?

A clear message from the discussion was that housing providers over the coming years will have different goals, and a diverse range of activities aimed at generating multiple social outputs, and therefore will need different tools and metrics to demonstrate their social and economic value. There is no magic bullet or single solution to measuring impact.

For example, for some the priority will be to demonstrate the socio-economic value of building affordable housing to DCLG and to institutional investors; for others their concern will be to show the impact that their community investment work is having on their neighbourhoods to trustees, local authorities and ultimately residents. To date, impact measurement in the housing sector has looked very little at either of these two goals, and had instead focused on the micro-level – either evaluating individual projects or tracking an individual's journey.

The audience matters too. For example, if you want to talk to central government then it is helpful to understand and feed into government's approach to impact measurement which relies primarily on Cost-Benefit Analysis (CBA). There is comprehensive official guidance on how CBA is used to measure within the Green Book and how to value social impacts in the Magenta Book.

Level	Design	Statistical method
5	Randomised trials	<i>Evaluations with well implemented random assignment of treatment to subjects in treatment and control groups.</i>
4	Quasi-Experiments	<i>Evaluations that use a naturally occurring event (that makes the treatment assignment as good as random)</i>
3	Matching techniques; Regression analysis	<i>Non-experimental evaluations where treatment and comparison groups are matched on observable characteristics</i>
2	Simple comparisons	<i>Studies with a treated and comparison group, but with no attempt made to control for differences among the groups.</i>
1	Pre- and post analysis	<i>Studies where no comparison group is used. Outcomes are measured pre and post-treatment.</i>

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approaches within the housing sector meet these standards at the moment.

See Daniel Fujiwara presentation: 'Social impact measurement in government and academia'

A common language and approach?

There was widespread agreement that the housing sector should look to develop a common language to describe its economic and social value as this would empower them with credible and robust arguments when talking to funders and stakeholders. However the challenge was to find a common currency that the sector could subscribe to. It was suggested that being able to monetise impact is important because it allows the sector to move away from relative assessments. However other metrics might also have to be used as not every intervention could be attributed with a monetary value.

3. Taking the work forward

HACT and SIAA will co-convene a number of roundtable discussions in the autumn, including those who took part in the original seminar and other leading organisations in this area. They will:

- Share emerging thinking and methodologies being developed including: G15, HPUK/KPMG, Viridian/Moat/Altair model, NHC/Sheffield, SROI Network, Housemark, HACT/NEF Local Economic Impact;
- Create a common understanding of value;
- Identify possible areas that need to be measured (education, employment, environment, local economic impact etc) and establish a suite of tools that are appropriate for measurement; and
- Look to explore the evidence base that the sector needs in order to measure its impact.

HACT would also look to commission further research work in this area to inform debate and feed into the development of useable impact products for housing providers.

Resources

- Presentations from 7 June 2012 round table discussion:
<http://www.hact.org.uk/social-impact-roundtable-presentation-slides-7-june-2012>
- 'Community investment by social housing organisations: measuring the impact', Vanessa Wilkes and Professor David Mullins, Third Sector Research Centre Survey Report for HACT, March 2012. Available from:
http://www.hact.org.uk/sites/default/files/uploads/Archives/2012/03/Survey_Report_for_HACT_-_Community_investment_for_social_housing%2C_Wilkes_and_Mullins%2C_March_2012.pdf
- 'A journey to greater impact: Six charities that learned to measure better', Benedict Rickey, Tris Lumley and Eibhlín Ní Ógáin for New Philanthropy Capital, November 2011. Available from:
http://www.philanthropycapital.org/publications/improving_the_sector/improving_charities/Journey_to_impact.aspx
- Inspiring Impact working paper available from:
http://www.philanthropycapital.org/publications/improving_the_sector/improving_charities/inspiring_impact.aspx
- 'Theory of change: The beginning of making a difference', Angela Kail and Tris Lumley for New Philanthropy Capital, April 2012. Available from:
http://www.philanthropycapital.org/publications/improving_the_sector/Theory_of_change.aspx
- HM Treasury Magenta Book on valuation: http://www.hm-treasury.gov.uk/data_magentabook_index.htm
- HM Treasury Green Book on appraisal and evaluation of policies: http://www.hm-treasury.gov.uk/data_greenbook_index.htm