

Towards a responsible recovery: the added value of housing organisations

Caroline Macfarland highlights the potential for housing organisations to add value in the context of austerity.

Community Participatory Budgeting event, Trafford Housing



THE CHANCELLOR'S RECENT Autumn Statement re-asserted that there are tough times ahead, of which downgraded growth projections, ongoing austerity measures and a cut to work-related benefits are just a few indications. Putting the political disputes to one side, these measures have been taken to speed up economic recovery, if slower than previously predicted.

Yet what will such a recovery look like? As we look forward to an 'in the black' Britain, we also need to be mindful that after previous recessions the long-term unemployed, those on low incomes and the poorest communities are often last to benefit from growth.

It is therefore short sighted to talk about economic growth alone. A more holistic picture conceptualises a recovery which creates opportunity in local communities.

Regeneration efforts in the past have been seen as top-down initiatives which address market failure, housing

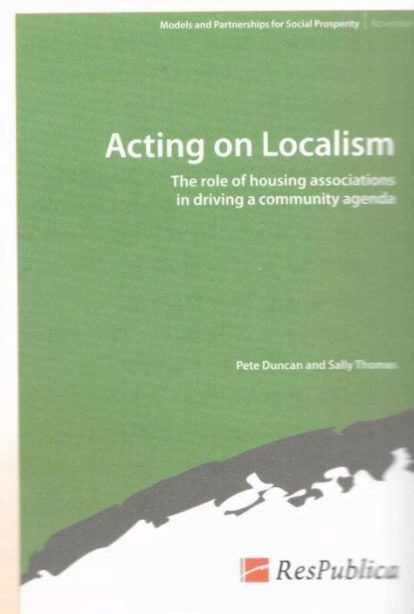
supply, and infrastructure investment. Whilst no one can deny their significance, often these approaches have served to sideline the needs and aspirations of local communities and neighbourhoods themselves. A more responsible recovery, therefore, would create conditions for locally-led change, drawing in local actors and giving them the power and resources to spearhead this process.

Housing associations have a key role to play here. We have seen a shift in emphasis in the role of housing providers, from delivering short term support to addressing the root causes of welfare dependency. This may seem optimistic. Housing associations face their own pressures changes to the benefit system and other welfare reforms. Jules Birch pointed out in WHQ's October issue that, in Wales, a greater proportion of social tenants will be affected by the bedroom tax than any other part of the UK – and this will of course impact on social housing providers themselves.

So in the face of these challenges, what is the added value of housing associations in driving a responsible recovery?

A recent ResPublica report examined the role of housing associations in driving forward a community agenda, acting as a locus for public, private and community groups to capitalise on available resources. The report identified the potential for housing associations to promote and deliver increased social value, in light of the new legislation which comes into force from January 2013, and can be applied to housing-related and indeed non-housing services in places where landlords have concentrated stock. In simple terms, social value implies a collective social value to a community beyond the provisions of a contract. This will naturally vary on a local level, requiring local actors to be responsive to needs and aspirations of their communities.

Housing associations are in a prime position to facilitate a social economy on a neighbourhood basis, both embodying the principles in their own operations,



Community Employment and Skills Fair, Old Trafford

being incubators and guarantors for social initiatives, and inspiring social value more broadly across private markets. Crucially, the report argues that these initiatives should not be seen as an added extra but as part of the core business model and ethos.

If housing associations act upon their social role and ability to recognise and nurture local assets such as residents' skills and passions for change, and the community networks and associations which already feed into local support structures, then prospects for building a local and participative economy are achievable.

Another ResPublica report, forthcoming in the New Year, recognises building community and opportunity as two foundations for social sustainability and local growth. In many of the most deprived areas, where budgets are being cut and services removed as a result, housing associations could use their assets for wider neighbourhood benefit, engage in active partnerships around community

budgeting, support and facilitate asset transfers and devolved services, amongst other things. Much of this may be working in partnership with community-led development projects such as development trusts, or with the public, private and voluntary sector.

As well as being 'providers', housing associations could also be enablers, using their own space and assets as hubs to catalyse economic activity. These need not be shiny business centres with inbuilt offices, but may mean the incorporation of a credit union on the premises, for example. In this sense, social housing could be a broker for local growth.

Perhaps where there is relatively untapped potential is in employment services themselves. The Welsh Government's **Tackling Poverty Action Plan** emphasised that the best route out of poverty is through employment and building skills. Our forthcoming report looks at ways in which policy-makers could enable devolved and participatory

approaches not only to welfare spending, but to the fabric of the welfare system itself on a local level, handing power to local community intermediaries such as voluntary organisations and social landlords to determine and deliver the range of employment-related services within their communities.

As discussed, community need and aspiration naturally depends on the local context. As such, so does the definition of employment and work. It may be that local intermediaries would define certain types of voluntary work as a valid contribution to local economies. In this sense, these local intermediaries could redefine the traditional, nationally imposed jobseeking requirements which prioritise more narrow conceptions of skills training. DTA Wales and Wales Council for Voluntary Action are discussing proposals for a pilot scheme for the 'Community Allowance' with the Welsh Assembly Government. This sort of scheme would allow benefit claimants to be paid to do short term intermediate local work placements to improve more general community wellbeing and quality of life, without affecting their benefits. This would protect their welfare security, improve skills and work experience, and encourage the recognition of all contributors to local economies whether on a formal or 'softer' basis.

The divide between social value and economic contribution is not black and white. Socially minded, community organisations have a significant part to play in driving forward informal local economies and social capital. These benefits are harder to account for than GDP, but just as important. And beyond responsible recovery, responsive recovery will require local initiatives that take into account both economic and social prerogatives and are driven by community-based organisations. Housing associations have a key role to play here and their added local and social value cannot be underestimated.

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ResPublica's report, **Responsible recovery: A social contract for local growth** will be published in January 2013 and will be available on the ResPublica website www.respublica.org.uk.



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