



Housing and  
Communities



## **Bigger than Business:**

Housing associations and  
community investment in  
an age of austerity

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Summary

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# **Bigger than Business:**

## Housing associations and community investment in an age of austerity

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In December 2011, Orbit Group, one of England's largest housing association groups, commissioned London School of Economics Housing and Communities to develop a sustainable framework for future community investment in an age of austerity, localism and the Big Society. The study involved interviewing 170 residents, staff and community leaders alongside extensive secondary research. This brief report summarises the main findings and conclusions.

## Key learning points and proposals:

- The LSE team conducted 170 face-to-face interviews with residents, staff and local community leaders, reflecting the make-up of three varied Orbit communities. Innovatively, six volunteer resident researchers conducted 60 of the resident interviews, half the total number. This peer research method was intensive, but brings multiple, invaluable benefits for both the residents involved and the landlord. LSE concluded a peer training method could be used to deliver advice and support to residents across a range of important issues.
- Residents' general concerns align regardless of geography and local needs. Their top priorities for investment are youth advice, job access and activities; employment and job training; tackling crime and anti-social behaviour; welfare and money advice; and support and provision for older people.
- Widespread geography and the realities of the landlord-tenant relationship can sometimes work against effective delivery of community projects. Both staff and local community leaders feel partnership working is often vitally important to enhancing value from community investment. The research team also found numerous exemplary Orbit projects, illustrating key aspects of good practice.
- LSE devised three potential models or scenarios for future community investment, able to stand independently or build cumulatively on each other - a 'Freeway Community Chest' model; an 'Invest to Save' model; and a preferred 'Triple Bottom Line' approach, where community investment addresses social, economic and environmental needs as part and parcel of the core landlord role. Funding levels, organisational capacity and strategic choices influence which of these will work.
- The chosen model is adopted through a sustainable community investment framework with four components – an overarching framework; an applied framework; key ingredients for success; and practical steps. This 'strategic to operational' approach allows senior staff to filter investment decisions effectively to ground level and helps frontline staff trace the thread between work on the ground and high-level decisions.
- The full framework offers a comprehensive guide to deciding on the desirability, validity and viability of any form of community investment the landlord may consider. It should improve the sustainability of investments and projects and help maximise value from limited discretionary resources.

## Introduction

The substantial impacts of the financial and economic crisis on housing associations are compounded by radical changes in their operating environment. Associations are having to manage a careful balancing act between social, entrepreneurial and business activities. The major challenges include:

- Maintaining frontline services while streamlining management operations to reduce costs and retain viability in the face of funding cuts;
- Reconciling the needs of low income tenants living in social rented homes with the cumulative impacts of housing and welfare reform;
- Additional costs which particularly burden the poorest communities, including rising costs of energy, food and other commodities;
- Working out how social landlords can help create more viable, economically active and productive communities – responding to the Big Society and localism agendas while helping the most needy groups in society.

Orbit wants to meet these challenges head on, by making a bigger contribution to communities and society, acting as a powerful community anchor and investor, and enabling tenants themselves to do more. To support that ambition, Orbit commissioned LSE Housing and Communities to develop a sustainable framework for future investment in communities. The work focused on discretionary community investments rather than the core landlord role.

## Methodology

The LSE conducted 170 face-to-face, qualitative, semi-structured in-depth interviews with residents, staff and local community leaders in three geographically and socio-economically varied communities – the dense urban neighbourhood of Becton in the London Borough of Bexley; Brownsover, a former flatted council estate, and Cawston, a new mixed development, in the market town of Rugby; and several scattered schemes in urban and rural Norfolk and Suffolk. The primary research was backed by a series of assessments around the broad social policy landscape, including Social Return on Investment models, potential sources of funding and best practice from elsewhere.

## Peer research

A critical part of the primary research involved using volunteer peer researchers. With Orbit's help, LSE recruited six residents from two of the research areas as interviewers. This innovative method was chosen to:

- Examine one specific approach to community action, in the light of the current government emphasis on volunteering;
- Support Orbit's ambition to train and up-skill residents and increase confidence and work-related experience;
- Build on Orbit's broader ambition to maximise its impact and value in communities, using limited resources.

After a short, intensive residential training course at the National Communities Resource Centre near Chester, devised and managed by LSE, the six peer researchers went on to conduct 60 interviews – half of all the resident interviews. The experience proved a resounding success. Their ideas and local knowledge were invaluable to LSE and they provided unique insights into the views of residents and how local communities worked. The residents themselves felt they had made a positive contribution to their communities and gained a new level of confidence and motivation to do more and stay involved. All said they enjoyed the experience and got a lot out of the training.

However, peer research is not a 'quick fix'. Achieving success required significant hands-on support and regular one-to-one contact from the LSE team. Intensive task-oriented training with a clear purpose away from the home environment, alongside recognition and positive reinforcement, were vital ingredients in delivering a good result. Commitment, skill, experience and persistence on the part of the LSE research team were also important.

LSE concluded that a peer training approach could support delivery of numerous community services, e.g. advice and support to other residents on energy saving, basic financial signposting, elderly and child care. Resident volunteers can deliver multiple benefits for both their communities and the investing landlord.

## Main interview findings

Through the primary research, LSE collected an enormous amount of data about how residents see their homes, communities and Orbit as a landlord, and many of the opportunities and barriers staff and community leaders encounter in delivering effective community investment. These are outlined in detail in Volume I. We focus here on key investment priorities.

Residents' general concerns align regardless of geography and special local requirements. They highlighted five top priorities:

- Youth activities, support and job access;
- Employment and job training for adult residents;
- Tackling crime and anti-social behaviour;
- Welfare and money advice;
- Support and provision for older people and families.

Almost all residents thought it would be a good thing for Orbit to be more involved in the community.

Staff had a number of core concerns they felt were vital to overcome to increase the effectiveness of community activities:

- Residents tend to see staff as 'managers and enforcers' rather than supporters and enablers;
- Strong frontline presence in communities can be hindered by geography, office-based workloads and resource limitations;
- Additional local and technical knowledge and training are needed to help staff target services effectively and offer more expert advice and assistance;
- Multiple potential consequences for residents and staff resulting from incoming welfare and housing benefit reforms;
- Improved partnership working adds value through external partners' reputations, expertise, independence, but funding is a growing problem.

Community leaders recognise the multiple benefits to both their local organisations and Orbit of closer partnership working, particularly at a time of funding cuts. Housing associations' anchor role and resident knowledge could be married with community leaders' awareness of local areas, hard-to-reach groups and access to local meeting places, etc. There was a desire to engage more on both sides.

Both residents and staff contributed a wide range of 'bright ideas' they believe could help deliver a stronger and more effective community investment offer, and LSE found numerous exemplary Orbit projects illustrating key aspects of good practice.

## Possible community investment models

From the wide base of primary and secondary evidence, including an assessment on Social Return on Investment, LSE devised three potential models or scenarios for future community investment. These models are not mutually exclusive. Each has its own advantages, but they also have the capacity to build on each other in a cumulative way.

***'Freeway Community Chest'*** – this scenario focused on sustaining current levels of investment, with projects developed in a relatively opportunistic way, responding to community needs, and against the backdrop of agreed organisational priorities.

***'Invest to Save'*** – this model would incorporate the Community Chest approach, but increase the level of investment to expand the training and local volunteering approach. Residents would have a more active input into community and social projects, in return for skills training, experience, work and community recognition.

***'Triple Bottom Line'*** – this strategic model incorporates the other two scenarios and develops them further, adding new capacity to integrate frontline community investment into the DNA of the organisation. The social landlord's role becomes defined in terms of the communities it serves, addressing social, economic and environmental (triple bottom line) needs as part and parcel of its core functions. The model also reflects the need for investments to meet strategic priorities and produce tangible results.

The ability of housing associations to deliver each of these models depends on funding available, broader organisational capacity and strategic priorities/decisions.

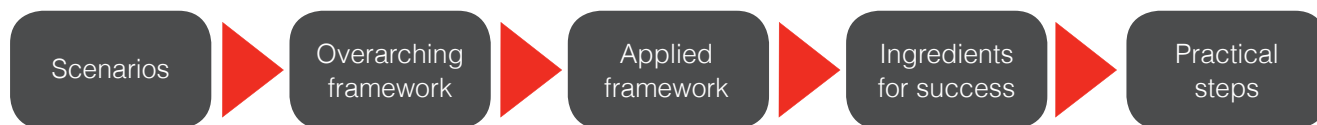


‘Freeway Community Chest’ model	‘Invest to Save’ model	‘Triple Bottom Line’ model
<ul style="list-style-type: none"> <li>• Doing ‘as now’ on community front</li> <li>• Lots of small, disparate projects</li> <li>• Many bright ideas</li> <li>• Some significant impacts</li> <li>• Some lost opportunities</li> <li>• Strategic priorities not clearly visible or promoted</li> <li>• Financial inclusion</li> <li>• Work</li> <li>• Well-being/elderly</li> <li>• Children &amp; youth/community</li> </ul>	<ul style="list-style-type: none"> <li>• Raise profile and status of strategic priorities</li> <li>• ‘As now’ plus deploy resident volunteers</li> <li>• In-depth training for volunteers using ‘training first’ residential model alongside local support</li> <li>• Build on peer research training model to tackle: <ul style="list-style-type: none"> <li>• energy saving</li> <li>• financial advice/support</li> <li>• social care</li> <li>• children and young people</li> </ul> </li> <li>• Needs strong leadership and capacity to deliver</li> </ul>	<ul style="list-style-type: none"> <li>• Link ‘invest to save’ to social landlord responsibilities</li> <li>• Tried and tested over many areas</li> <li>• Modify staff structure to reflect the ‘Triple Bottom Line’</li> <li>• Introduce strong frontline focus</li> <li>• ‘Big up’ face-to-face contact</li> <li>• Develop entrepreneurial approach to social projects</li> <li>• Assess income streams to foster social investment</li> <li>• Measure inputs and community benefits</li> </ul>
Risks		
<ul style="list-style-type: none"> <li>• Shrinking resources</li> <li>• Some failures</li> <li>• Unsystematic approach</li> <li>• Hard to sustain or monitor</li> <li>• Short term, one-off; little lasting impact</li> <li>• Overshadows wider needs</li> <li>• Reduces ambitions</li> <li>• Doesn’t influence overall ambition</li> </ul>	<ul style="list-style-type: none"> <li>• Level of support</li> <li>• Bridging gap to residents</li> <li>• Upfront costs where payback is longer term</li> <li>• Strategic focus can reduce local initiative</li> <li>• Lack of steady hand-holding</li> <li>• Not strongly enough integrated with high level decisions</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of capacity for quick response</li> <li>• Diversion of energy into measuring and monitoring</li> <li>• Experimental focus weakens</li> <li>• Can be over-ambitious, diluting core housing role</li> </ul>
Gains		
<ul style="list-style-type: none"> <li>• Lots of projects and partners</li> <li>• Staff conscious of social focus</li> <li>• Some communities benefit</li> <li>• Valid experiments</li> <li>• Potential demonstrated</li> </ul>	<ul style="list-style-type: none"> <li>• More visible, recognisable priorities</li> <li>• More resident participation</li> <li>• Skill building</li> <li>• More social focus for Orbit</li> <li>• Environmental benefits</li> </ul>	<ul style="list-style-type: none"> <li>• Social landlord task becomes more interesting</li> <li>• Staff develop motivation</li> <li>• Attracts new skills into Orbit</li> <li>• Expands social enterprise</li> <li>• Attracts wider recognition and support</li> <li>• If done well, can create unique long-run synergies</li> </ul>

## Outline investment framework

The framework LSE proposes embeds the chosen community investment model within the wider context of an increasingly complex, urban and resource-constrained world. It links to the housing provider and manager role and gives a structure to channel creative thinking, practical responsibilities and problem-solving into realisable action plans. It supports staff and boards to systematise their ideas in response to multiple pressures.

The framework comprises the following components:



Setting out the framework in these layers aims to help senior staff filter investment decisions down to ground level and allow frontline staff who deliver projects to trace the threads between their work on the ground and high-level decisions.

## Overarching framework

The overarching framework describes four main pillars that determine a landlord's overall prospects and capacity:

- Social, economic and environmental imperatives
- The strategic landscape and landlord response to it
- Practical landlord role constraints and responsibilities
- Resource challenges

Within these 'givens', landlords do have considerable choices in how they react and the level of support they offer in communities.

## Applied framework

The applied framework is designed to support the sustainability of the landlord's interventions in communities and help managers assess and develop project ideas. It recognises that community progress will continue to depend on long-term steady commitment; clear priorities; ongoing support; and the local ability to respond to needs. The applied framework has six strands, each with a number of components:

***Entrepreneurial flair*** – the need for enterprise and innovation to maximise the effect of projects and find ways to roll them out successfully.

***Sticking to the knitting*** – prioritising ideas and actions that landlords have sufficient resources (or can harness sufficient resources) and know-how to deliver competently and with flair in a sustained way.

***Ongoing, face-to-face support*** – direct, positive relations with residents across both social and housing issues that help deliver a strong payback in landlord performance and costs.

***Training and job potential*** – the use of structured volunteering projects that offer opportunities for follow-on work, developing pathways into careers and creating new community resources, resilience and long-term payback.

***Payback*** – transparently monitoring the many non-cash benefits social investment should bring to the landlord, residents, the wider community and society as a whole.

***Local sustainable development*** – making and keeping low-income neighbourhoods viable is key to wider environmental protection and social and economic progress.

## Ingredients for success and practical frontline steps

From the primary research and their community level work over many years, LSE developed 10 key ingredients to help evaluate the potential of particular community projects. Together with 10 practical steps, these offer clear, practical guidance in assessing and implementing specific proposals.

## Framework for delivering community investment



## Conclusions

The complete framework offers a comprehensive guide to deciding on the desirability, validity and viability of any form of community investment landlords may consider, from strategic imperatives to ground-level pragmatism. It will help improve the sustainability of projects and maximise value from limited discretionary resources.

LSE Housing and Communities has proposed Orbit might further enhance its social investment and maximise impact in communities in 10 ways:

- Create a small staff resource to co-ordinate major bids for funding; identify new policy ideas; develop volunteer training models; identify new partnerships; provide know-how, support and advice to staff and community groups; and document learning outcomes and social paybacks;
- Employ social enterprise organisers, one step removed from the frontline, able to provide dedicated key supports, including planning; training; 'hand-holding'; monitoring progress; promotion of ideas and success stories, etc.;
- Increase the proportion of revenues used for social investment from one per cent to two per cent;
- Create a systematic, personalised approach to recruiting residents into responsible voluntary roles;
- Provide more consistent staff training on strategic investment priorities;
- Make best use of the many current opportunities around the green agenda and energy saving;
- Use its multiple neighbourhood bases to offer a potential 'laboratory of learning' for social innovation;
- Maintain a consistent, reliable frontline presence to stay connected and enhance face-to-face contact with residents, as they deal with austerity;
- Make fuller use of physical assets to serve multiple community functions;
- Develop closer working partnerships with other organisations aligned with Orbit's social purpose.

The research shows that a clear social focus within an enterprising organisation like Orbit can pay dividends for communities, for the reputation of housing associations and for society as a whole. Orbit could also use its expertise and experience as a landlord to add quality and value to managing homes and communities in the broader rented sector, which is rapidly expanding.

## About Orbit

Orbit is one of England's largest not-for-profit housing associations, managing 37,000 homes in more than 100 local authority areas across the Midlands, East and South East, including areas of London. Its housing stock ranges from high density, large scale ex-council estates, to purpose-built new homes on mixed tenure estates, and scattered rural properties.

## About LSE Housing and Communities

LSE Housing and Communities is a research and consultancy group within the Centre for Analysis of Social Exclusion (CASE) at the London School of Economics. CASE is a multi-disciplinary research centre which focuses on the exploration of different dimensions of social disadvantage, particularly disadvantage from longitudinal and neighbourhood perspectives. It examines the impact of public policy on individuals, communities and areas.

A fuller report (Volume I), an extended research report (Volume II) and supplementary information (Volume III) can be found at [www.orbit.org.uk](http://www.orbit.org.uk) or <http://sticerd.lse.ac.uk/LSEhousing/>

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