### **BOARD ROOM BRIEFING – BRISBANE 10 MAY 2017**



# 1.41 VALUING SOCIAL HOUSING

NSW Land &Housing Corporation
Queensland Department of
Housing & Public Works
Western Australian Housing
Authority
Curtin University
Griffith University

Project Partner:
National Affordable Housing
Consortium

# 1.54 PROCURING SOCIAL & AFFORDABLE HOUSING

NSW Land &Housing Corporation
Queensland Department of
Housing & Public Works
Western Australian Housing
Authority
BGC Residential
Curtin University
Griffith University

Project Partner: Keystart

Project Leader – Judy A. Kraatz j.kraatz@griffith.edu.au

Rethinking Social Housing Aug 14 - Sept 15 Valuing Social Housing March 16 - March 17 Procuring Social & Affordable
Housing
Apr 17 - Sept 18

### Developing the Strategic Evaluation Framework

### **Develop Framework Strategy**

Applicable to future innovative delivery models
Consider timescale, location & granularity

Develop productivity-based conceptual framework - benefits to: tenant; macro-economic; fiscal & non-economic

### **Establish Elements:**

- 9 Domains, 53 outcomes & over 160 indicators
- Associations
- Return on investment
- Data

### **Develop Framework Elements**

Contract to

Establish methodologies for:

- Associations
- Composite Return on Investment (CROI)

Identify data needs, sources & availability

### **Develop Procurement Criteria**

- A- Typologies & Demography:
- · Review of literature
- Picture of demographic changes
- B Procurement approaches:
- comparing & contrasting different approaches
- 360 survey of stakeholders

C - Review funding & financing models

- D Criteria for social value procurement:
- Develop from above and consultation with core partners

# 1.41 Valuing Social Housing Team

### Core Partners:

- Western Australian Housing Authority Sarah Mewett & Veronica Pannell
- Queensland Department of Housing and Public Works Heidi Roberts
- NSW Land and Housing Corporation Kathy Roil, Kim Shmuel & Jessica Dominguez
- Griffith University Judy Kraatz
- Curtin University Giles Thomson & Peter Newman
- Project Partner: National Affordable Housing Consortium Mike Myers
- Project Affiliates:
  - Judy Yates Project Steering Group Independent Chairperson
  - Access Housing Lyn Brun
  - Brisbane Housing Company Roxy Hotton
  - Common Ground Brisbane Sonia Keep
  - KPMG Tina Davey
  - Logan City Andre Brits



# **Productivity-based conceptual framework\***

TENANT BENEFITS both direct & indirect MACROECONOMIC BENEFITS productivity gains & growth FISCAL BENEFITS through increased engagement NON-ECONOMIC BENEFITS Improved resource & social outcomes

INCREASED INDIVIDUAL PRODUCTIVITY

e.g. employment & health

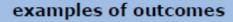
PRODUCTIVITY IMPROVEMENTS:

e.g construction & workforce engagement

FISCAL PRODUCTIVITY

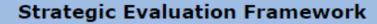
e.g. reduced demand on social services LIFE CYCLE PRODUCTIVITY

e.g. more effective resource use



Employment security Education participation Construction activity
Workforce
engagement
New social housing
units

Increased tax revenue Reduced health system costs Reduced waste Improved Neighbourhood relations





# The Four Elements - in detail

SUITE OF OUTCOMES & INDICATORS

For example:

### OUTCOME

Increased workforce participation



indicator move from unemployment to employment

### **ATTRIBUTION**

Is there a link
between having
safe and secure
housing and
selected
outcome/indicator?



e.g. increased workforce participation?

# What is the % contribution?

Identify from literature and expert panel if required.

# COMPOSITE VALUE OF RETURN ON INVESTMENT

equals



# SOCIAL RETURN ON INVESTMENT

Social return to organisation – e.g. to Commonwealth, state, local, tenant

plus

### **WELL-BEING VALUATION**

Average person improvement in well-being

plus

### **VALUE TO THE INDIVIDUAL**

Impact on individual

plus

**VALUE OF EQUITY** 

### **DATA**

Scale, nature and depth of impact

### **QUANTITATIVE**

What relevant aggregated and linked data sets available? Organisational, state based, national? Granularity, currency, accessibility?

### **QUALITATIVE**

Narratives from interviews and surveys



### **PRODUCIVITY GAINS**

- Tenant e.g. Increased engagement
- Macro-economic e.g. Increased productivity through increased workforce engagement
- Fiscal e.g. Increased taxes & decreased social security payments
- Non-economic e.g. increased social capital through greater engagement



# Element 1 - Domains, Outcomes & Indicators



### Community

(31 indicators) Rights & empowerment Equitable opportunities Community connectedness Social capital and cohesion Culturally rich Strong neighbourhood Perceptions of disorder



Increased participation Enhanced performance Access

### **Urban Amenity**

(21 indicators) Place-making Neighbourhood resources Socialising Area regeneration Access to community activities Cultural heritage & identity Urban design



Increased participation Mobility



### Housing

(30 indicators) Improved access Ability to maintain tenancy Appropriate targeting & provision Effective provision Higher levels of inclusion Improved amenity Effective asset management Adequate insurance



### Social

(17 indicators) Improved social wellbeing Reduced antisocial activity Reduced drug & alcohol dependence Improved family relationships

### **Health & Wellbeing**

(8 indicators) Improved physical & mental health Reduced service demand Improved access to services Active & healthy living Improved productivity Improved access to healthy living

### **Economy**

Property values ROI **Business Agility Economic stimulation** Industry & personal productivity Long term savings Financial flexibility Reduced financial stress Housing affordability &

Balanced supply and demand Reinvestment in housing & services

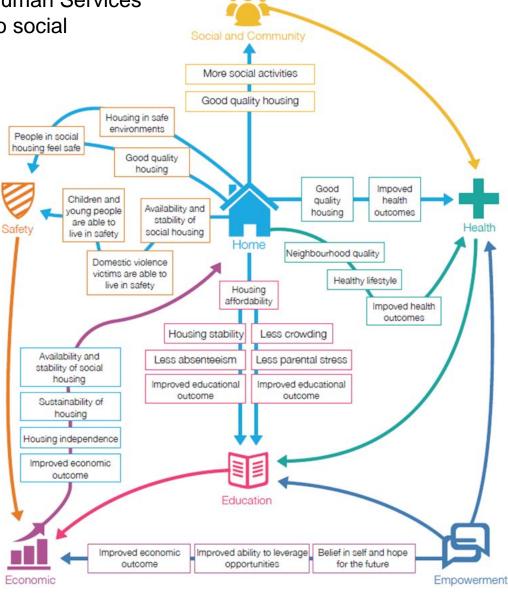
**Availability** 





# Element 2 – Identifying & illustrating associations

An example – Causal Web - NSW Human Services
Outcomes Framework: Application to social
housing\*





<sup>\*</sup> Chilvers, M., J. Stewart, V. Rose and J. Miller (2016). NSW Human Services Outcomes Framework: application to social housing: Shared Outcomes Workshop. Sydney, Australia, NSW Families and Community Services.

### Element 3 - Data

- Comprehensive summary of relevant data sources identified & provided in Final Research Report
- Data and Social Housing virtual roundtable held identified key issues & opportunities
- Linked data opportunities important –allows for the longitudinal analysis of individuals to articulate the impact of housing - with data analysis looking at outcomes before housing, outcomes in housing, and outcomes after housing – used by
  - Telethon Kids Institute in WA <a href="http://telethonkids.org.au/about-us/">http://telethonkids.org.au/about-us/</a>
  - NSW Data Analytics Centre <a href="https://www.finance.nsw.gov.au/nsw-data-analytics-centre">https://www.finance.nsw.gov.au/nsw-data-analytics-centre</a>
  - The Australian University Researcher Infrastructure Network (AURIN)
     https://aurin.org.au/
- Data visualisation examples provided



# **Element 4 - Composite Return on Investment (CROI)**

### **SUB-ELEMENT 1**

### Social Return On Investment

**Input -** \$s invested into social housing provision as a program

**Output** - measure of broader benefits accrued to society as ratio of outcome to input or aggregated \$ value

# SUB-ELEMENT 2 Well-being valuation

Input - \$s invested into social housing delivery
 Output - Head-line well-being values of broader
benefits x number of people impacted = social benefit

### SUB-ELEMENT 3

### Value to the individual

**Input** - \$s invested into provision of social housing for an individual

Output - accounting for value in the individual context

# SUB-ELEMENT 4 Value of equity

**Input** - \$s invested into provision of social housing for a society

**Output** - value to society of equitable distribution of resources

**Return on investment to investor** - through establishing theory of change; for identifying indicators; financial proxies; \$ values; apply sensitivity analysis; and aggregating

Key productivity focus – macro-economic & fiscal

**Improvement in well-being -** life satisfaction - values derived from national databases for people that resemble those in which investment is made

Key productivity focus - macro-economic & fiscal

**Impact on Individual** - How a person's life changed as a result of social housing (type, scale and depth of impact) - determined through narratives

Key productivity focus - individual and non-economic

**Impact on society** - a given total of wellbeing is more valuable the more evenly it is distributed

Key productivity focus - social capital

# The Strategic Evaluation Framework Flowchart



OUTCOMES & INDICATORS





ATTRIBUTION

# See also in our Final Reports





DATA





RETURN ON INVESTMENT





REPORT & INFORM

WHAT Select social benefit outcomes & indicators across the 9 domains.

HOW Numerous sources exist:
- SBEnrc Project 1.31 gathered over 180 indicators from multiple source

- Commonwealth, state and local government agencies along with private and not for profit providers will also have existing performance indicators
- Indicators from sources such as the National Social Housing Survey and Australian Institute of Health and Wellbeing

### IN AN IDEAL WORLD

A shared, on-line nation-wide set of outcomes and indicators, with examples of supporting data and documentation; accessible to all.

WHAT (i) Confirm the link between the provision of safe and secure housing and what is being measured by the indicator; & (ii) establish % attribution for use in SROI analysis HOW Construct causal webs from the evidence



3a

3b

3c

From credible academic and industry literature - if none available then 2b

Via expert panel assessment - likely needed for establishing percentage attribution on a case by case basis

Linked data - Telethon Kids Institute example - bring together several sources of data related to the same individual, household, or location to enable tracking of impact over time

Central on-line repository for geo-located data - AURIN example - then use linked data to show performance to baseline

Other - consider innovative opportunities for data gathering and sharing

Wellbeing valuation - satisfaction of preferences -

OECD - broad approach for international benchmarking HACT UK - national measurement -

improvement in individual wellbeing based on 4 national datasets looking at economic, social, health, crime and leisure data

Social Return on Investment (SROI) methodology- a ratio of impact to \$s input and/or an aggregated \$ return on investment for defined benefits to society which may accrue from the provision of social housing

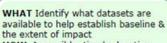


Value to the individual - Making narratives tangible

Accumulate and communicate via written and/or digital stories



Value of equity to society aggregate lifetime wellbeing from 4a - then determine overall value to society underpinned by distributive justice - Kolstad et al. 2014 Section 3.4.6



**HOW** Accessible, timely, location specific and relevant data of appropriate granularity is required

### IN AN IDEAL WORLD

Longitudinal surveys to track cohort improvement over time across the nine domains

Timely, accessible and cost effective data

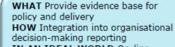
National repository for linked data

WHAT Identify the broad social return on investment

**HOW** Through a composite approach

### IN AN IDEAL WORLD

National approach to track benefits and improvements in well-being across example cohorts in various locations - enriched by individual narratives via written or digital stories



IN AN IDEAL WORLD On-line reporting for nation-wide comparison across the nine domains



# 1.54 - Procuring Social & Affordable Housing

### Core Partners:

- BGC Residential Carl Barrett
- NSW Land and Housing Corporation Kathy Roil, Kim Shmuel & Jessica Dominguez
- Queensland Department of Housing and Public Works Bronwyn Evans & James Sedman
- Western Australian Housing Authority Sarah Mewett & Veronica Pannell
- Curtin University Mariela Zingoni de Baro & Peter Newman
- Griffith University Judy Kraatz & Andre Brits
- Project Partner: Keystart Home Loans John Coles, PSG Chairperson

### Project Affiliates:

- Access Housing Lyn Brun
- Community Housing Industry Association Peta Winzar
- KPMG Tina Davey
- National Affordable Housing Consortium Mike Myers
- NSW UDIA Justin Drew
- Victorian Social Housing & NDIS Reform Group Alex Dordevic



# 4 parts to better aligning social value procurement & delivery

Part A - Typology & demographics

Part B – Procurement approaches

Part C – Financing and funding models

Part D – Criteria for social value procurement



# Part A - Typology & demographics

### Review of literature

- changing housing typologies of social & affordable community rental housing demand in WA, Qld and NSW
- limited review of international literature of alternate typologies e.g. long term cooperatives, collaboration with private co-owners, participatory design & sustainable precincts
- Focus on Canada, US, UK & selected northern European countries

# Desk top research

 Changing demographics & impacts in WA, Qld & NSW - detailed data release 2016 Census on 27 June



# Part B – Procurement approaches

### Review of literature

- Summary of approaches in WA, NSW & Qld, comparing & contrasting different forms of approaches to social housing and affordable community rental
- limited review of relevant international procurement approaches, with the primary focus on current research in Canada, US, UK & EU.

# 360 degree survey of stakeholders

 incl. gov. delivery agencies, developers, architects, planners, asset managers, financiers and service providers in WA, NSW & Qld.



# Part C - Financing and funding models

# Review of financing and funding models:

- in Australia &internationally (esp. the UK),
- how private sector finance can enable builders and developers to deliver social and affordable housing as a lower price by volume



# Part D - Criteria for social value procurement

Development of a set of criteria for analysis of social value procurement approaches, with recommendations to:

- optimise procurement efficiency & provide clarity, consistency & transparency around social value delivery
- 'find-the-best-fit' in optimising the investment risk equation & aligning the benefits



# **Proposed engagement**

# Work with partners to:

- consolidate current practices & disseminate an overview of current practices
- develop 360 degree survey to address specific issues identified from an organisational perspective
- ensure that the social value criteria identified for analysis of procurement approaches is applicable in each agency environment to enable integration



# Dissemination and knowledge transfer

## Via:

- Partner agencies
- Industry associations such as CHIA
- AHI's publication HousingWORKS
- QShelter State Conference June 2017
- AHURI National Housing Conference Nov 2017
- Liveable Cities Conference 2018
- European Network of Housing Researcher (ENHR) newsletter
- Research and industry reports
- Other ......



# Thank-you

## 1.54 Procuring Social and Affordable Housing at:

http://www.sbenrc.com.au/research-programs/1-54-procuring-social-and-affordable-housing-improving-access-and-delivery/

# 1.41 Valuing Social Housing at:

http://www.sbenrc.com.au/research-programs/1-41-valuing-social-housing/

# 1.31 Rethinking Social Housing at:

http://www.sbenrc.com.au/research-programs/1-31-rethinking-social-housing-effective-efficient-equitable-e3/

