

## The Impact of Social Housing: Economic, Social, Health and Well-Being – An Introduction to the Research

UK Collaborative Centre for Housing  
Evidence (CaCHE) & HACT

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### Introduction and Context

For those working in social housing in Scotland there is little doubt about the essential and enduring impacts good housing has on residents and community wellbeing. The Scottish Government has signalled its intention to operationalise housing as a fundamental human right. The last two affordable housing supply programmes have also been widely praised. However, these advances have recently been called into question, not least by the *Housing to 2040* consultation that explicitly challenges the maintenance of housing public spending priorities; and, second, by the aftermath of the Covid-19 pandemic lockdown and likely deep recession.

This research has been established to explore both the evidence of impact and to examine a series of new case studies and quantitative analysis of impacts on the ground. Housing associations offer considerable added value to help build Scotland back better as we seek to recover from the virus and support a strong and

inclusive economic recovery<sup>1</sup>. This short briefing paper sets out the research, highlights key initial findings and strongly reiterates the message that social housing continues to offer important economic, social and health outcomes that benefit our cities and towns, sustain our rural settlements and, by changing lives for the better, addresses social exclusion, lost economic opportunity and inequality.

### Key Findings

- Evidence supports the view that there are significant economic benefits in terms of jobs, GVA, local spending and relatively large multipliers associated with social housing investment and operational activities of social landlords.
- Social housing and lower rents appear to help explain Scotland's relatively better performance on child poverty<sup>2</sup>.
- Research from both large-scale evidence reviews and from detailed longitudinal neighbourhood analysis indicate that well-designed

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<sup>1</sup> See: NESTA (2020) *Four Coronavirus Futures*, May 13 2020 <https://www.nesta.org.uk/blog/four-coronavirus-futures/> ; Barry Knight (2020) Build Back Better, April 7, <https://www.rethinkingpoverty.org.uk/rethinking-poverty/buildbackbetter/>

<sup>2</sup> <https://www.jrf.org.uk/report/poverty-scotland-2019>

housing improvements and investment can positively impact on health outcomes and contribute to reducing the fundamental causes of health inequality.

- It is clear that social housing offers considerable benefits as we seek to recover from the Covid-19 crisis.

### Research Objectives

The project seeks 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; to thereby strengthen the sector's position about the urgent need to invest in more social housing; and to complement ongoing research on the demand for affordable housing post-2021. Below we highlight findings from initial evidence reviewing on housing impacts.

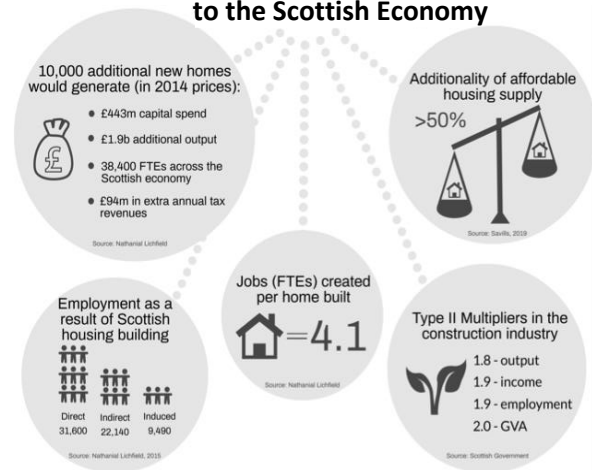
### Economic Impacts

In terms of economic impacts, as indicated in Figure 1, we know that employment, output and income multipliers are relatively high and the benefits remain relatively local. Investment generates tax revenue and the form of investment is largely additional and does not displace private housing<sup>3</sup>. New affordable housing supports place competitiveness and the high standards of new social housing contributes to reducing carbon emissions. New build and improvement programmes also contribute to skills through apprentices and graduates. It is now all the more important that these arguments feature carefully in government economic appraisals where housing funding is being

judged against other priorities both for short term economic recovery and long-term wider benefits.

Housing investment also generates preventative savings associated with lower homelessness costs, police and justice service savings and reduced social work demands, among other things. Potentially, these savings can be measured though realising them and cashing them in may be challenging.

**Fig 1: Housing's Contribution to the Scottish Economy**



### Wellbeing, Social Value and Measurement

The wellbeing dimensions of housing are well-established.<sup>4</sup> First Minister Nicola Sturgeon in a TED talk delivered on 6th September 2019 spoke of a broader definition of national success, aligning Scotland with Iceland and New Zealand and challenging measurement of economic growth as the only means to demonstrate a country's success. Promotion of well-being is an integral part of Scotland's National Performance Framework (May 2019) which recognises

<sup>3</sup> Savills (2019), Additionality of Affordable Housing – Report to G15. Savills: London

<sup>4</sup> <https://www.housingandwellbeing.org/>

that a country's success is much more than GDP but also must include improved wellbeing (and sustainable development goals)<sup>5</sup>. In 2010 the UK Prime Minister [launched the National Wellbeing Programme](#) to “start measuring our progress as a country, not just by how our economy is growing, but by how our lives are improving; not just by our standard of living, but by our quality of life”.

There are objective measures of wellbeing, like life expectancy and levels of unemployment, and also subjective measures – how people actually feel about progress, including overall satisfaction with life and levels of anxiety. It is important to have a mix because objective measures, such as actual levels of crime, don't always reflect the way people feel, for example, their fear of crime – and the differences can have important implications for policy. The objective is to complement the more traditional economic measures used by policymakers and to provide an additional way to think about what we value the progress we're making as a society.

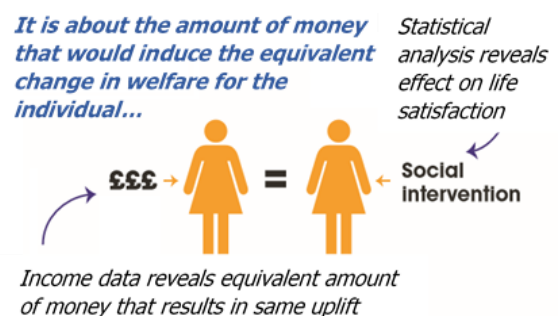
The UK national wellbeing programme provides a wealth of data and understanding which can be applied to policy. Wellbeing data across the UK continues to be captured by the Office of National Statistics with geospatial and trend analysis on the changing nature of wellbeing across the UK.

HACT is at the forefront of measuring the social value of investments, including housing, and has worked with Simetrica to monetise valuations of aspects of

wellbeing. These are now used widely in Green Book economic appraisals. While this is only one of several ways of capturing social value it is relevant and increasingly popular. Organisations are able to use wellbeing valuation in order to improve their understanding, practice, influencing and decision making around wellbeing.

Well-being Valuation is the latest thinking in social impact measurement. It converts outcomes into monetary values based on how much they increase individual wellbeing. The approach works through the analysis of large national datasets. Sophisticated statistical analysis is used to isolate the effect of a particular factor on individual wellbeing. Analysis of income data can then be used to reveal the equivalent amount of money needed to increase someone's wellbeing by the same amount. The main advantage of Wellbeing Valuation is that the values are consistent and robust giving a monetary value for that outcome. This means that while an organisation may be examining values for different types of outcomes, it is still comparing like with like.

**Fig 2: Wellbeing Valuation**



A recent study for Redrow by Simetrica<sup>6</sup> estimated social value benefits of a hypothetical 250 unit development, both

<sup>5</sup> <https://www.civilserviceworld.com/articles/feature/national-treasure-how-scottish-government's-national-performance-framework-linking>

<sup>6</sup> <https://www.redrowplc.co.uk/media/2445/communities-report.pdf>

collectively and for representative households. These figures compute the discounted value over 25 years and indicate that, for individual households, good neighbour relations are highly valuable (c.£35-46,000), as is green space (c.£39,000), property size (c.£34,000), good neighbourhood design (c.£17,000) and higher energy standards (c.£36,000).

An Australian study<sup>7</sup> for a hypothetical 100 unit affordable development concluded that the potential social benefit can be large (and enough to offset public costs of capital funding). This analysis combined cash, estimated fiscal savings and monetised wellbeing effects across homelessness; mental health, domestic violence, reduced substance and alcohol harm; human capital and educational development; financial stress; overcrowding; the integrating benefits of social housing and a platform to enable other non-shelter services; and, employment and enhanced productivity. The author is clear that we do make assumptions in this type of work i.e. about the level of need and the characteristics of the people housed – but despite that, this is important research.

### Health Impacts

A series of robust evidence reviews have assessed the relationship between health outcomes and housing programmes.<sup>8</sup> These suggest that there is mixed evidence about housing improvement leading to

improved health outcomes but, alongside complementary labour market and housing policy reform, carefully designed and implemented housing regeneration led improvements have the capability to improve population health outcomes and reduce inequalities. For instance, adequate, affordable warmth may lead to better attendance at school and in work.

Among notable recent specific housing-health studies, one<sup>9</sup> categorically demonstrated the social costs of homelessness in terms of health and well-being and the consequent preventative benefits attached to reducing homelessness through interventions, most obviously additional affordable housing. A second paper<sup>10</sup> argued that:

- Housing associations provide safe, decent homes enhancing well-being
- Housing associations can help reduce the burden and cost of ill health and treatment
- They can also reduce the health and care delivered to older households and those in need of care support
- They can provide cost-effectiveness in meeting health and care objectives
- They can demonstrate positive cost-benefit outcomes in terms of

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<sup>7</sup> Nygaard, C (2019) Social and Infrastructure housing as a social infrastructure: a literature review for the community housing industry association.

<sup>8</sup> e.g. McCartney, G, et al (2017) 'Regeneration and Health: A Structured Rapid Literature Review', *Public Health*, 148 (69-87); Thomson, H, et al., (2009) The health impacts of housing improvement: a systematic review of evidence studies from 1887 to 2007, *American Journal of Public Health*, Vol99, S3

<sup>9</sup> Waugh, et al, 2018, Health and Homelessness in Scotland. Scottish Government Social Research.

<sup>10</sup> Buck, et al, (2016) The economics of housing and health: the role of housing associations. King's Fund.

the value of health produced and savings to the NHS.

The longitudinal **Go Well** programme examined neighbourhood housing led transformation over more than a decade and produced extensive research findings.<sup>11</sup> GCC (2020) summed up the impacts of the housing investment noting that investment was highest in the most deprived communities, that there was evidence of positive inclusive growth (e.g. targeted housing investment) and that higher investment helped physical health trajectories over time (a 'protective' effect) and led to mental health improvements.<sup>12</sup>

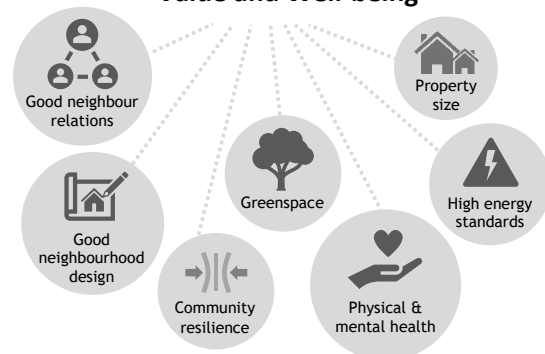
### Rurality and Climate Sustainable Impacts

Social housing investment can make a critical impact to support and make rural communities more resilient through providing low cost housing for young people so that they stay in these communities and supporting vital public services and employment. Research for HIE<sup>13</sup> found that housing is part of a complex problem relating to local skills, transportation, access to land and labour supply. Infrastructure is a major barrier to housing development, as is access to affordable developable land. This has knock-on effects on the sustainability and resilience of local communities with even small numbers of new affordable homes making significant differences to the capacity for local services to be protected or even extended.

Scottish public policy is aligned to the National Performance Framework, which itself is closely related to principles of inclusive growth, economic wellbeing, rural-proofing and environmental sustainability. This short outline of the evidence suggests that the impact of social and affordable housing can contribute positively to all of these dimensions.

The potential impacts on rural communities and sustainability, when combined with the existing evidence on health and broader social value impact suggests various possible housing-social impact pathways. In addition to the economic contribution highlighted in in Figure 1, some of the key social value elements mention in the evidence review are illustrated in Figure 3.

**Fig 3: Housing's Contribution to Social Value and Well-being**



### Next Steps

The team has completed a large scale evidence review and to this will be added new primary research based around four provider case studies operating in different settings, alongside the construction of a

<sup>11</sup> See: <https://www.gowellonline.com/>

<sup>12</sup> Glasgow City Council (2020) *Housing: Socio-Economic Analysis*. Report produced by the Glasgow City Region Intelligence Hub.

<sup>13</sup> Indigo House/Ipsos MORI (2017) *Stimulating housing development in the Highlands and Islands*. Highlands and Islands Enterprise. [www.hie.ci.uk](http://www.hie.ci.uk)

series of indicators (economic, social, environmental, health and well-being) with which to understand local and national impacts from the affordable and social housing sectors.

The four case studies will both provide a detailed sense of the range of activities that SFHA members are carrying out and meet the specific requirements of the funders in terms of their interests and concerns. We also hope that the case studies will enable us to test the impact indicators that we devise alongside the real experience of specific types of housing associations across their activities. The four case studies will cover a rural association, a community-based urban association, a specialist care-focused housing association plus a national or regional association. The fieldwork for this stage of the research has been hampered by the Covid-19 lockdown but it will be possible to carry out most, if not all, of the anticipated field work by early June.

The aim to prepare a final report for the end, or close to, July 2020.

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This project is funded by the Scottish Federation of Housing Associations, Public Health Scotland, the Joseph Rowntree Foundation and the Rural and Islands Housing Association Forum. The research is being carried out by the UK Collaborative centre for Housing Evidence and HACT.

#### The case studies will each include

A profile of the local housing system and socio-economic circumstances.

Profile of the case study association – history, scope, major achievement, current position, links to local stakeholders, development and community activities, etc., governance and key issues (strategic and operational).

Self-assessment of impacts of different activities – evidence and evaluation by research team, involving interviews with staff and board, where possible.

Assessment of impact using HACT data and analysis; how do these triangulate with the evidence from the providers?

Synthesis analysis and wider lessons written up on common template for all case studies.



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