# Civil Society Covenant Framework Consultation Response

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**About the Centre for Excellence in Community Investment**

The Centre for Excellence was founded by HACT ('Housing Association Charitable Trust') in 2018 with funding from Housing Associations, including: Clarion Futures, L&Q, Orbit, Peabody and Sovereign Network Group.

The purpose of The Centre is to champion and advocate for the importance and impact of community investment across the UK, by:

- providing a platform for promoting the importance of community investment both inside and outside of the social housing sector
- providing a mechanism for community investment professionals to share and develop their practice
- ensuring that community investment underpins social housing organisations as they evolve their services and relationships with their customers and communities

Community investment is the work social housing organisations do alongside people and communities to help them thrive. Investment by social housing organisation in communities addresses a multitude of issues, including Anti-Social Behaviour, health and wellbeing, loneliness, employment and training and inclusion. This can lead to impactful outcomes for social housing residents, their wider local communities and generates social value for their organisations. It is a central activity to building sustainable communities.

Through the work of the Centre for Excellence in Community Investment, we look to enable and support the housing sector to deliver impact in communities across the UK and position community investment as a vital and critical component of the sector's social purpose.

**Housing Associations and the Voluntary, Community and Social Enterprise (VSCE) Sector**

Housing associations are not-for-profit social landlords that provide homes and support for around over six million people throughout the UK. Housing associations provide good quality homes that are affordable and support the development of communities that thrive. They are working together to make that happen. There are hundreds of housing associations that own and manage over 2 million homes throughout the UK.

The role and purpose of Housing associations is to:

- provide homes that are affordable to people in housing need.
- provide safe, good quality homes and services.
- offer services that enable residents to live well.
- build successful places where people want to live

The most common type of home housing associations provide is social rented and affordable rented housing, which are offered to people on lower incomes at a subsidised rent. Housing associations also provide other services, such as Shared Ownership homes, market homes to rent and buy, supported and specialist housing whilst also developing thousands of new homes. It's estimated that the lower rents housing associations charge save tenants £9bn a year, and results in significant savings for residents and other public services - and that for every £1 of government investment, housing associations invest £6 of their own money into the development of new affordable homes.

Housing associations make long-term commitments to the communities and places they work in. They run services for local people, including training and advice, apprenticeships, youth schemes and community hubs. They also invest in regenerating poor quality homes and work closely with partners, such as local authorities and local charities to create happy, thriving places where people want to live.

Housing associations have a presence across the entire UK and can deliver change on a national, regional and local level. They are long term, stable, local institutions and key partners of local and regional government alongside the VCSE sector. They have a strong asset base, are financially stable, well-regulated by the Regulator for Social Housing, and well regarded by lenders.

Housing associations are important place-based anchor institutions that work to deliver places where communities can thrive, and people want to live. To do this, housing associations work with VCSE partners throughout the UK to support services and communities. This comes in many different forms – housing associations are flexible in their approach to building and maintaining communities. Some will fund VCSE partners to deliver services directly, others will provide grants to local organisations to carry out projects and initiatives themselves for the benefit the community in which they operate in.

Some housing associations also operate their own charitable foundations as a part of their corporate structure. These exist to deliver on charitable aims and objectives for their tenants, residents and the wider community. This enables those organisations to manage and deliver charitable services and initiatives that flexible and drive innovative practices, but also that enable housing associations to go beyond their core housing services and provide practical support and impact in communities across the UK.

These charitable trusts and foundations often oversee the work of the organisation's community investment and social value work – working to use their asset-base and supply chain contributions to benefit the communities they work in, improve the lives of people within these communities, and generate social value on top their work as a registered provider of social housing. Housing Association charities and foundations will have a diverse range of aims and objectives, ranging from health & wellbeing, employment & skills, community cohesion, food insecurity, digital inclusion and financial inclusion, alongside many other areas.

The aim is to use the strong asset-base and networks of a housing association to deliver services and initiatives that break the cycle of poverty and improve the lives in their communities.

For more information about HACT and the Centre for Excellence in Community Investment, please visit our website:

https://hact.org.uk/collaboration/the-centre-for-excellence-in-community-investment/

**Consultation Questions:**

- **Are the 4 key principles- recognition, partnership, participation, transparency - the right ones?**

It is our view that these 4 principles are correct and capture the necessary areas in which the Government and VCSE can work collaboratively. However, there are important aspects of each of these principles that must be considered to achieve these aims.

**Recognition** – this covenant must ensure that the unique and vital role VCSE organisations play at a local and national level in society – both economically and socially. Their independence and ability to meet the needs of distinct groups within society should also be recognised and respected. This should be treated as an opportunity to establish a relationship between government and the sector of trust and enabling organisations to focus on delivery. It's also important to recognise the reach of VCSE organisations across the country and how this enables the Government to deliver on its social and economic priorities – and crucially supports people that Government initiatives often can't or don't reach. Furthermore, housing associations' longevity in local places should also be recognised within this discussion – their work supporting the VSCE sector and their own charitable status (where they have set up trusts and foundations directly) position them well to be close partners to statutory organisations and governments at local and national levels to connect with and investment in communities.

**Partnership** – For this to be a meaningful partnership, VCSE organisations must be involved in decision-making process as early as possible and proactively provided with opportunities to shape and influence decisions and priorities. It's also crucial that barriers for engaging with government are removed as far as possible in order for the sector to spend more time on service delivery than navigating government departments to find the relevant person/department for their query. Meaningful partnerships must also be based on trust and collaboration, and it must be recognised that the current commissioning arrangements in the sector should be re-examined as to ensure it delivers stability and certainty for the sector that will encourage commissioning that is outcomes focussed rather than outputs focussed. Currently, by funding being awarded to Local Authorities to be distributed is often at risk at being absorbed by Local Authority budgets that are coming increasingly under pressure. We would encourage Government to explore other routes beyond direct payments into LAs and consider how anchor organsiations, like Housing Associations, could be vehicles to test distribution of funds as well as skills support for the VCSE sector. See below example from Clarion Futures, Places for People and Fusion 21 for more information on this.

**Participation** – the VCSE and social housing sector should be seen as important partners in which to ensure people and communities can be heard and make a difference. The sector has trusted relationships and supports communities throughout the UK – it's one of the most publicly trusted sectors in the UK. This covenant should also commit to co-production with communities, giving them power and influence within decisions and setting priorities. By partnering with these sectors, government can increase its reach and the impact of its initiatives. Again, housing associations should be key stakeholders in consultation and design of new services and initiatives to support communities. Their direct links to social housing communities & estates, and as developers and anchor organisations, they are ideally placed to convene stakeholders to deliver positive outcomes and impact at a community level.

**Transparency** – As far as possible, government should share information with the sector that involves them in decisions and priorities that generate impact in communities. The sector requires certainty and stability – by having a clear idea of priorities for funding and investment, the VCSE sector can plan and commit to projects and initiatives. Short term and uncertain funding arrangements have stripped capacity from the sector over a

number of years that will take a significant length of time to recover from. It's also important that data collection and evidence gathering is improved, and that the government examines good practice of data standards within the sector currently to learn from these approaches.

- **What are the enablers of effective partnership and what are the examples of best practice?**

Consistency and clarity of purpose would enable more effective partnerships between civil society and government. In order for these partnerships to be meaningful, stable and effective there should be a commitment from government to devolve some decisions and funding to the VCSE sector. This would improve participation and empower the sector to take forward initiatives and provide greater certainty.

However, government should also look at initiatives that build capacity within the VCSE sector that enables organisations to actively participate in partnership building. Greater certainty of funding would enable organisations, especially smaller organisations with small staff teams, to focus on collaboration and partnerships. As the Government looks to set out long term plans for key institutions in the UK, it may want to shape a long-term plan for the relationship with the VCSE sector. For housing, a long-term plan for housing and long-term rent settlements will provide stability that builds capacity and encourages partnerships to form. Stability for the housing sector can provide stability for their VCSE partners too and enable them to commitment to existing or new funding arrangements that maintains capacity within the VCSE sector.

Government should also look to proactively promote and champion the work of VCSE organisations, the difference they make, and the scale of the social and economic impact organisations make in communities across the UK.

Lastly, having clear lines of communication between VCSE organisations, their representative bodies and government would improve existing communication – at present organisations find departments difficult to navigate and to find the relevant person or department for their query. Improving this would enable VCSE organisations to develop partnerships, better design services and concentrate more on delivering those services instead of spending time and capacity on trying to engage with government officials.

Last year's Resilience Programme partnership between social housing providers Clarion Futures (the charitable foundation of Clarion Housing Group) and Places for People, alongside Fusion 21 is excellent example of the housing sector working to support the VCSE sector and deliver impact in communities. This programme supports local VCSE services through targeted funding and capacity building – enabling them to benefit more people and communities and be equipped and robust enough to face current and future challenges, ensuring viability for the longer term. Read more about this programme.

- **What are the barriers to meaningful partnership and collaboration?**

At present there are several barriers to meaningful partnership and collaboration between government and civil society organisations.

VCSE organisations should be consulted with on decisions at a much earlier stage in order to have a meaningful chance to inform and influence decisions that will directly impact them. The recent decision not to exempt charities and VCSE organisations from increases in employer National Insurance Contributions is a present example of a barrier that has put housing services at risk and increasing pressure on public services. As the NCVO noted, estimates indicate that this will create an additional Bill for charities in the region of £1.4 billion – further diminishing the capacity and delivery of these organisations in communities throughout the UK. It is vital that the sector is included early in the decision-making process – ideally to avoid impacts such as this but also to give the sector time and clarity in which to prepare for these decisions and plan strategies and mitigations.

At the moment there is no mutually agreed outcomes or priorities between the sector and government – an exercise to introduce accountability to this would benefit organisations and government and would lead to better measurement of outcomes.

It's also important to recognise the impact that short term funding has had on the capacity and sustainability of the VCSE and housing sector – and a commitment to end this cycle of short-term funding would be a welcome step to building partnerships and increasing collaboration. A further commitment to co-design funding packages with the sector would be welcome too.

There could also be more done to require Local Authorities and Integrated Care Boards to facilitate these relationships and to transparently share data, insights and intelligence that inform approaches and service delivery. Requiring these groups to engage and collaborate with housing organisations and VCSE sector would lead to greater partnerships and increasing the impact of their work together. Furthermore, adding accountability to creating and fostering partnerships when there are large investments into public services should include requirements for evidence of co-design of new services to monitor this activity and learnings.

- **How do we ensure this Covenant holds weight and is effective?**

In order for a new covenant to be meaningful and effective it must have some accountability attached to it, in order for both civil society and government to measure its effectiveness. This should be an opportunity to co-design outcomes, data indicators and a degree of consistency of information and reporting between organisations and government that is both flexible but also captures the value and impact of civil society organisations.

Within these outcomes there should be a commitment from government to maintain or increase capacity and capabilities of the sector.

To give this work weight and accountability, evidence and assessments against outcomes of the covenant should be transparently updated in real time, or at least regularly, published publicly.

- **How do we harness the excellent ability of civil society to innovate and find new solutions to societal problems and how do we support that spirit to spread across the sector?**

Trust and transparency should be at the heart of this. By being clear in expectations, capacity, resource and funding available, VCSE organisations can manage expectations on the impact they can generate with the support they receive. In addition to this, there needs to be a degree of trust from government when awarding funding – the housing sector is a well-regulated and trusted sector by large financial institutions. Funding should reflect this, with minimal barriers and stipulations on funding requirements in place to allow these organisations to focus on delivery and learning from these programmes and initiatives to better inform future funding packages.

Furthermore, with a focus on developing data and learning from funding programmes, and sharing this transparently, can inform future programmes and priorities for the sector – but most importantly there should be specific funding and support for innovation. Innovation requires capacity, resource and long-term investment, not just in the programmes themselves but in building teams and skills in organisations across the country to provide them with the skills and tools to build partnerships and collaborations.
Housing and VCSE umbrella bodies can play a role in developing these tools and insights in collaboration with government and their sector – such as NCVO, ACEVO and HACT. These organisations are ideally placed to help build a culture within their sectors that supports and nurtures skills in the sector and go beyond geographical boundaries to showcase good practice and innovation. Government should look to partner or work through these organisations to achieve their aims for the covenant.

- **How do we make the new relationship a reality, especially in the current economic context?**

The new covenant should take an asset-based approach and look to use the organisations that are already based throughout the UK, delivering in each community and with robust and locally focused priorities. The housing sector is ideally placed to be important partners in delivering on a new covenant.

The housing sector is well-regulated, trusted by institutions and local residents, and are already working in partnership and collaboration with civil society organisations. Housing providers are place-based anchor institutions and ideally situated to improve and adapt systems. They invest in communities over a long period of time. It's potential to drive impact is substantial and with housing at the heart of the covenant. Furthermore, through working with the housing sector and adding capacity to the sector to work more with VCSE and Civil Society organisations, they can start to change and improve systems and causes of hardship. This could then enable partnerships and collaborations that tackle systemic issues – this can help reduce these issues and deliver outcomes that improve people's lives and overall wellbeing.

**Additional comments:**

The housing sector should be viewed as important partners within a new covenant to bridge the gap between VCSE sector and delivering impact within communities. As robust, well-regulated and place-based anchor institutions, some of which directly operate charitable organisations, the housing sector is ideally placed to work with government to convene relationships and partnerships between local authorieis, regional, local and national government as well as the VCSE sector.

The housing sector's local services, knowledge and connections via their community investment teams allow initiatives and programmes to be delivered effectively – often with people and communities that experience challenges and barriers every day.

The covenant should prioritise housing-based charitable work and place-based solutions to social problems – by focusing on this it can use the potential and reach of the housing sector to increase its impact and improve on outcomes that improve the lives of people in communities throughout the country.

**Further information and related housing and VCSE organisations:**

- HACT
- The Centre for Excellence in Community Investment
- Molly Huggins Trust
- Lintel Trust
- NIHACT
- L&Q Foundation
- Hyde Foundation
- Clarion Futures
- Longleigh Foundation
- Places Foundation
- SNG Community Foundation
- Riverside Foundation

If you would like to learn more about HACT and our Centre for Excellence in Community Investment, please contact Rebecca Rieley, Head of Communities and Projects, Rebecca.rieley@hact.org.uk