

Lakewood CMC
Social Return on Investment
Evaluation

CEHL & EACH

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Report

Report preparation

Author: Arjun Ravi
Associate
Net Balance

Project Manager: Arjun Ravi
Associate
Net Balance

Project Director: Ross Wyatt
Director
Net Balance

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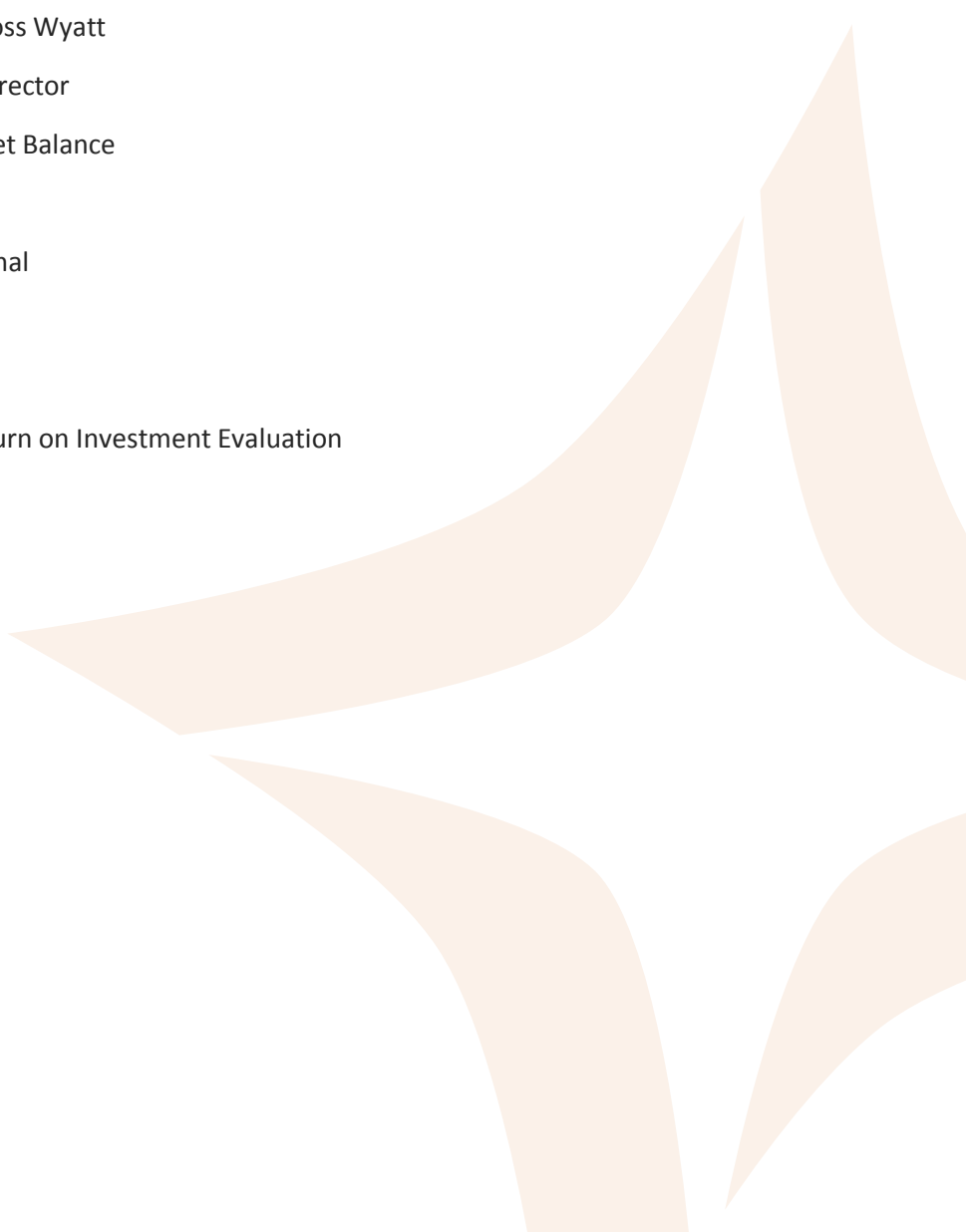


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Executive Summary

Common Equity Housing Limited (CEHL) and Eastern Access Community Health (EACH) have funded the administration, maintenance and community support activities at Lakewood community managed co-operative (CMC) since its opening in May 2011. CEHL and EACH seek to understand and better articulate the social value of their support activities at Lakewood and the provision of secure, affordable and appropriate housing for those in need. To this end CEHL and EACH commissioned Net Balance to conduct a Social Return on Investment evaluation of in order to measure the community benefits achieved as a result of their investment in building a community at Lakewood.

Social Return on Investment (SROI) is a framework which examines outcomes for key stakeholders, and in particular looks at what changes from the perspective of these stakeholders; and, where appropriate, uses monetary values to represent those outcomes. It is important to note that the values calculated, although expressed in monetary terms, do not equate to a financial return.

A central principle of SROI is to involve material stakeholders in order to find out what changes for them and how they value this change. The SROI was forecasted for one year of investment in Lakewood's activities through stakeholder engagement, primary research and existing research in the field. The results can be seen in the table below.

Focus	Overview	SROI Result
Support Services at Lakewood CMC	Residential services provided by CEHL and EACH for the period of May 2011-2012 including Administration, Maintenance and Community Support <i>Cost of inputs – \$ 789,076</i>	A social value of \$3.78 for every operating dollar invested into Lakewood yielding a total social value of \$2,985,143 for one year

Alongside the positive social return ratio on the investment in Lakewood, the findings of the SROI (corroborated with secondary research) confirm the unique value of a community managed co-op model of housing. The evaluation shed light on the non-shelter outcomes being created at Lakewood that bring benefits to tenants and society beyond the provision of a roof to those in need. Lakewood is providing an enabling environment where tenants are able to build up confidence and motivation, regain control of their financial position, health, and aspire for and achieve more than just subsistence goals.

Summary of recommendations

1. Consistent data collection efforts be undertaken based on the outcomes identified in this SROI analysis
2. Keep a better record of select events to better determine social value created for the state
3. Continued emphasis on community building activities to enable improvements in other outcome areas
4. Better tracking of health conditions and treatments of residents to more accurately value health benefits

Lakewood Background

1.1 Overview

Lakewood is a joint project with Common Equity Housing (CEHL) and Eastern Access Community Health (EACH), with funding support through the Australian Government. The Lakewood Community Managed Co-operative (CMC) was established to provide housing for low to moderate income individuals with a desire to live in apartment-style housing. It is located in Ringwood, a suburb of the southern Australian city of Melbourne. Lakewood Co-Op is the first vertical community of its kind in Australia. It's a community of social housing built on the shared values of respect, tolerance and responsibility, offering its inhabitants a fresh start and the promise of ongoing, stable and affordable housing. The tenants include a mix of people on low incomes, people with mental illness and other disabilities, refugees, Indigenous people, the elderly and unemployed people. The residents are actively engaged in the creation of the space that is their home (See Appendix 1 for greater demographic detail). The housing cooperative aims to ensure residents are supported by local service providers. EACH is also providing support for residents to develop the skills and capacity to engage with, and contribute positively to, their local community.

It is a 9-storey block of 80 apartments and houses a mixture of singles, couples and families in 2, 2 + study and 3-bedroom apartments with storage space and communal areas for recreational activities and community meetings. Alongside CEHL's construction of the block itself, they have worked over months of meetings and events to build a community committed to living at Lakewood and making it a positive and strong community. Potential tenants came from EACH service users, the CEHL applicant list and people who had heard about the project either from friends, workers or newspaper coverage generated as the plans were revealed and publicised.

The Lakewood project had been dogged by controversy since first proposed in 2009, with many residents complaining about its height, the creation of a "ghetto"¹ and construction disturbances. However, the community opposition slowly quietened and local council began to showing support with a "great deal of enthusiasm"² for the project after better understanding the background of the developers and realising the potential benefits.

1.2 Community Managed Co-op Model

Since opening its doors to tenants in March 2011, Lakewood has accommodated 158 residents across 80 apartment units adhering to the CMC residential model.

¹ <http://maroondah-leader.whereilive.com.au/news/story/ringwoods-larissa-ave-tower-almost-completed/>

² Ibid

In the CMC model, properties are owned and managed by CEHL. While these co-operatives do not act as landlords, they still have considerable say in the day to day issues including prioritisation of maintenance, and are responsible for tenant selection. This co-op model provides opportunities for a medium level of participation in the running of the housing, with resulting high levels of satisfaction and a genuine sense of empowerment for member tenants³. 18 months prior to the opening of the property, selected residents and members of Lakewood spent time talking about the sort of supportive community and co-op they want to live in. Thus, the co-op housing model has been able to offer tenants secure tenures, affordable and flexible rents, empowerment, skills development and efficient and timely maintenance.

³ <http://www.cehl.com.au/index.php?page=co-op-models>

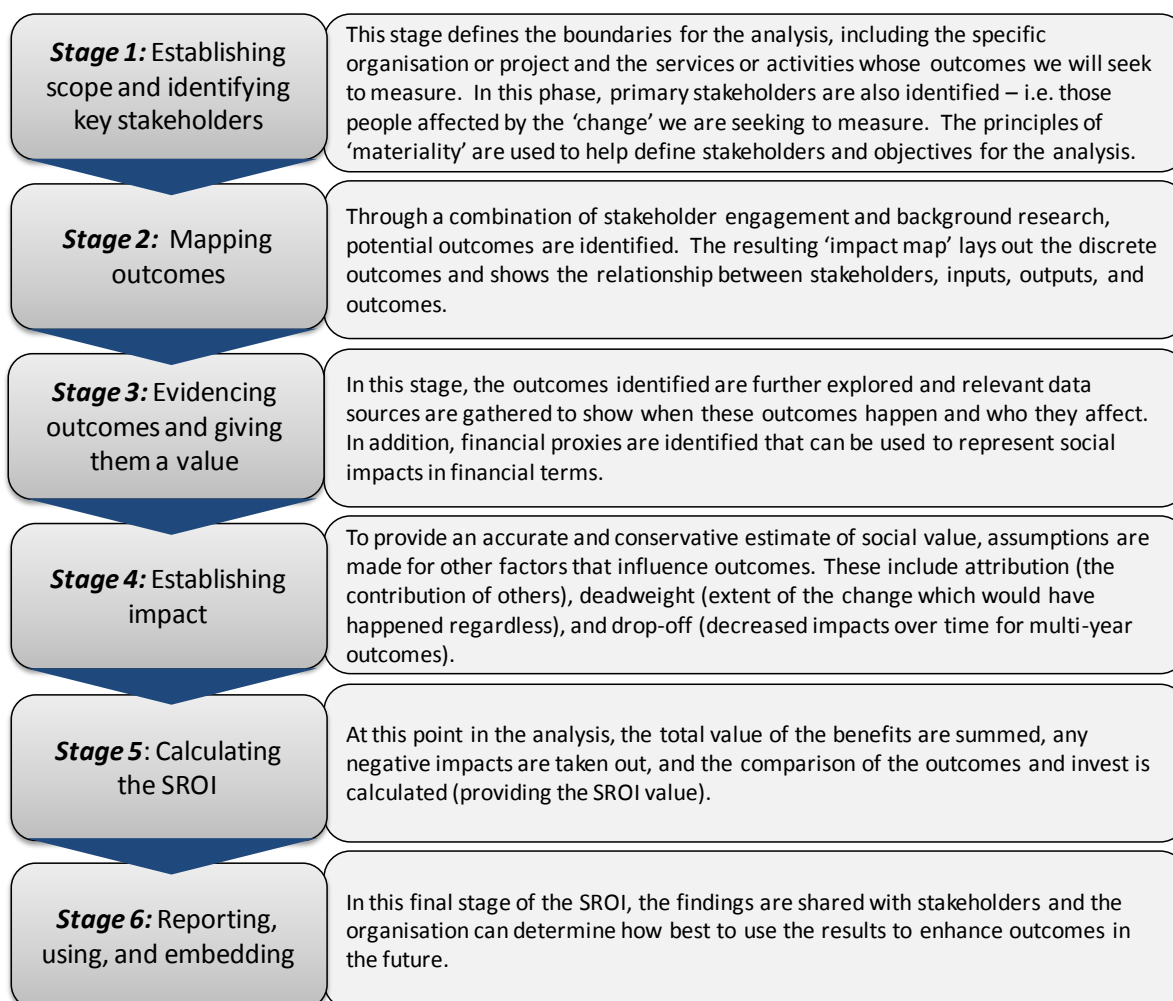
Methodology and Approach

2.1 SROI Methodology

In order to assess the social impact on the residents at Lakewood, Net Balance used the Social Return on Investment (SROI) model. SROI is a framework for measuring and accounting for the broader concept of social value. It tells the story of how change is being created for the people and organisations that experience or contribute to it by identifying and measuring social outcomes; where appropriate, monetary values are then used to represent those outcomes. It is important to note that the values calculated, although expressed in monetary terms, do not equate to a financial return.

It should also be noted that the model is not designed to capture and quantify every outcome for every stakeholder that has benefited from a program or initiative.

SROI methodology consists of the following six stages:



2.2 SROI Scope

The SROI study focused on uncovering the social impact created at Lakewood through the provision of the following activities:

- *secure & affordable housing,*
 - *administrative & community support,*
 - *referral to and provision of health, capacity building, employment and social services, and*
 - *supporting of building inclusive communities.*
-
- The evaluation looks at the benefits generated by one year's worth of CEHL's and EACH's contribution to Lakewood's administrative and maintenance costs (cash and in-kind). The investment period and measurement period for this analysis is 2011-2012.
 - Data collection includes information on **a sample** of the affected stakeholders that we have focused on for the purpose of this SROI assessment.
 - The SROI is a forecasted one as Lakewood is a new development and there is no data collection process in place as yet to inform identified outcomes. Net Balance put together a bespoke survey designed after our initial stakeholder engagement to evidence the majority of our findings. In most instances where we encountered data gaps, or where outcomes will occur in the future we have used academic literature, stakeholder engagement or other existing data to support the forecasts that we have made.

The Theory of Change

3.1 Introduction and Background

CEHL and EACH wish to better understand and articulate the outcomes of their investment in Lakewood. In addition, they wish to build the capacity of the Lakewood staff and administration to value measured outcomes associated with their development.

It is commonplace for services and programs to be evaluated in terms of their outputs. Outputs inform us that an activity has taken place, such as the number of residents at Lakewood or the number of community groups formed. An SROI analysis goes beyond outputs and focuses on the outcomes, or changes, that occur in the lives of participants as a result of these activities. It is the story of how Lakewood creates change and makes a difference in the lives of its residents. The relationship between investment, activities, outputs, and outcomes are referred to as the *theory of change*. Lakewood's theory of change, depicted narratively and in the form of an impact map, is presented in this section.

3.2 Consultation and Data Collection

3.2.1 Access to stakeholders

Stakeholder engagement is conducted to establish the theory of change, or logical framework, for the intervention. This is a description of how inputs are used to deliver activities that, in turn, result in changes (outcomes) for stakeholders. The involvement of stakeholders at this stage ensures that the SROI measures and values the outcomes that are most important to those directly experiencing the change. Crucially, this should not be confused with data collection to evidence outcomes, which happens at a later stage.

Due to the recent nature of the Lakewood development, there is not much of an existing research base on the property. There is however a substantial body of research and studies done on the benefits of co-op models in social housing. There has also been media coverage on the initial scepticism towards the project which was ultimately reversed on understanding the potential tenant base CMC ideology. To gain an initial understanding of the relationships and social value created at Lakewood, Net Balance conducted three workshops with various stakeholders to uncover the Theory of Change at Lakewood. (For further detail see Appendix 2)

3.2.2 Stakeholder Identification

Another output from the engagement process was a list of stakeholders, who were then prioritised according to how material they were to the overall analysis. Table 1 sets out all of the stakeholders, how they were engaged and whether it was decided to take them forward to the next phase and the rationale for this.

The reason why a stakeholder is deemed “material” has a particular meaning in SROI. Essentially it

asks whether significant social value has been created for that stakeholder to merit their inclusion in the analysis. This will sometimes be obvious e.g. residents, and sometimes be less clear e.g. referral agencies. The aim is to focus the theory of change on those changes, which are most significant and merit being included the lengthy data collection and modelling process. This does not mean they are unimportant; some of the most important stakeholders (e.g. CEHL and EACH staff,) are often not included in an SROI analysis.

Table 1 – Stakeholder summary

Stakeholder	Method of engagement	Number engaged	Taken forward in SROI analysis	Reason for materiality decision
<i>Residents of Lakewood</i>	Workshop	9	YES	Primary Stakeholder
<i>State (OoH, FaHCSIA etc.)</i>	Desktop Research	N/A	YES	Provider of benefits and services to primary stakeholder
<i>CEHL Staff</i>	Workshop / Interviews	5	NO	CEHL provides high staff satisfaction, however, staff could work in other satisfying jobs, so deadweight likely to be high and eliminate any social benefits identified
<i>EACH Staff</i>	Workshop / Interviews	5	NO	EACH provides high staff satisfaction, however, staff could work in other satisfying jobs, so deadweight likely to be high and eliminate any social benefits identified
<i>Maroondah City Council</i>	Interview	1	NO	Stakeholder engagement uncovered that the presence of Lakewood development and its residents did not bring about a negative change to the local area as expected and thus life has carried on as usual in the council area. No substantial change identified
<i>Local Police</i>	Interview	1	NO	The police stated that there has not been an abnormally high spike in crime or delinquency in the Ringwood area since tenants moved in. There is this no substantial change identified

The following stakeholders were taken forward to the next stage

- Residents of Lakewood
- The state

The results of the stakeholder engagement strongly concurred with the narrative in the existing research, suggesting that further stakeholder engagement would be unnecessary duplication.

3.3 Inputs

The total cost of running of providing secure and appropriate accommodation at Lakewood and related administration and running costs of the co-op are listed in Table 2

Table 2- Input Costs

Input	Annual investment
CEHL Costs	
Maintenance– cyclical Planned	\$33,818
Maintenance– cyclical Unplanned	\$16,911
Maintenance– responsive	\$55,916
Maintenance- Contracted	\$54,112
3rd Schedule Expenses	\$55,916
Management Fees	\$167,748
Finance Costs	\$139,790
CDW Fee (for RHS)	\$17,474
Property Insurance Levy	\$20,969
Coop Fund	\$20,969
Vacancy/Bad debts	\$17,474
Rates/body corporate fees	\$74,000
Administrative expenses	\$13,979
EACH Costs	
Administrative and Maintenance expenses	\$100,000

TOTAL INPUT COSTS	\$ 789,076
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3.4 Stakeholder engagement findings and the Lakewood CMC Theory of Change

The vast majority of people who have joined the Lakewood community have links to Ringwood or neighbouring suburbs and actively sought to live in the area. Because of members’ local connections, their families are benefitting from their presence in the area within their own stable homes. There are also people with shared custody/access to their own children who now have stable housing which supports positive and consistent relationships.

“Before I came here ... I wasn’t living, I was just existing basically, whereas now all these things are going on”
Lakewood resident

There was initially considerable hostility within the local area, largely due to the perception that this was ‘public housing’ into which numerous people with massive issues and no local connection

“because of the support they have around them, they have been able to grow in themselves, build more confidence in themselves and realise they are the great people we know them to be, and they are able to see that in their own eyes.”
Lakewood resident

would be dumped. The factors which impacted most positively on perceptions were the realisation that these were in fact local people and the council’s decision to come on board and support the project. Maroondah Council were also initially very

suspicious of this project, particularly as planning permission was ‘fast-tracked’ by the state government. Following positive experiences at the community-building meetings, council staff and members became very supportive and keen to promote the project and spruik their local projects to Lakewood members.

CEHL has been able to house 80 households, many of them on the CEHL waiting list and almost all eligible for public housing. A considerable number of single people for whom both private rental and public housing is effectively out of reach have been successfully housed at Lakewood. Virtually all of the people housed were Office of Housing (OoH) eligible and the majority were on the waiting list. Some

“In the past they would’ve been on their own...struggling and in a hospital somewhere, whereas here, we are not talking about professional help. But people like neighbours looking after each other”
EACH staff

were in transitional or other interim housing, blocking access to others while they waited for a permanent home. Lakewood was able to house a considerable number of single people – a group the OoH struggles to make adequate provision for. The factors affecting the OoH also apply here:

“here it’s just exactly what I wanted, it’s a really liveable place”
EACH staff

supposedly ‘transitional’ homes have become long term housing in the absence of permanent options. A significant number of people who were either in, or likely to need,

transitional or crisis housing now have permanent homes. EACH has directed a large number of inappropriately/insecurely housed or otherwise vulnerable service users. This includes people with

physical and mental health issues which have affected their financial ability to access and sustain suitable housing

The co-operative nature of Lakewood has provided new and ample opportunities for social interaction within the

"People can get what they need without having to ring and ask for services, and not marginalise or stigmatise themselves by saying I'm not travelling so well, I need a financial counsellor or see my therapist again."

EACH staff

tenants to promote the building of new relationships and friendships. The

provision of public spaces and organisation of community activities and groups such as: The Weight Loss Challenge, Community Dinners, Game Nights, Career

Days, Community Choirs etc. has not only give residents an avenue to participate and contribute to community activities but gain confidence, enthusiasm and pick up new life skills essential in the home, public and workplace. There

have been numerous cases of tenants re-entering the workforce and taking up new educational opportunities to evidence this. Most importantly Lakewood CMC has established a living community built on mutual trust, consideration and admiration.

"I'd say the best moments are the friendships that have developed in the building, people have grown closer, the laughter in the building has been fantastic"

Lakewood resident

"it wouldn't surprise me if in the next few months people start putting their toes in regarding employment prospects, that would be a great outcome"

EACH staff

"I know who I am and what surprised me was that people respect me for who I am"

Lakewood resident

"If everybody around me is having a good time, I'm having a good time. If everyone around me has an equitable life, I get equity. If everybody has a sense of belonging, I belong."

EACH staff

"just by being involved, by participating, it's a starting point for people to start to feel like, 'this place is okay.'"

EACH staff

"It's an each one-teach one process"

Lakewood resident

3.5 Outcomes

We used the theory of change to formulate outcomes that resulted from the various activities at Lakewood. Outcomes are classified into intermediate and long-term outcomes, the latter being taken forward into the SROI analysis. The theory of change is presented on an impact map in Table 3.

Table 3 – Impact Map

Benefitting Group	Activities	Intermediate outcomes	Primary Long Term Outcomes Identified by Net Balance	Case Studies and quotes from stakeholder engagement
Tenants	<ul style="list-style-type: none"> - provision of secure & affordable housing, - administrative & community support, - referral to and provision of health, capacity building, employment and social services, and - supporting of building inclusive communities 	<ul style="list-style-type: none"> - Decreased financial stress - Decreased mental stress - Reduced internal family conflict 	Improved personal financial management	<ul style="list-style-type: none"> - “We have secure tenure as long as we pay rent, and it is very affordable” - “At Lakewood we have homes for life” - Residents don’t have to fear for the future (example of lady who lived in a caravan with a son with a mental illness and didn’t know what the future held for her) - “Forever home – we never have to leave” - Resident was living out of a car with two children and rejected by her parents, now she has a secure home
		<ul style="list-style-type: none"> - Reduced substance abuse - Reduced hospital admission - Decreased demand on resources - Reduced emergency calls - Weight / bmi / blood pressure - Reduced Calls to Services - Appropriate Compliance and Treatment - Appropriate use of Prescription Drugs 	Improved personal health outcomes	<ul style="list-style-type: none"> - “it’s like a pharmacy over here too” - If people are in distress they can “pick up the phone, and ask ‘can you help me out?’” - Doing things with people help you keep your mind off negative thoughts
		<ul style="list-style-type: none"> - Participation in voluntary work - Ability to undertake job applications - Increased links to employment services 	Increased employment readiness	<ul style="list-style-type: none"> - Board members learn some key administrative and leadership skills to help in the work force - “I now don’t have to be scared to apply for a job” - I’ve picked up problem solving skills - Employment referral service- CEHL/EACH organise a JOB EXPO

Benefitting Group	Activities	Intermediate outcomes	Primary Long Term Outcomes Identified by Net Balance	Case Studies and quotes from stakeholder engagement
				where they bring in people from relevant industries who talk about the possibility of joining the workforce and what they are required to do
		<ul style="list-style-type: none"> - Reduced violence - People who can care for kids - Better sleeping habits 	Increased sense of security	<ul style="list-style-type: none"> - “I can ask people for help any time I feel the need to “(trust and support network) - People don’t fear for their safety or for that of their children and family - “I am not scared to let my child run around the hallways alone”
		<ul style="list-style-type: none"> - Increased confidence in personal abilities - Positive examples set by fellow tenants from similar backgrounds pursuing educational courses 	Positive educational outcomes	<ul style="list-style-type: none"> - People can see other tenants from similar backgrounds who are in TAFE or other educational institutions and can get over their fears and inhibitions - The community brings about a demonstrative effect where socialising with people who have achieved or are achieving positive educational outcomes lead to others wanting to achieve the same

Benefitting Group	Activities	Intermediate outcomes	Primary Long Term Outcomes Identified by Net Balance	Case Studies and quotes from stakeholder engagement
		<ul style="list-style-type: none"> - New people you know - New people who can support you - Positive alone time - Social Engagement - Artwork on Display - Participation in group events - New groups starting - Public Advocacy - Participation in group activities - Formation of interest groups based on hobbies and interests 	Increased community inclusion	<ul style="list-style-type: none"> - “I am surprised at the willingness of others to help” - Unanimous recognition of the concept of a happy community - Increase in courage and enthusiasm for dealing with live by building personal bonds - Fitting in “I was too sane for the crazies and too crazy for the sane” - “I can talk to people and fit in” - Notion of acceptance and tolerance - Tenant used to be socially isolated, now she’s involved in setting up library, helps with community cooking on weekends, and learned and does craft work - Tenants go from being isolated with no friends to being instantly connected - Tenant was stuck in a vicious circle of isolation and attempted suicide. She has now recovered and is rehabilitated, started up school again, and engaged soon to be married. Most positive result is that Lakewood has helped her recover and she feels she can move on to better accommodation and support her. - Can identify other people from similar situations and realise that they are not alone (“standouts”) - Have “experienced positive changes in relationships” - Tenants who have had suicidal

Benefitting Group	Activities	Intermediate outcomes	Primary Long Term Outcomes Identified by Net Balance	Case Studies and quotes from stakeholder engagement
				thoughts in the past can talk to one another leading to self-help groups and counselling within
State		<ul style="list-style-type: none"> - People who can care for kids - Reduced internal family conflict 	Reduction in number of Intensive child support services	<ul style="list-style-type: none"> - “Its just a better housing environment than I have had to raise my children in the past” See security and financial management
		<ul style="list-style-type: none"> - Reduced Calls to Services - Appropriate Compliance and Treatment - Appropriate use of Prescription Drugs 	Reduced cost to the state medical system	See Improved personal health outcomes above
		<ul style="list-style-type: none"> - Ability to provide permanent residential solutions to people on waiting list 	Reduced costs to OoH for those on housing waiting lists	

Evidencing Outcomes

The previous section identified the outcomes of KHL's activities. We now focus on how we take these outcomes further into the SROI analysis and how they were evidenced and measured in order to understand the *extent* to which change has occurred.

4.1 Formulating indicators

The evaluation was carried out as a forecasted SROI to assess outcomes that will happen in the future. Outcomes were projected based on existing data on Lakewood and triangulated with the results of the stakeholder engagement and secondary literature, where applicable.

During the stakeholder engagement, areas were explored where we felt that there was a greater story of change to be uncovered that had no way of being presently evidenced. In order to gain further insight and to quantify these changes, a bespoke survey was created (See Appendix 3 for survey) that was to be mail dropped to the residents⁴. The primary purpose of the survey was to evidence the qualitative evidence that we had taken away from the stakeholder engagement workshops and how they compared with the residents' previous living situation.

It is standard practice in SROI analysis to use more than one indicator to evidence an outcome, as this minimises the likelihood that unintended consequences will arise. However, in many instances one indicator will be sufficient due to the nature of the outcome and reliability of the indicator. As this is the first attempt at an evaluation of the social benefit created at Lakewood, the majority of our indicators were derived from the survey that was created.

⁴ We received 23 completed surveys back from this exercise that gave us a return rate of close to 30% of the residents

4.2 Explaining Outcomes

Table 4 sets out the in greater detail how we treated each outcome in the analysis and the indicator(s) that were chosen to evidence them. We had already begun to address outcomes in Table xxx, however this table draws on existing literature on community housing and seeks to validate it with stakeholder engagement findings.

Table 4 – Outcome Rationale and Indicators

Stakeholder and Outcome	Rational	Chosen indicator(s) and Source
<p><i>Lakewood Residents</i> Improved personal financial management</p>	<p>The financial benefit derived by tenants of Lakewood is relatively direct and stems primarily from the fact that rents are set at levels affordable to their tenants. CEHL also has programs and policies that work to proactively support tenants to maintain their rent payments, as well as supporting tenants to maintain their tenancies and pay back arrears in the event that they experience financial difficulties.</p> <p>Security of tenure: This is a principle based on the notion of a tenant being able stay in their own home and is linked with the type of lease that they sign. Community Housing tenants, wherever they are, will generally have far better security of tenure than people exposed to the vagaries of the private rental market.⁵ The core advantage stemming from this is that residents gain a sense of living in their own ‘home’ and can afford to settle down and begin to get involved the local community. “Tenants that are lucky enough to move into a community home often report a far higher quality of life, significant financial relief, and a true sense of housing security and stability.”⁶ This was evidenced numerous times during the stakeholder engagement process.</p>	<p>On-time rent payment - CEHL data Number of evictions in the last year - CEHL data On time payment of utility bills - CEHL data</p>

⁵ Ravi & Reinhardt, 2011, p.33

⁶ Community Housing Federation of Victoria - <http://chfv.org.au/what-is-community-housing/>

Stakeholder and Outcome	Rational	Chosen indicator(s) and Source
	<p>Lack of secure tenure is a potential chronic stressor related to housing. Security of tenure resulted in less residential mobility, which in turn meant residents felt more in control, more settled and less stressed.⁷</p> <p>Research on the effects of housing payment problems on health indicates that the health effects can be significant. For example, one Australian study found that experiences common to stressed renters and stressed recent purchasers included the constant stress associated with a lack of money (which contributed to health problems and stress on family relationships), and financial hardship outcomes.⁸</p>	
<p><i>Lakewood Residents</i> Improved personal health outcomes</p>	<p>Housing affects health outcomes in both direct and indirect ways, and although establishing causation can be difficult, the majority of research indicates a positive correlation between stable, high-quality housing and improved health.⁹ The World Health Organisation has identified four specific attributes of 'housing' that extend beyond the physical dwelling but have important impacts on health outcomes:¹⁰</p> <ul style="list-style-type: none"> - The meaning of 'home' as a protective, safe and intimate refuge where one develops a sense of identity and attachment. - The physical structure, including factors such as mould growth, quality, design, and noise exposure. - The immediate housing environment, including the quality of urban design (e.g., public services, playgrounds, green space, parks, places to socialise). - The community (i.e. quality of the neighbourhood and its relation to social cohesion, sense of trust and collective efficacy). <p>The effect of the above 4 factors came out prominently during the stakeholder engagement. Additionally, findings from current literature on the topic and the</p>	<p>Number of residents who feel that their health has improved since moving to Lakewood</p> <ul style="list-style-type: none"> - Net Balance Survey

⁷ AHURI, 2006

⁸ Yates and Milligan, 2007

⁹ Robinson, 2008

¹⁰ Bonnefoy, 2007

Stakeholder and Outcome	Rational	Chosen indicator(s) and Source
	<p>stakeholder engagement validated the notion that home is not just a physical shelter but also provides a level of psychological wellbeing. The connection between housing and ‘ontological security’ – defined as a sense of confidence, trust and reliability in the world as it appears to be¹¹– has received much attention in the literature base. The gist of this research suggests that ontological security is promoted through having a safe place of one’s own in which ‘the routines of daily life can be established, privacy can be negotiated, and where there is a secure base from which to engage in social interactions based on trust, which enable self-esteem to be enhanced and self-identity to be maintained.’¹² Social housing and community housing in particular support ontological security because residents benefit from secure, long-term tenure arrangements and affordable rents. This is clearly echoed by the feedback received by residents of Lakewood</p>	
<p><i>Lakewood Residents</i> Increased employment readiness</p>	<p>When tenants feel secure and comfortable in their surroundings and thus feel that it is unlikely that they will have the need to move in the near future, they are much likelier to put down roots¹³. Through encouraging residents to get involved in housing associations and neighbourhood affairs, community housing helps to build critical confidence and skills which support better education and employment outcomes. This is particularly true for tenants who have historically been marginalised or excluded from society due to a disability, homelessness, or other factors. Input from community housing stakeholders reinforced that even simple participation in a tenant’s board or community-level social activities can help to build confidence, self-esteem, and empowerment. These qualities in turn are important prerequisites that help individuals achieve their full potential in and career-related areas.</p> <p>Through the stakeholder engagement and survey process, we were able to evidence these changes in a number of Lakewood residents who have now begun</p>	<p>Number of residents who now feel confident to apply for jobs - Net Balance survey Number of residents who feel more independent and confident since moving to Lakewood - Net Balance survey Number of residents that have returned to paid employment including part time, full time and casual work - Lakewood records</p>

¹¹ Ravi & Reinhardt, 2011

¹² Hulse, 2008p. 12

¹³ Ravi & Reinhardt, p.39, 2011

Stakeholder and Outcome	Rational	Chosen indicator(s) and Source
	to take a foray into employment opportunities	
<i>Lakewood Residents</i> Increased sense of security	<p>Many residents at Lakewood live in close proximity to family and friends or are closely acquainted with their neighbours. The bonds established at Lakewood through mutual trust between residents and day-to-day interactions provide residents with a safe atmosphere within their living space. Unlike their previous housing situations at other social housing or if they were sleeping rough, residents stressed during the stakeholder engagement that they were never as worried about the physical safety of themselves or the children at Lakewood.</p>	<p>Number of residents who say that they feel secure at Lakewood</p> <ul style="list-style-type: none"> - Net Balance survey <p>Number of parents at Lakewood who don't fear for the safety of their children</p> <ul style="list-style-type: none"> - Net Balance survey
<i>Lakewood Residents</i> Positive educational outcomes	<p>Results of stakeholder engagement backs up existing literature that suggests the types of services that community housing organisations can provide to their tenants can help to address barriers to education and employment in several ways. Unlike private rental markets or public housing, community housing organisations often provide services that go beyond accommodation, including employment related assistance and educational programs.¹⁴</p> <p>Residents now have a greater motivation to 'make a change' in educational status. An enabling factor related to education of community housing tenants is the impact of secure tenancy on motivation levels. Households in 'housing stress' are inevitably focused first and foremost on finding somewhere safe and affordable to live, and thus education and employment become secondary priorities. Once the housing situation is resolved, tenants are able to turn their attention to enrolling in vocational training or skills courses.¹⁵</p>	<p>Number of residents who have returned to mature age studies, including University, Tafe and online courses</p> <ul style="list-style-type: none"> - CEHL records
<i>Lakewood Residents</i> Increased community inclusion	<p>Communities become more self-reliant and independent as a result of strong support networks fostered by the CMC ideology. According to the Australian Social Indicators, having regular contact with friends or family provides many benefits¹⁶. Communicating with friends and family can assist people to feel</p>	<p>Number of residents feel comfortable calling on their neighbours for general help</p> <ul style="list-style-type: none"> - Net Balance survey

¹⁴ Ravi & Reinhardt, 2011

¹⁵ ibid

¹⁶ Australian Social Inclusion Board, 2010, p. 34

Stakeholder and Outcome	Rational	Chosen indicator(s) and Source
	<p>connected, cared for, and part of a strong or social network. This sense of support and connectivity is particularly important when people face challenges or adverse circumstances. The inclusive and collaborative nature of Lakewood’s CMC model builds regular contact amongst tenants and providers alike. Additionally, participatory social events provide an outlet for like-minded tenants to associate with each other.</p> <p>Stakeholder engagement stressed that through facilitating interaction with neighbours and other residents, Lakewood CMC helps to create a strong neighbourhood identity and a sense of ‘belonging’ for residents. Neighbours and acquaintances play many important support roles in a community; for example, they can serve as mentors to each other, distribute information, provide services directly or serve as a guide to help new or disadvantaged tenants become familiar with the neighbourhood. Social interaction helps identify a common goal or project that could lead to a range of mutual support activities. These can range from shopping for others or providing informal medical care to taking care of children and community maintenance duties.</p> <p>In cases where tenants have experienced sustained exclusion (such as the homelessness or mentally disabled), a primary objective of community housing is to create a ‘community within the community’¹⁷ that provides basic human contact within an accepting environment. This was evidenced on multiple occasions during the stakeholder engagement.</p>	<p>Number of residents who are better able to deal with personal problems because of the support available at Lakewood</p> <ul style="list-style-type: none"> - Net Balance survey <p>Number of residents who participate in group activities and meetings</p> <ul style="list-style-type: none"> - Net Balance survey <p>Number of residents who volunteer to help out with basic maintenance duties at Lakewood</p> <ul style="list-style-type: none"> - Net Balance survey
<p><i>State</i> Reduction in number of Intensive child support services</p>	<p>Because of residents’ local connections, their families are benefitting from their presence in the area within their own stable homes. There are also people with shared custody/access to their own children who now have stable housing which supports positive and consistent relationships.</p>	<p>Residents feel that Lakewood is a safe, nurturing place to raise children</p> <ul style="list-style-type: none"> - Net Balance survey
<p><i>State</i> Reduced cost to the state medical system</p>	<p>According to research on this topic, a significant percentage of residents in community housing are disabled, and these residents often require greater</p>	<p>Residents who feel their health has improved since moving to Lakewood</p> <ul style="list-style-type: none"> - Net Balance survey

¹⁷ Farrar, p.34, 2003

Stakeholder and Outcome	Rational	Chosen indicator(s) and Source
	<p>medical attention and support services than the non-disabled population. Based on findings from the National Social Housing Survey, 45% of community housing tenants surveyed reported that either they or a family member have a disability for which ongoing assistance is required.¹⁸ An estimated 27% of residents in community housing in Australia receive disability support payments, though the number of tenants suffering a mental or physical disability is likely to be even higher. These tenants have a very different health profile than the average community housing resident; they may be on more medications, be more prone to secondary conditions such as depression or anxiety, and are less able to pursue employment or educational opportunities. Hence, disabled tenants are often more reliant on family, friends, neighbours, and community members to provide both physical and emotional support. Stakeholder interviews and background research suggest that for heavy users of Medicare services (such as those with disabilities or chronic health conditions); moving to community housing can reduce their overall demand for health services. Research conducted by AHURI on non-shelter</p> <p>One of the most repetitive themes that came out of stakeholder engagement was the improvement in health of residents. Many residents in Lakewood live in close proximity to family and friends or are closely acquainted with their neighbours. This means that they not only benefit from regular social interaction, but carers may be able to identify or prevent additional health problems before they become serious.</p> <p>Like the general tenant population, residents with ongoing health concerns or disabilities can benefit from better mental health associated with housing stability and ontological security. "This manifests itself in improved mental and physical health."¹⁹</p>	<p>Reduction in visits to the doctor per month (at least 1)</p> <ul style="list-style-type: none"> - Net Balance survey
<p><i>State</i> Reduced costs to OoH for those on housing waiting lists</p>	<p>A considerable number of single people for whom both private rental and public housing is effectively out of reach have been successfully housed at Lakewood. Virtually all of the people were Office of Housing (OoH) eligible and the majority</p>	<p>Number of residents with Office of Housing numbers</p> <ul style="list-style-type: none"> - CEHL data

¹⁸ Roy Morgan Research, 2008, p. 108

¹⁹ Ravi & Reinhardt, p.44, 2011

Stakeholder and Outcome	Rational	Chosen indicator(s) and Source
	<p>were on the waiting list. Some were in transitional or other interim housing, blocking access to others while they waited for a permanent home. Lakewood was able to house a considerable number of single people – a group the OoH struggles to make adequate provision for.</p>	

Understanding Impact

SROI methodology makes an important distinction between *outcomes achieved* and *impact*. It defines impact as the difference between the outcome for participants and taking into account what would have happened anyway (deadweight), the contribution of others (attribution), whether a benefit has simply been moved from one place to another (displacement), and the length of time over which outcomes last (benefit period and drop-off). An appreciation of all of these elements is critical to conducting robust cost-benefit analyses.

This section explains the approach to these elements of the methodology by working through the previous example.

5.1 Deadweight

Deadweight is an appreciation of what would have occurred anyway, in terms of achievement of outcomes, in the absence of the intervention/activity. In order to determine the deadweight, we must consider each outcome and ask the question; *“How much of this would have happened anyway?”*

Being a forecasted SROI evaluation, where we have had the opportunity to collect primary indicator data through the survey, we have accounted for deadweight in how the questions were phrased. Thus no impact and negative consequences have been deducted from the social value created by the outcomes we identified.

5.2 Attribution

The concept of attribution in SROI is an ‘assessment of how much of the outcome was caused by the contribution of other organisations or people’.²⁰ A highly subjective element of evaluation, credit is usually claimed in its entirety or completely omitted. In organisations engaged in direct delivery, understanding the amount of credit for outcomes can be relatively straightforward through engaging with beneficiaries and wider stakeholders. It becomes more complex when organisations work in partnership with others to create change to beneficiaries who may be far removed from the partner. In order to determine the attribution, we must consider each outcome and ask the question; *“How much of this happened because of your intervention?”*

Being a forecasted SROI evaluation where we have had the opportunity to collect primary indicator data through the survey and stakeholder engagement, we have accounted for attribution in how the questions were phrased. Additionally, the running costs of Lakewood are shared by CEHL and EACH who are in turn responsible for the provision and facilitation of the majority of outcomes. Thus the outcomes are 100% attributed to the residents’ tenure at Lakewood

²⁰ Nicholls J. *et al* , 2009

5.3 Displacement

This is an assessment of how much of the change is a net benefit (i.e. a new change) or simply the movement of change from one place to another. For example, in employment, if one individual gets a job then they are stopping someone else from getting a job – the benefit is displaced.

Displacement is usually relevant to outcomes providing value to the state. However, in this SROI evaluation, Lakewood is providing the state with new residential spaces to place people on waiting lists and thus there is an *additional* effect of social value.

5.4 Benefit period and drop-off

It is acknowledged that outcomes are not static, but instead dynamic and occur at different points in people's lives and have different durations. SROI takes into account that benefits may last beyond the period of the intervention and, as such, takes account for this in the modelling of outcomes over time. This is known as the *benefit period*. Furthermore, SROI acknowledges that outcomes may deteriorate over time and this is also taken into consideration and is known as *drop-off*.

In this SROI we have valued the social benefits accruing to residents given one year of residence at Lakewood supported by one year of input costs being provided by CEHL and EACH. The resulting Benefit period and drop off are shown in Table 5.

Table 5 – Outcome Benefit period and Drop-off

Stakeholder and Outcome	Benefit Period	Drop Off
<p><i>Lakewood Residents</i> Improved personal financial management</p>	<p>3 years Moving into Lakewood provides access to affordable housing for the resident. In this year they will be able to better budget for other living costs and the future due to increased disposable income. However, once the affordability is taken away, they might be able to enjoy this outcome for a couple of extra years with savings but not for too long due to escalating private rental rates.</p>	<p>85% Due to high private rental rates, it is likely that the majority of savings through sound financial management will erode quickly</p>
<p><i>Lakewood Residents</i> Improved personal health outcomes</p>	<p>5 years The experience at Lakewood will drastically help improve the physical and mental health of residents. This outcome is likely to affect the tenant for an extend period of time. But how much of it lasts depends strongly on their surroundings and neighbours.</p>	<p>85% As residents’ health outcomes are strongly related to the housing and community environment, it is likely that they will erode fast when these aspects change for the worse.</p>
<p><i>Lakewood Residents</i> Increased employment readiness</p>	<p>2 years The support given at Lakewood gets residents in a better state to gain meaningful employment. However, a change in environment may lead to a negative change in their state of mind and motivation. We have taken a 2 year benefit period as the person is likely to continue the job when they leave Lakewood but may not be able to sustain employment</p>	<p>50% If the resident is unable to carry out his duties after leaving Lakewood, they may only be in employment part time thus lowering the impact of the outcome</p>
<p><i>Lakewood Residents</i> Increased sense of security</p>	<p>1 year This outcome depends on the resident staying in secure housing provided by Lakewood and the community bonds built within. Changing residences would remove the impact of this outcome</p>	<p>100% This outcome will no longer be existent if the resident moves away from Lakewood.</p>
<p><i>Lakewood Residents</i> Positive educational outcomes</p>	<p>4 years (Starting in year 2) We assume that the impact of an education only kicks in once the degree is completed. In this case the average</p>	<p>75% If they move away from Lakewood, it is possible that their new surroundings may negatively influence them and erode the</p>

Stakeholder and Outcome	Benefit Period	Drop Off
	TAFE course takes a year to complete. Knowledge gained from a course is likely to affect the resident over the next few years until they gain more experience from employment or further studies	value of the education.
<i>Lakewood Residents</i> Increased community inclusion	1) 2 years Where we value the community's role in mutual support and assistance, the outcome is based on friendships and relationships. If a resident moves away the nature of friendships created will change due to loss of frequent contact 2) 1 Year Where we valued the impact of volunteering activity, the outcome is only valid when the resident is at Lakewood	1) -10% Though the outcome will drop off, the value of the outcome is likely to increase as residents may establish strong friendships over the course of a year 2) 100% The outcome is only valid while the resident is still at Lakewood
<i>State</i> Reduction in number of Intensive child support services	1 Year This outcome depends on the resident staying in appropriate housing provided by Lakewood in proximity to family.	100% The outcome will no longer be existent if the resident moves away from family.
<i>State</i> Reduced cost to the state medical system	1 Year This outcome depends on the resident staying in appropriate housing provided by Lakewood in proximity to family.	100% The outcome will no longer be existent if the resident moves away from Lakewood.
<i>State</i> Reduced costs to OoH for those on housing waiting lists	1 Year This outcome depends on new residences being created for people on the waiting list	100% The outcome will no longer be existent after the places at Lakewood are filled.

5.5 Financial Proxies

Non-traded outcomes were valued using standard techniques of economic valuation and triangulated with the descriptions of outcomes derived from existing research and stakeholder engagement. The proxies used in the SROI are a combination of the costs of publically available economic goods and services, secondary research utilizing already present studies that value the impact of appropriate intervention services and the “willingness to pay” approach. The chosen proxies are shown in Table 6.

Table 6 – Financial Proxies and Rationale

Stakeholder and Outcome	Financial Proxy Rational	Proxy Value and Source
<p><i>Lakewood Residents</i> Improved personal financial management</p>	<p>Value of 20 one hour visits to a psychologist for cognitive behavioural therapy to treat stress related general anxiety disorder.²¹</p> <p>Chronic stress leading to anxiety disorder is a direct result of housing insecurity and rental stress in low income tenants. Typical treatment for these symptoms is cognitive behavioural therapy sessions (psychologist) to be able to handle life’s stressors.</p>	<p>20 visits to a psychologist (\$218/45-60 mins) - \$4,360 per year</p> <p>The Australian Psychological Society 2011-12, Schedule of Recommended Fees)²²</p>
<p><i>Lakewood Residents</i> Improved personal health outcomes</p>	<p>Gain in Value of quality and wellbeing of life due to decreased symptoms of anxiety and depression as a result of moving into Lakewood.</p> <p>Essentially this is the financial value society places on the reduction in various illnesses</p>	<p>0.17 % for General Anxiety Disorder taken from the Statistical Value of a Life Year - \$26,881 per year</p> <p>Burden of Disease and Injury in Australia²³</p>
<p><i>Lakewood Residents</i> Increased employment readiness</p>	<p>Improved earning potential as measured by part-time employment rates at minimum wage</p> <p>We are unsure of the details of employment and have thus used a conservative valuation for this outcome for anyone who has managed to land employment after being at Lakewood</p>	<p>Average weekly earnings of a part time worker with a Year 12 or equivalent degree is \$342 (adjusted for inflation) – \$17,784 per year²⁴</p>
<p><i>Lakewood Residents</i> Increased sense of security</p>	<p>Opportunity cost of locking and unlocking doors and using keys and other security devices.</p> <p>As residents are generally trusting of each other and have</p>	<p>\$125 per year</p> <p>Australian Institute of Criminology²⁵</p>

²¹ <http://www.ncbi.nlm.nih.gov/pubmedhealth/PMH0001915/>

²² [http://www.psychology.org.au/Assets/Files/2011-12-Recommended-Fees\[1\].pdf](http://www.psychology.org.au/Assets/Files/2011-12-Recommended-Fees[1].pdf)

²³ <http://www.aihw.gov.au/publication-detail/?id=6442467088>

²⁴ ABS Catalogue no. 6278.0 Education and Training Experience, Australia, 2005, Table 12. Employees Excluding Owner Managers of Incorporated Enterprises Aged 15 years and over not at school

Stakeholder and Outcome	Financial Proxy Rational	Proxy Value and Source
	indicated that they feel secure at Lakewood there is a reduced need to constantly worry about safety.	
<i>Lakewood Residents</i> Positive educational outcomes	Increased average annual future earnings with a Vocational Education and Training certification. It is likely that when residents join the workforce after completion of their education, they will have increased earning capacity. As we are unaware of the details of their educational pursuits we were conservative and valued the most basic degree qualifications.	\$7,384 per year What price the clever country? The costs of tertiary education in Australia ²⁶
<i>Lakewood Residents</i> Increased community inclusion (a)	Valuation for this outcome is based on residents' trust in their neighbours related to caring for their children and their health as discovered through stakeholder engagement.	3 hours of Day care a week @ \$8.50/hour (Care for Kids ²⁷) 3 hours of Domestic/Personal care @ 28/hour (Home and Community Care Programme ²⁸) \$5,694 per year
<i>Lakewood Residents</i> Increased community inclusion (b)	Valuation for this outcome is based on a proxy valuing the time given by residents to help in maintenance costs around the housing development. This is of significant value to the everyday lives of the residents as it helps in the upkeep and maintenance of their public community space	Financial value placed on volunteer time - \$24.63/hour Our Community ²⁹
<i>State</i> Reduction in number of Intensive child support services	Government spend on <i>Intensive Family Support Services</i> - those services designed to "prevent the imminent separation of children from their primary caregivers as a result of child protection concerns"	\$63/child/year Derived from National Child Protection Clearinghouse, "The economic costs of child protection and neglect" ³⁰

²⁵ <http://www.aic.gov.au/documents/A/A/3/%7BAA329573-5D62-46FB-9E6F-4D86A6DDD9BC%7Dt247.pdf>

²⁶ http://www.youth.nsw.gov.au/__data/page/1165/whatpricetheclevercountry.pdf

²⁷ <http://www.careforkids.com.au/articlesv2/article.asp?ID=77>

²⁸ [http://www.health.gov.au/internet/main/publishing.nsf/Content/9AC40AB6781670D9CA2578210076C8D8/\\$File/HACC-annual-report-210111.pdf](http://www.health.gov.au/internet/main/publishing.nsf/Content/9AC40AB6781670D9CA2578210076C8D8/$File/HACC-annual-report-210111.pdf)

²⁹ http://www.ourcommunity.com.au/boards/boards_article.jsp?articleId=1622

³⁰ <http://www.aifs.gov.au/nch/pubs/sheets/rs2/rs2.pdf>

Stakeholder and Outcome	Financial Proxy Rational	Proxy Value and Source
State Reduced cost to the state medical system	General Practitioner rebates once a month for 12 months as a result of less visits to the doctor	\$35.60 per visit Australian Medical Association ³¹
State Reduced costs to OoH for those on housing waiting lists	Exact figures are unavailable for this outcome. However, in a study done by AHURI, the net cost of housing a homeless person was calculated. This was the cost of housing, less the savings on mental health services. We use this as a conservative proxy for this outcome as in general, housing costs in the US are less than in Australia.	Net cost of housing a homeless person adjusted for inflation and exchange rate: \$1,231 AHURI, Counting the Costs of homelessness ³²

³¹ <http://ausmed.ama.com.au/node/2783>

³² www.ahuri.edu.au/publications/download/30420_rp

SROI Ratio and Findings

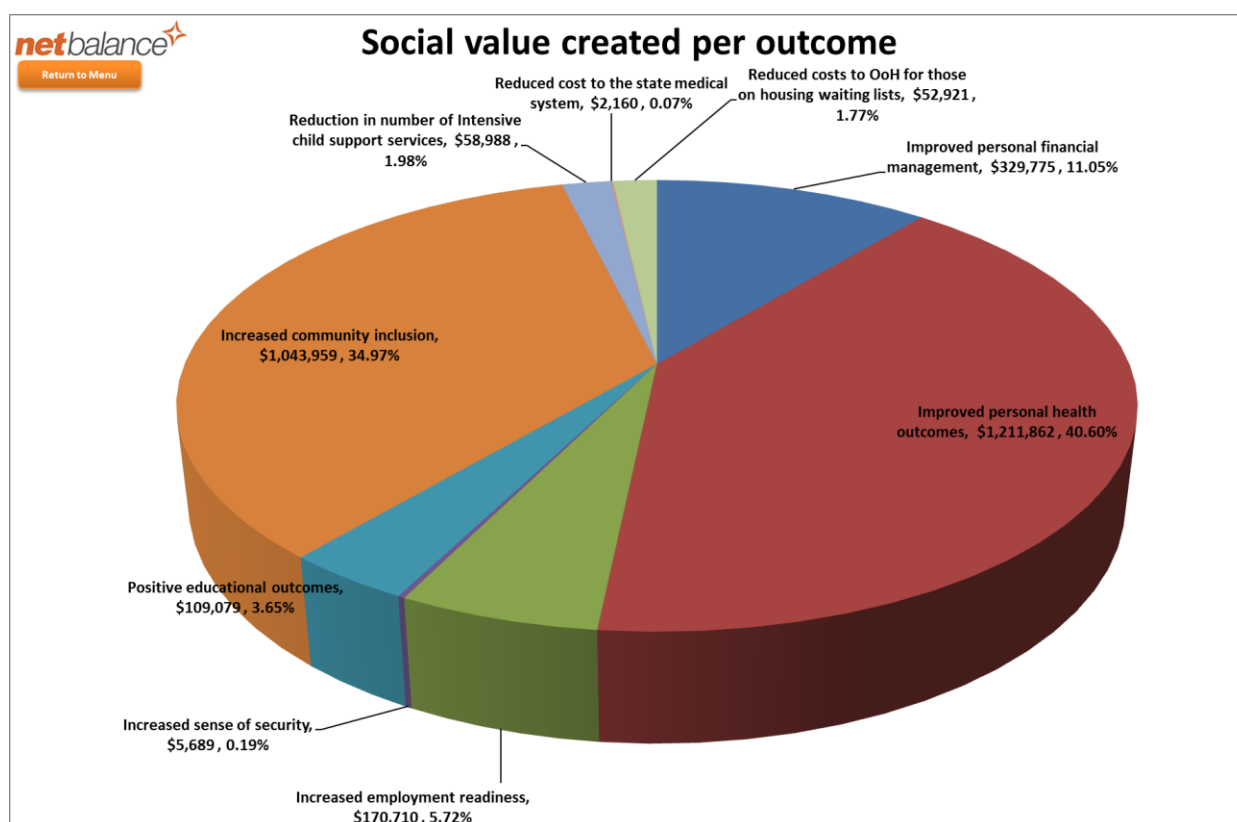
6.1 SROI Ratio and Social Value

The Social Return on Investment ratio for the Lakewood in 2011-2012 is shown in the table below:

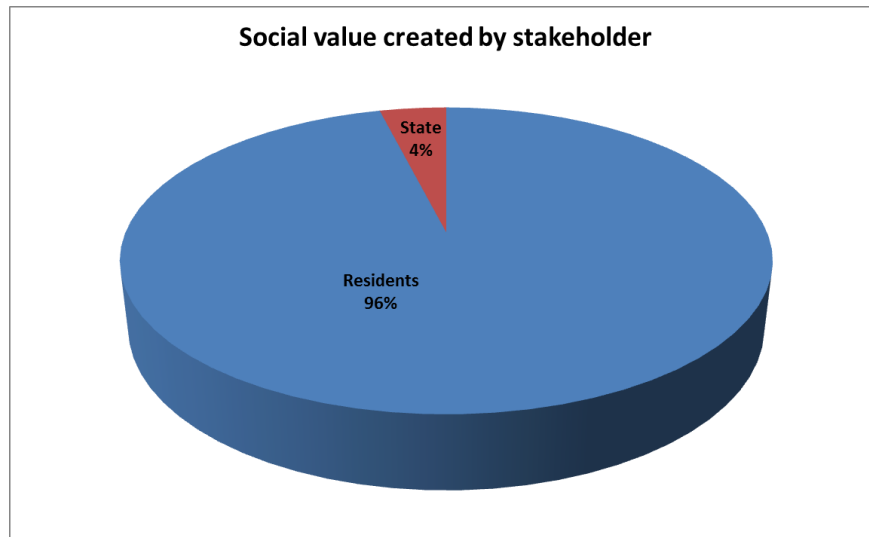
Social Return on Project Investment	
Social Value of Outcomes in 2011	\$ 2,985,143
Total Value of Input Costs in 2011	\$ 789,076
<i>Project SROI</i>	1 : 3.78

This ratio of **1: 3.78** indicates that for every dollar put into the running of Lakewood by CEHL and EACH, it yields **\$3.78** in social value in addition to the provision of housing. The total value of social outcomes amounts to **\$2,985,143** over a 5 year period across 10 outcomes.

The chart below illustrates the spread of benefits across the outcome categories.



The next chart shows the spread of benefits across the two stakeholder groups.



The overwhelming majority (94%) of social benefit is created for the Residents of Lakewood with 4% for the state.

Admittance and residence at Lakewood successfully creates a wide breath of non-shelter outcomes to the residents who may have previously experienced significant hardship in terms of attaining secure tenancy, battled physical and mental ailments, holding together their families, faced financial stress and unemployment. The two most significant outcomes are *Improved personal health outcomes* and *Increased community inclusion* that account for approximately 75% of the social benefit created. The latter outcome is unique to the CMC housing model and acts as the catalyst for many of the other outcomes as well as standing alone as substantial outcome in itself.

The present analysis likely underestimates the social value created at Lakewood. As the survey return rate was only 30% we were careful to be conservative with our valuations of outcomes and not over-claim from the limited indicator data source. As many of the final outcomes stem from intermediate relationship building processes we predict that the outcome incidence in areas such as education, health, security and employment readiness will be much more frequent if this process was undertaken 3-5 years in the future when the community at Lakewood is more established. Nevertheless, there seems to be a remarkable amount of community cohesion that has taken place in the short time that Lakewood has opened its doors to residents. This is clearly evident in the 34% of social value that this outcome accounts for.

6.2 Sensitivity Analysis

This step in the SROI methodology systematically varies assumptions in order to test for areas of sensitivity in the model. These are assumptions that, when changed, significantly affect the ratio.

The model was largely resistant to change in any one assumption, with the exceptions of

- the assumptions pertaining to the number of residents. Obviously if tenants at Lakewood are able to achieve more outcomes in different areas it will increase its value significantly.
- The financial proxy assigned to improved health outcomes is substantially higher to the others and significantly alters the SROI if changed

The following findings are noteworthy

- The indicators for educational and employment outcomes were the only two that were not sourced from the survey results. As they came directly from Lakewood data out of the context of the SROI evaluation, it is possible to assign a deadweight of 12% to these outcomes³³. Even if this 12% is deducted from these outcomes, it only reduces the SROI to 1:3.74
- If the number of psychiatrist visits are halved to value Improved personal financial management, the ratio drops to 3.55
- If the proxy for improved health outcomes is halved, the SROI drops to just under 3 at 2.99
- If the average volunteering time per resident is doubled, the SROI increases to 4.13
 - If this is also applied to the community inclusion proxy, the SROI jumps to 5.08
- Education and Employment outcomes could possibly go hand in hand and if both are doubled, the ratio increases to 4.09
- If the state is removed as a stakeholder, the SROI is almost unaffected at 3.75
- When the indicator for the number of people who feel that they can call on their neighbours for help is increased to 90%, the SROI jumps to 4.25.

³³ During the period 1 July 2008 to 30 June 2009, 20,753 households were newly allocated to public rental housing. A total of 177,652 households were on waiting lists for public rental housing at 30 June 2009 (www.aihw.gov.au/housing/assistance). This is a 12% acceptance rate from the waiting list. We assume that, had tenants not been successful on the community housing waiting list, 12% of them might have been able to have access to affordable housing through public housing and still realise the benefit

Conclusions and Recommendations

7.1 Conclusion

Providing community housing access to those experiencing housing stress (or even homelessness) is first and foremost a way for society to provide adequate shelter to some of its most vulnerable members. However, studies exploring ‘non-shelter outcomes’ of community housing show that benefits to tenants and society in general go beyond the provision of a roof to those in need. Community housing provides an enabling environment where tenants are able to build up confidence and motivation, regain control of their financial position and aspire for and achieve more than just subsistence goals.

The creation of social value

Alongside the positive social return ratio on the investment in Lakewood, the findings of the SROI (corroborated with secondary research) confirm the unique value of a community managed co-op model of housing. Access to appropriate housing has consequences beyond the life of the tenants themselves. CEHL and EACH’s investment into Lakewood should be placed in the context of this ‘return,’ which is not monetary, but can still be valued using monetary techniques for comparison purposes. This is what this SROI evaluation has demonstrated through the identification and valuation of some of the key outcomes identified.

The major form of housing assistance provided by the Commonwealth Government is Commonwealth Rent Assistance (CRA). CRA is an income supplement that aims to *contribute to improved housing affordability* rather than providing full affordability through the direct provision of accommodation. The Australian government currently spends more than \$2.5 billion annually on rent assistance³⁴. Recent research by the AHURI RMIT Research Centre commissioned by the Tenants Union of Victoria indicates CRA payments have lagged behind rent increases in all capital cities and now cover a smaller proportion of rent than in 1995³⁵. More than 30% of CRA recipients remain in housing stress³⁶.

One consequence of the government’s increased emphasis on rent assistance rather than direct housing provision is that more low income tenants are vulnerable to the pressures of market forces.³⁷ The consequences can be not only financial stress due to fluctuating private market rents, but also emotional and mental hardship:

‘One of the main limitations of too heavy a reliance on Rent Assistance is that it means that recipients are vulnerable to the insecurity of the market. This

³⁴ Ravi & Reinhardt, 2011

³⁵ RMIT Research Centre, 2010

³⁶ Australian Institute of Health and Wellbeing, 2009

³⁷ Australian Family Relationships Clearinghouse, 2008

*vulnerability to constant moves adversely affects children's school attachment and retention, the establishment of the informal networks needed for economic participation, and the basic ability to plan with certainty.*³⁸

The primary benefits of direct provision of community housing (compared to rental assistance) is that it insulates tenants from the pressures of the private market and thus provides more security of tenure on a legal and personal level. With community housing, tenants can stay in their homes as long as they want and need to, which gives them housing certainty and a critical sense of personal stability which leads on to a multitude of non-shelter outcomes evidenced in this SROI analysis.

7.2 Recommendations

1. From the process of conducting this SROI evaluation, Net Balance recommends that consistent data collection efforts be taken based on the outcomes identified in this SROI analysis to better track the very evident story of change being created at Lakewood. This could be done via a half yearly survey.
2. Given the number of changes identified in education, employment, security and health, it is likely that the benefits to the state are understated. We recommend that the administrative staff at Lakewood keep a record of events such as:
 - a. number of people gaining employment,
 - b. number of calls to emergency / police services,
 - c. number of internal disputes and how they are solved
 - d. number of emerging community groups
 - e. attendance at group activities, and
 - f. volunteer hours

Having a detailed an indication of such data can enable us to more accurately calculate the social return to the state authorities.

3. The sensitivity analysis showed that an increase in volunteering hours (3 additional hours a week) from the residents significantly raises the SROI to 5.08. We have also uncovered that the sense of community that is constantly being built at Lakewood acts as a stepping stone to the achievement of other outcomes from stakeholder engagement. We feel that if CEHL and EACH continue encouraging community building and possibly put more effort into this area, the social value created via other outcomes will increase at the same time
4. Considering the proxy to value personal health outcomes is the largest, detailed data on treatment of, types and severity of ailments could provide us better indicators to value the more serious cases separately. However, we realise that this is confidential information and encountered difficulty in extracting this data during the course of this evaluation. A possible solution could be to have more specific questions related to this on the survey.

³⁸ National Community Housing Forum, 2000

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http://www.ahuri.edu.au/publications/download/nrv3_final_report

Limitations

Net Balance Management Group Pty Ltd (Net Balance) has prepared this report in accordance with the usual care and thoroughness of the consulting profession. This report has been prepared for use by CEHL and EACH, and only those third parties who have been authorised in writing by Net Balance.

The Report is based on generally accepted practices and standards at the time it was prepared. No other warranty, expressed or implied, is made as to the professional advice included in this report. It is prepared in accordance with the scope of work and for the purpose outlined in the project brief. The methodology adopted and sources of information used by Net Balance are outlined in this report.

Please note that all results have been reported as recorded. Any percentages that do not add up to exactly one hundred percent are the result of rounding errors.

This report was prepared in April 2012 and is based on the conditions encountered and information reviewed at the time of preparation. Net Balance disclaims responsibility for any changes that may have occurred after this time.

This report should be read in full. No responsibility is accepted for use of any part of this report in any other context or for any other purpose or by third parties. This report does not purport to give legal advice. Legal advice can only be given by qualified legal practitioners.

Appendix 1 – Lakewood residents demographics

There are 158 people (adults and children) across 80 apartments

Declared ethnic origins:

Yugoslavia	1
Unknown	5
USA	2
UK	7
Poland	5
Northern Ireland	1
NZ	2
Netherlands	1
Malaysia	2
Italy	2
Germany	1
Fiji	1
Egypt	1
Australia	125
Total	158
Indigenous	14

(Also included in figures above)

Reason for leaving previous accommodation

(NB Not everybody chose to answer this)

Unsafe/untenable	2
Risk of homelessness	11
Escaping violence	1
Inappropriate for needs	20
Inappropriate for health	8
To live independently	3
Total	45

Self-identified disability/health issues

Chronic illness	16
Psychiatric	23
Physical	12
Intellectual	7
Sensory	1
Total	59

	Under16	Age16-24	Age25-59	Age60-75	Age75+	AgeUnknown	Total
LAKEWOOD	52	16	79	11	0	0	158
	52	16	79	11	0	0	158

	LiveAlone	Text39	CouplesOnly	CouplesChildren	SingleParents	AdultGroup	Unknown	TotalHouseholds
LAKEWOOD	34	5	9	6	30	1	0	80
	34	5	9	6	30	1	0	80

Appendix 2 – Stakeholder Engagement sessions and participants

Workshop 1

19th July held at Lakewood 1:30 – 4:30pm

Invitee	Organisation	Attendance Notes
Ross Wyatt	Net Balance	Present
Arjun Ravi	Net Balance	Present
Jo Smith	CEHL	Present
Clive Summers	CEHL	Apologies
Lilly Ling	CEHL	Present
Paul McKessy	EACH	Present
Bernie Durkin	EACH	Present
Lorraine	Lakewood Resident	Present
Miranda	Lakewood Resident	Present
Chrissie	Lakewood Resident	Present
Caroline	Lakewood Resident	Present
Rachael	Lakewood Resident	Present
Megan	Lakewood Resident	Present
Amanda	Lakewood Resident	Present
Jan	Lakewood Resident	Present
Kyle	Lakewood Resident	Present

Workshop 2

August 12: 10:00 am – 1:00 pm

Invitee	Organisation	Attendance Notes
Ross Wyatt	Net Balance	Present
Arjun Ravi	Net Balance	Present
Jo Smith	CEHL	Present
Clive Summers	CEHL	Apologies
Alex Naughton Smith	CEHL	Present
Lilly Ling	CEHL	Apologies
Paul McKessy	EACH	Present
Bernie Durkin	EACH	Apologies
Edith Theodore	EACH	Present
Lisa Mason	EACH	Present
Andrea McKenna	EACH	Present
Lorraine	Lakewood Resident	Present
Miranda	Lakewood Resident	Present
Chrissie	Lakewood Resident	Present
Caroline	Lakewood Resident	Present
Rachael	Lakewood Resident	Present
Megan	Lakewood Resident	Present

Amanda and parents	Lakewood Resident	Amanda present / Parents not present
Jan and Mother	Lakewood Resident	Jan present / Mother not present

Workshop 3

August 12: 10:00 am – 12:00 pm

Invitee	Organisation	Attendance Notes
Ross Wyatt	Net Balance	Present
Arjun Ravi	Net Balance	Present
Jo Smith	CEHL	Present
Clive Summers	CEHL	Apologies
Alex Naughton Smith	CEHL	Present
Darina Deal	CEHL	Present
Karen Chau	CEHL	Present
Bernie Durkin	EACH	Apologies
Chris Zidak	Maroondah City Council	Present

Other Consultation

Stakeholder	Organisation	Method of engagement
Andrew Wilgoose	Ringwood Police Dept	Phone
Edith Theodore	EACH	Phone

Appendix 3 – Resident Survey

Has Coming to Lakewood made a difference in your Life?

We are working on an exercise where we are trying to identify the type and quantity of change that tenants have experienced by moving to Lakewood. By filling out the survey below, your responses will go a long way in helping us achieve this. Some questions relate to your experience at Lakewood and some relate to your past experience. Please circle the responses you feel are appropriate. THE RESULTS OF THIS SURVEY WILL BE CONFIDENTIAL AND NOT BE USED FOR ANY OTHER PURPOSE THAN THIS EXERCISE.

Experience in Lakewood	Not at All		Neither		Definitely
I am extremely satisfied with where I live	X	X	X	X	X
My dwelling meets all my needs	X	X	X	X	X
I feel very secure living here	X	X	X	X	X
I am exposed to violent circumstances	X	X	X	X	X
I have the need to dial emergency services, 000 (per month)	Once	Twice	3 times	4 Times	5 or more
I have to deal with the police (per month)	Once	Twice	3 times	4 Times	5 or more
I find it easy to find people with similar interests	X	X	X	X	X
It is easy to meet and make friends with new people	X	X	X	X	X
I am comfortable with calling on neighbours for help	X	X	X	X	X
For Child Care	X	X	X	X	X
Doctor / Hospital Visits	X	X	X	X	X
Health Care, Medicine Use	X	X	X	X	X
Shopping for groceries	X	X	X	X	X
Household Tasks	X	X	X	X	X
Take my children to school	X	X	X	X	X
Need someone to talk to	X	X	X	X	X
Experience in Previous Housing	Not at All		Neither		Definitely
I was overall extremely satisfied with where I lived	X	X	X	X	X
My dwelling met all my needs	X	X	X	X	X
I felt very secure living there	X	X	X	X	X
I was exposed to violent circumstances	X	X	X	X	X
I had the need to dial emergency services 000 (per month)	Once	Twice	3 times	4 Times	5 or more
I had to deal with the police (per month)	Once	Twice	3 times	4 Times	5 or more
I found it easy to find people with similar interests	X	X	X	X	X
It was easy to meet and make friends with new people	X	X	X	X	X
I was comfortable with calling on neighbours for help	X	X	X	X	X
- For Child Care	X	X	X	X	X
- Doctor / Hospital Visits	X	X	X	X	X
- Health Care, Medicine Use	X	X	X	X	X
- Shopping for groceries	X	X	X	X	X

- Household Tasks	X	X	X	X	X
- Take my children to school	X	X	X	X	X
- Need someone to talk to	X	X	X	X	X
Experience in Lakewood	Not at All		Neither		Definitely
I consider myself to be healthy	X	X	X	X	X
I need to use medical services (per month)	Once	Twice	3 times	4 Times	5 or more
I need to visit the doctor (per month)	Once	Twice	3 times	4 Times	5 or more
Experience in Previous Housing	Not at All		Neither		Definitely
I considered myself to be healthy	X	X	X	X	X
I needed to use medical services (per month)	Once	Twice	3 times	4 Times	5 or more
I needed to visit the doctor (per month)	Once	Twice	3 times	4 Times	5 or more
	Yes	No			
Do you have any children	X	X			
Answer only if you have children					
Experience in Lakewood	Not at All		Neither		Definitely
I feel comfortable leaving my children in the care of my neighbours	X	X	X	X	X
I never fear for the safety of my children where I live	X	X	X	X	X
My children always attend school	X	X	X	X	X
My children perform well in school	X	X	X	X	X
My children find it easy to make friends	Yes	No			
Experience in Previous Housing	Not at All		Neither		Definitely
I felt comfortable leaving my children in the care of my neighbours	X	X	X	X	X
I never feared for the safety of my children where I lived	X	X	X	X	X
My children always attended school	X	X	X	X	X
My children performed well in school	X	X	X	X	X
My children found it easy to make friends	Yes	No			
Experience in Lakewood	Not at all		Sometimes		Always
I often share things with my neighbours such as					
Children's Toys	X	X	X	X	X
Entertainment devices (movies, dvd player etc)	X	X	X	X	X
Basic groceries	X	X	X	X	X
Others (Specify -)	X	X	X	X	X
Experience in Previous Housing	Not at all		Sometimes		Always
I often shared things with my neighbours such as					
Children's Toys	X	X	X	X	X
Entertainment devices (movies, dvd player etc)	X	X	X	X	X
Basic groceries	X	X	X	X	X
Others (Specify -)	X	X	X	X	X
Experience in Lakewood	Not at all		Neither		Definitely
I often help with maintenance tasks at Lakewood (cleaning etc)	X	X	X	X	X
If you do, approximately how many hours do you spend a week?					
Experience in Previous Housing	Once a month	Twice a month	Once a Week	3 times a week	Everyday
I often participated in Community group meetings and activities	X	X	X	X	X

	Not at all		Neither		Definitely
I started or had hobbies (sport, craft, knitting, reading etc)	X	X	X	X	X
Experience in Lakewood	Once a month	Twice a month	Once a Week	3 times a week	Everyday
I often participate in Community group meetings and activities	X	X	X	X	X
	Not at all		Neither		Definitely
I have helped to Start-up new community activities	X	X	X	X	X
I have or have started new hobbies such as sport, craft, knitting, reading etc	X	X	X	X	X
I have learned new skills that have helped with everyday life	X	X	X	X	X
If yes, could you name a few?					
Experience in Previous Housing	Not at all		Neither		Definitely
I had the confidence to apply for jobs if needed	X	X	X	X	X
I was able to attend training / educational course	X	X	X	X	X
I volunteered outside where I lived	X	X	X	X	X
Experience in Lakewood	Not at all		Neither		Definitely
I have the confidence to apply for jobs if needed	X	X	X	X	X
I am able to attend training / educational course	X	X	X	X	X
I volunteer outside where Lakewood	X	X	X	X	X
	Not at all		Neither		Definitely
I feel my health has improved since moving to Lakewood	X	X	X	X	X
Lakewood is a safe, nurturing place for children	X	X	X	X	X
I am better able to deal with any problems with the support available at Lakewood	X	X	X	X	X
I feel more independent and confident since moving to Lakewood	X	X	X	X	X