

**Cross Party Group on Housing
Tuesday 4 June 2013 at 12 noon**

MINUTES

Present:

Margaret McDougall MSP
Patrick Harvey MSP
Anne McTaggart MSP
Elaine Murray MSP
John Blackwood, SAL
Craig Sanderson, Link Group
Neil Harrison, SSPC
David Bookbinder, CIH
Tristan Compton, NLA
Lynda Johnstone, TIS
Paul Laidlaw, TIS
David Stewart, SFHA
Alistair Hackland, Hackland-Dore

In attendance:

Alistair Cameron, Scottish Churches Housing Action
Alexandra Johnson, Scottish Churches Housing Action
Eva Gibbons, Scottish Parliament

1. Welcome and Apologies

Margaret McDougall MSP (Chair) opened the meeting of the Cross Party Group and intimated the following apologies:

Claire Gibson, Streetwork
Greg McCracken, Age Scotland
Wayne MacKay, Electrical Safety Council
Leslie Morrison, United Reform Church
Alan Ferguson, CIH
Sarah-Jane Laing, Scottish Land and Estates
Neil Clapperton, Grampian Housing Association

2. Minutes of the previous meeting

Minutes were approved as printed.

3. Main item: Impact on social return and investment – discussion led by Tenant Information Services (TIS).

Lynda Johnstone and Paul Laidlaw gave a short presentation outlining the mechanism for measuring the impact on social return on investment (SROI) and provided the following report:

Introduction: Social Return On Investment

SROI is an outcome based evaluation tool that can be used to account for a broad range of social value as it measures the impact of social, environmental and economic outcomes.

See: www.thesroinetwork.org

- Why TIS undertook SROI on ELDSP

It's no longer sufficient for charities, voluntary sector and others to simply show that they have spent money and offered services. Scarce funds should not be used unless we have robust evidence that these services are making lives and communities better.

To identify the social impact of the project and communicate the added value created and analyse the costs and benefits of Tenant Participation to our stakeholders.

Stakeholders:

Tenants and Residents Volunteers

Tenants and Residents Groups

Councillors

East Lothian Tenants and Residents Panel

East Lothian Council

How do we know our interventions make a difference?

- TIS Social Goods and Services
- What difference does it make to society?
- Public spending and purchasing decisions?
- Social Investments

- Do they have a positive social impact?
- Social Accounting

John Keynes: *'It's better to be vaguely right than precisely wrong'*.

SROI is about value rather than money although the two are closely linked in today's free market economy.

SROI is supported and endorsed by Scottish, UK and European Governments

- SROI Training

The SROI Principles:

- Involve stakeholders
- Understand what changes
- Value the things that matter: **Analysis**
- Only include what is material
- Do not over claim
- Be transparent
- Verify the result: **Assurance and reporting**

'Creating Social Value Through Partnerships'

Scope and Stakeholders:

Outreach Development Service

Proactively and reactively provides development support to local tenants' and residents' groups and communities, which form the foundations of the tenants' and residents' movement in East Lothian.

This report therefore is an evaluation of the activities of the TIS ELDSP Outreach Service and covers the period from **March 2010 to March 2013**.

ELTRP

ELC

Councillors

Individual Tenants/Volunteers

Local tenants and residents groups

Calculating stakeholder inputs.

Mapping Outcomes: What actually changes as a result of TIS support

- Research
- Current evaluation records
- Interviews
- Questionnaires

Individuals

Volunteers providing useful and accurate advice To Tenants and Residents in local communities.

Improved housing services as a result of tenant/residents direct influence on policy.

Improved Knowledge on Participation Approaches at Local and strategic Levels

Improved Communication between Group Members, community, Local Authority Landlords and service providers

Increased Confidence as Community Activists

Positive Action and Changes To Local Community Services

Evidencing outcome and giving them a value:

- Outcome indicators
- Sources of information and evidence
- Judgments on quantities
- **Financial Proxies:** Used to value what changes

Establishing Value and Impact:

The total value of all changes calculated as the social impact of all outcomes but important assumptions are made to ensure impact not over claimed.

ELDSP net social value over one year equals: 1.3 million in social value.

Calculating SROI:

In the account that has been created for this SROI evaluation the total impact calculation is as follows:

$$\text{SROI} = \frac{\text{Total Present Value}}{\text{Total Inputs}}$$

SROI= £2,371,977.37

$$\frac{\text{£2,371,977.37}}{\text{£681,600.00}} = \text{ELDSP SROI} = \text{£3.48}$$

However, this is only an initial calculation as SROI takes account of the net present value to arrive at a more accurate SROI ratio. The net present value is arrived at by deducting the amount of money invested. This is the same principle for calculating your return on a savings account with money invested. So the ELDSP project net present value equals:

Total Present Value minus Initial Investments= Net Present Value (NPV)

$$\text{£2,371,977.37} - \text{£681,600.00} = \text{NPV } \text{£1,690,377.37}$$

$$\text{SROI} = \frac{\text{Net Present Value}}{\text{Total Inputs}}$$

$$\text{SROI} = \frac{\text{£1,690,377.37}}{\text{£681,600.00}} = \text{ELDSP SROI} = \text{£2.48}$$

This means that this analysis estimates that for every one pound invested in the ELDSP activities there is £2.48 of social value created.

Reporting, Using, Embedding:

- TIS in process of submitting report for assurance
- Change project evaluation methods
- Use SROI ratio as Tenant Participation performance indicator
- **Future TIS SROI services to Housing sector and others in Scotland.**

The ELDSP is a first-class example of an effective combination of community development and Tenant Participation coming together to create positive outcomes and significant social value. As our stakeholders said:

“In short it has been the experience and confidence to achieve, make change happen and a how to do attitude and who to contact. I trust the Outreach Service and this is important as well to build a working relationship. When we first started up the advice and assistance to get a venue for meetings and committee advice was first class”.

I have seen communities develop, people make a difference to their lives and the council listen to people when shaping their services”

The presentation was followed by an open discussion among attendees discussing the merits of social return on investment methodology and value to public investment.

Craig Sanderson, Link Group, noted that he found the experience of SROI to be complicated but worth it. Link had carried out three SROI projects and reported considerable savings and return on investment ranging from £27 to £3.69 on the pound invested. Notably the return on the care and repair project was £5 to the pound invested.

Paul Laidlaw, TIS, replied explaining the SROI accounting process and how important it is to evaluate impact on communities and the wider benefit that can be derived i.e. health and potential approach to homelessness.

Cross Party Group members urged MSPs to consider the overall return on investment when considering the reading of the Procurement Reform Bill.

Lynn Johnstone, TIS, emphasised the need for all stakeholders in the SROI evaluation process to buy into the process and consider the wider unintended outcomes i.e. building confidence in supporting stakeholders to ask the right questions and understand the process of evaluation.

Margaret McDougall MSP (Chair) highlighted how difficult it was for MSPs to properly evaluate the benefit and show overall benefit of public investment when considering procurement processes.

Elaine Murray MSP asked if the speakers could highlight what their hopes were for the Procurement Reform Bill and how they would guide elected members.

Paul Laidlaw, TIS, replied by encouraging MSPs to take into consideration more than just the cost of contracts but rather consider the quality of the contract which helps focus on overall public benefit. Paul emphasised how it is too easy to measure contracts on cost alone and ignore the wider social impact on investment. It was also explained how this legislation is largely governed by European Directive.

David Bookbinder, SFHA, urged MSPs to consider the importance of building homes as a way to providing community benefit over a much longer period of time i.e. 10 years. On questioning the speakers, David asked if the SROI in East Lothian took into consideration the recognition of tenant impute and did East Lothian Council consider that impact?

Lynn Johnstone TIS, replied stating that it was very difficult to get everyone to buy into the SROI process.

Anne McTaggart MSP, welcomed this news and asked if there were any such projects in Glasgow?

Lynn Johnstone, TIS, replied offering to supply details of such projects at a later date. Craig Sanderson, Link Group, gave information about the Cunningham HA project.

Alistair Camerson, SCHA, whilst welcoming the SROI, and can see how his own project could demonstrate wider benefit, he did question how rigorously ratios of investment to outcomes might be applied and how it might be wise to guard against setting targets in relation to funding.

Paul Laidlaw, TIS, intimated that ratios were agreed with all stakeholders and once again emphasised the need to put more emphasis on measuring the social impact and change to individuals than cost alone.

Margaret McDougall MSP (Chair) asked who assesses the SROI?

Paul Laidlaw, TIS, answered by explaining that SROI was a UK body and that seven assessors assess the projects. Craig Sanderson, Link Group, concurred by emphasising how rigorous the process was.

Patrick Harvey MSP, asked where is this all going? Will it impact substantially on how the Scottish Government spends its resources?

Lynda Johnstone, TIS, replied saying that SROI is a strategic way of socially accounting and measuring the wider benefit to society.

Paul Laidlaw TIS, added that there are two ways of looking at every project which are evaluation, which looks back at the projects performance, or forecasting future funding requirements.

4. Cross Party Business

There was no other business.

5. AOB

There was no other business.

6. Date of next meeting

TBC September 2013, possible attendance of the Minister for Housing and Welfare to discuss the proposals for the new Housing Bill. The Chair will make contact with the Minister's office to arrange a suitable date.

Future dates:

Thursday 14 November 2013, 1pm – 2pm – Q1.03

Thursday 13 February 2014, 1pm – 2pm – Q1.03

Thursday 17 April 2014, 1pm – 2pm – TG.20/21

Thursday 19 June 2014, 1pm – 2pm – Q1.03 or TG.20/21

The Meeting was closed at 1pm. Margaret McDougall MSP (Chair) thanked all for attending.