**BEST PRACTICE:
COMMUNITY DEVELOPMENT
AND SOCIAL HOUSING**

Morning and welcome to the **First Zoom Session** of the **SH Best Practice Season**

Delighted you could join us after our COVID delay.

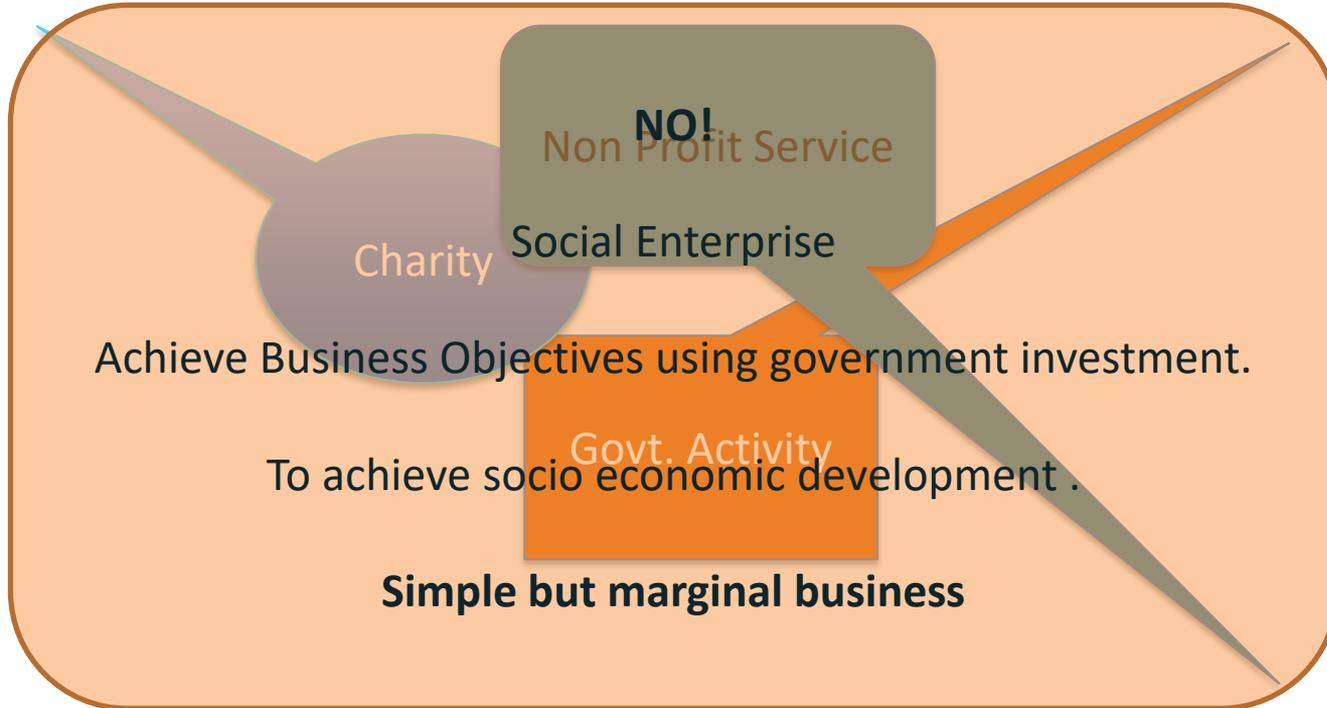Welcome to the **new way** of doing these and on with **the programme…**

SECTION 1: THE BUSINESS OF SOCIAL HOUSING –AN OVERVIEW
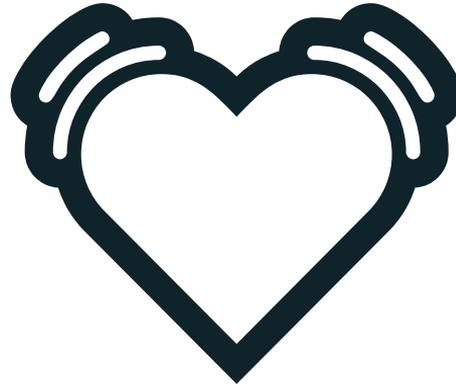
THE BUSINESS OF SOCIAL HOUSING

NO!

Non Profit Service

Charity

Social Enterprise

Achieve Business Objectives using government investment.

Govt. Activity

To achieve socio economic development .

Simple but marginal business

Social Housing Institutions at the

of the SH Sector

SOCIAL HOUSING INTENT

- Good quality, well located and managed rental accommodation affordable by for low and moderate income households

- Targeted income group R1 500 - R15 000

- Project require a minimum mix of different income households
  - Primary: R1 500 – R5 500. (30%)
  - Secondary: R5 501 – R15 000 (70%)

- Rentals range from R650 – R4 100

GOOD SHI BUSINESS:

- **Efficient**

- **Effective**

- **Responsive**

- **Community Development –Reduce risk**

THE BUSINESS OF SOCIAL HOUSING
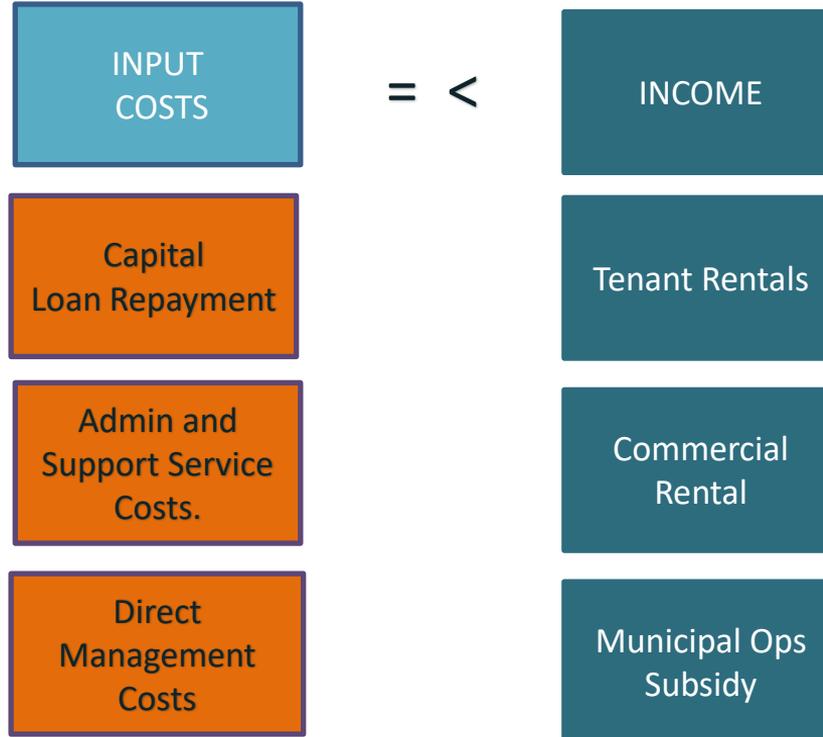
GOOD SHI BUSINESS:

INPUT COSTS		= <	INCOME

Capital Loan Repayment	Tenant Rentals
Admin and Support Service Costs.	Commercial Rental
Direct Management Costs	Municipal Ops Subsidy

SETTING RENTALS

Economic Cost Recovery Rentals (ECR) the components

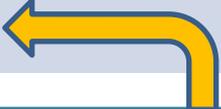Capital Return and Repayment

Administrative Costs

Management Costs

THE BUSINESS OF SOCIAL HOUSING

CAPITAL FINANCING – AN EXAMPLE

Total Capital Cost 40m2 unit	R430 000	
RCG Subsidy	R154 000	CCG Grant
Institutional Subsidy	R120 000	
Loan Finance and/or Equity	R156 000	Repayment to rental usually prime to prime + 2

Estimated at R1 560 per avg unit per month

SETTING RENTALS

Capital Return and Repayment

- Loan repayment

- Return on investment

THE BUSINESS OF SOCIAL HOUSING

SETTING RENTALS

CAPITAL COSTS AVG SH UNIT- 40M^2

TOTAL COST	R400 000
RCG	R155 000
Institutional Subsidy	R110 000
Loan Finance	R135 000

Loan Repayment estimated R1300 per unit permonth

SETTING RENTALS

Administrative Costs

- Office rentals and utilities
- Communication costs
- Transport
- Back office support services – finance, HR, IT
- Rent collection and arrears management
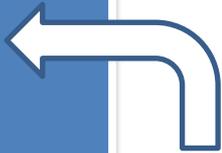- Legal fees
- Bad debt element

Estimated at R500 per avg unit per month

SETTING RENTALS

Management Costs

- Rates
- Municipal Services
- Communal Utilities
- Insurance
- Maintenance
  - Reactive
  - Planned
- Security
- Cleaning
- Gardening

Estimated at R700 per avg unit per month

THE BUSINESS OF SOCIAL HOUSING

ECONOMIC COST (ECR) RECOVERY RENTAL

ECONOMIC COST (ECR) RECOVERY RENTAL	
TOTAL AVG MONTHLY RENTAL	R2 760
Capital repayment	R1 560
Admin Costs	R 500
Management	R 700

THE BUSINESS OF SOCIAL HOUSING

INFLATION AND RENTAL INCREASES

- Input costs into Social Housing usually increase over the year.

- Annual increases required to cover this cost.

- SHRA Council has specified that average rentals should not increase by more than CPI.

- NASHO has developed ARID a Social Housing CPI Basket

- In 2017 showed that SH CPI closer to CPI + 1.8%

- Should ensure that rent increases are closely linked to real increase in costs when input costs are managed efficiently and effectively.

EXERCISE - CHALLENGES TO BUSINESS SUSTAINABILITY OF YOUR SHI

- Is your SHI a financially sustainable business without additional subsidy?

- What are the key factors that **could** make your SHI financially unsustainable?

- What can you do to reduce the risk of these factors in your SHI?

- IMIZI – their Story. - Video

- Our Community Development Best Practice Partner
  - Interview to tell their story

SECTION 2: WHAT IS COMMUNITY DEVELOPMENT IN SOCIAL HOUSING

CASE STUDY

Please read this as it provides the background story that you should use in the Group exercises in all the following sections:

hyperlink

LET'S DEFINE COMMUNITY DEVELOPMENT

- So what does the group think is best way of defining CD?
- What elements are important in the definition?

A Definition

Community development in social housing is are projects or sets of activities that mobilises tenants, tenant households and people from the surrounding neighbourhoods in collective actions that help to enhance the quality of their lives.

IS CD THE SAME AS NEIGBOURHOOD DEVELOPMENT?

- Does CD in SH necessarily involve neighbourhood development?

- Can you give examples of CD work that is neighbourhood development and one that is not?

A proposition…

Neighbourhood development refers to 'community development' activities that target specific local neighbourhoods across a range of issues to improve the quality of lives of different people living in a neighbourhood. So, 'neighbourhood development' is one form of Community Development. It is likely to be the major focus of the community development initiatives of community development undertaken by a SHI.

IS CD THE SAME AS TENANT ENGAGEMENT?

- What is a SHI's Tenant Engagement Programme?

- Is it the same as Community Development?

Tenant Engagement?

This is the activity undertaken by SHL to ensure that their tenants and perspective tenants can understand the contractual relationship between themselves as tenants and the SHL as the landlord. But it also provides the means for both parties to communicate to ensure that tenants properly access the SH service and can contribute to improvements in the service of the landlord within the financial and regulatory constraints.

IS CD THE SAME AS SOCIAL WELFARE?

- So what is social welfare?

- How does this link with our definition of community development?

SOCIAL WELFARE AND CD FITTING?

A social welfare programme directed at giving psychological or counselling or support in kind to people. This can be through offering counselling services or the provision of food and other practical assistance. This type of action is usually considered as 'welfare' rather than the mobilization of groups to undertake activities that jointly improve their quality of life.

CD AND SOCIAL HOUSING
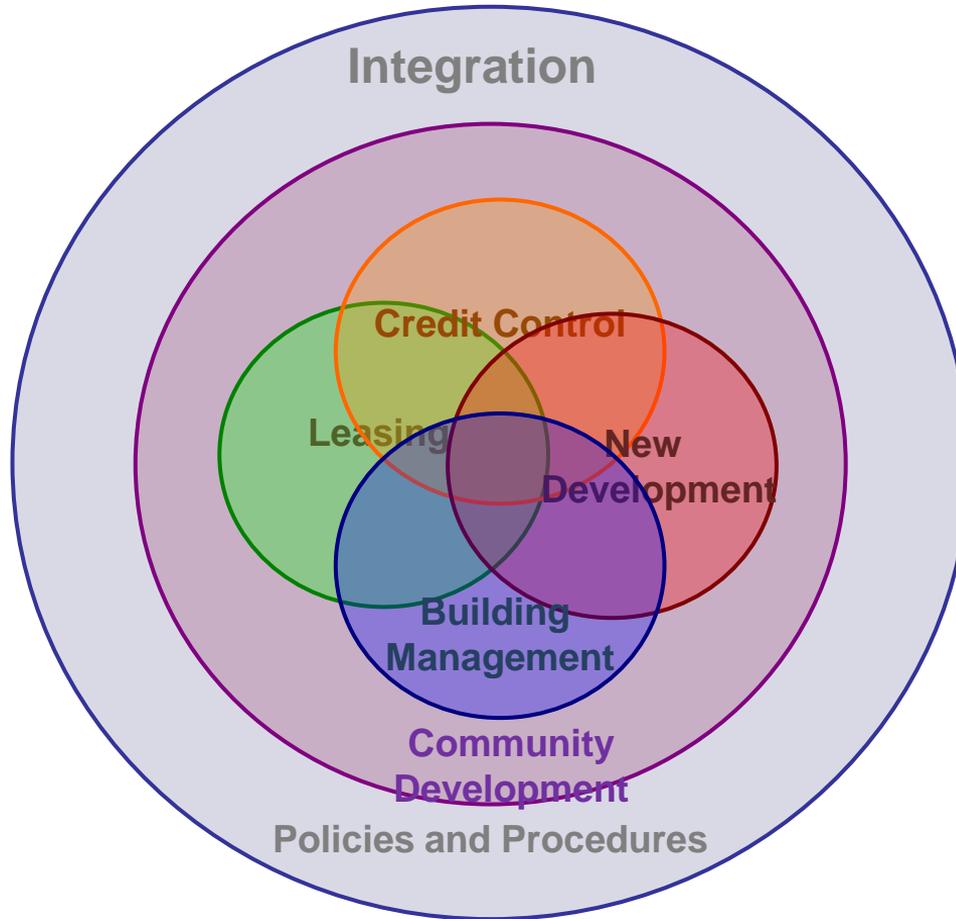
SECTION 3: WHY HAVE COMMUNITY DEVELOPMENT IN SOCIAL HOUSING?

LET'S DEFINE COMMUNITY DEVELOPMENT

- Is Community Development an essential part of the SH Business?

- If so let's understand what are reasons that SH helps your company ?

Efficient and effective SHIs calculate that the value of community development is not merely about better communities but also has great practical advantages to their core business, including:
- contributes to tenant retention
- creates conditions to strengthen likelihood of rental payments
- reduces vandalism and damage to social housing properties
- enhances customer service and customer perception

Reflections:

If you have a Community Development project comment on how it has helped or hindered you in running your Social Housing service?
If you do not have one how would a Community Development programme assist you in managing your risks as a Social Housing landlord?

SECTION 4: WHAT ARE THE ACTIVITIES AND PROJECTS OF A COMMUNITY DEVELOPMENT PROGRAMME

LET US DEFINE SOME IMPORTANT CONCEPTS

DEFINITION BOX

ACTIVITIES:
These are the practical actions carried out to help achieve a particular community development outcome.

PROJECT:
A cluster of activities that organized together achieve a community development objectives and outcomes.

PROGRAMME:
This is the grouping of the CD Projects run by a single SHI that together achieve the organisations community development objectives and outcomes.

WHAT ACTIVITIES SHOULD YOU FOCUS IN YOUR COMMUNITY DEVELOPMENT PROGRAMME

- Choosing the activities in a community development programme depends on different factors:

- The perceived and actual needs of tenants

- The perceived and actual needs and challenges of the local neighbourhood

- The cost of the interventions

- The resources available (not only financial) to the SHI for the CD activities

- The intent of the programme for the interest of the SHI business

RANGE OF ACTIVITIES

FOCUS AREAS	ACTIVITIES	TARGET PURPOSE	TARGETED GROUP
Education	Pre-school activities		
	Education support		
	Adult education		
	Homework sessions		
	Childcare		
	Parenting Support		
Technology	Access to electronic technology		
	Training in electronic technology		
	Radio station		

	Tackling crime and grime		
Neighbourhood Development	Developing social cohesion		
	Adult and children's activities		
	Lobbying		
	Food gardens		
	Material relief		
Economic Development	Employment support		
	Training		
	Small enterprise development		
	Financial services		

Environment	**Tree planting**		
	Food gardens		
	Recycling		
	Awareness raising		
	Energy saving		
Sport and Recreation	Sports activities		
	Children's holiday clubs		
	Use of common spaces		
Youth work	Education		
	Recreation		

	Events organising		
Organisational	Participatory budgeting		
	Volunteer management		
	Publicity		
Health	Health awareness		
	Support groups		
Social cohesion	Diversity training		
Space provision	Community centres		
	Learning centres		
	Sports fields		
	Meeting rooms		
	External common spaces		

Reflections:

- In the table above, highlight the activities in your Community Development programme?
- If your SHI has a Community Development Pprogramme which of these activities are in your CD Programme**?**
- Why have you decided on these rather than other activities?
- How are these activities organised in a project and what is the project, its objectives and intended outputs?
- What projects make up your Community Development Programme?

If you don't have a CD programme yet, which of these activities would you think are important given the community needs and available resources? What projects would you start as part of your Community Development Programme? Why?

COMMUNITY DEVELOPMENT MORE THAN JUST ACTIVITIES...

DEFINITION BOX

OBJECTIVE(S)
This is a statement of what you intend to achieve by organizing and resourcing particular activities or groups of activities in a project. You can also have an overall objectives for your CD programme as a whole.

OUTPUTS:
These are the primary or secondary products that are achieved by the activities. Ideally they should be evident practical delivery of the objectives.

IMPACTS:
This is the actual effect that the outputs have on the targeted community and ideally should align with the objectives.

AN EXAMPLE…

The running of a homework centre:

Objective(s)

- Direct
- Indirect

Outputs:

- Primary:
- Secondary:

Impacts:

Reflections:

- In your CD programme which of these other outcomes are you achieving?

- Is this an intentional or accidental result of the CD work your SHI is doing?

- If you do not have a CD programme how will the activities you choose produce some of the outcomes outlined above?

SECTION 5: HOW DOES COMMUNITY DEVELOPMENT FIT IN YOUR SH STRUCTURE?

ORGANISATIONAL FORM WHAT DETERMINES IT?

- The organisational form has varies and is largely
- a consequence of:
    - the nature of the activities,
    - the strength of the programmes and
    - the organisational base from which it is initiated.
- Can evolve over time.
- Most initiatives are likely to start within the SHI
- 3 organisational forms of which there are specific examples in South Africa.

See next slides

ORGANISATIONAL FORM 1

AS A DEPARTMENT OR SECTION OF AN SHI

- within the governance and management structures of the SHI.
  while separate from the core social

- overlap in roles of the frontline officials and the mixing of
  community development and social housing core functions.

- greatest potential for success links to decentralised social housing
  management services.

ORGANISATIONAL FORM 2

AS A SUBSIDIARY OF AN SHI
- community development work is done from a subsidiary company of the SHI.
- own board and management structure but close links back to the SHI that owns it.
- sharing of key support services e.g. finance.
- programme is organisationally separated from the core social housing functions,
- there is close co-operation between the staff of the SHI and those undertaking community development work in the subsidiary.

ORGANISATIONAL FORM 3

AS AN INDEPENDENT ENTITY WITH A FORMAL PARTNERSHIP AGREEMENT WITH AN SHI

- community development work is carried out by a separate community development organisation,
- a formal partnership with the SHI or through a contracted arrangement.
- the programme is separated from the core social housing functions and often from the staff of the SHI
- joint planning of the targeting and roll out and systems for referral and support from the frontline officials
- The SHI has no formal management control of the community development programme other than through a formal or informal contractual agreement

ORGANISATIONAL FORM

Reflections:
- What is the organisational structure holding your CD programme?

- Why did you choose this structure? Have you reviewed it since inception? If so did you change the institutional structuring?

- If you are starting such a programme where will you house it? And why have you chosen to do it this way?

WHO DOES THE COMMUNITY DEVELOPMENT WORK?

Whatever the organisational form chosen it is important that:

- the community development programme is run with the full support of the SHI's staff and board

- all should understand how the Community Development programme objectives are part of the company's overall business and development plan.

WHO DOES THE COMMUNITY DEVELOPMENT WORK?

CD DEVELOPMENT EMPLOYEES

- NB someone with designated responsibility to manage this function.
- Developed programmes a full time management position.
  at start up, often designated an officer(s) from their existing housing
  management staff to undertake the initiation work.
    - proper designation of this responsibility
    - the provision of the time and other necessary resources for the
      person to do this work.
- More developed programmes also have other project and administration
  staff to take on the key aspects of the community development work.

WHO DOES THE COMMUNITY DEVELOPMENT WORK?

SH MANAGEMENT STAFF
- possible to engage and involve front line and support staff, with broader housing management responsibilities in community development activities.
- person's responsibilities should be included in their job description as well as in any designed work programme.
- the time and resources for them to do these functions must be available.
- their CD responsibilities must enhance rather than hinder their ability to provide the legal part of the landlord service.
- NB to manage the potential 'conflict of interest' between 2 functions

WHO DOES THE COMMUNITY DEVELOPMENT WORK?

VOLUNTEERS
- people who give their time for free to undertake various different community development activities.
- Volunteers do a range of different activities including administrative and programme support, through to provision of a direct service e.g. tutoring.
- helps to build greater community commitment to the projects and programmes and can sometimes be an activity in itself that builds social prestige and growth.
- Volunteers can come from within the area where the activities are happening or from outside.

WHO DOES THE COMMUNITY DEVELOPMENT WORK?

- From where:
    - involve tenants from projects;
    - people from surrounding neighbourhoods;
    - staff from the SHI who help in their own time;
    - people with the relevant skills and interest from outside the immediate neighbourhood.

- Volunteering benefits the volunteer:
    - provides people with the opportunity to gain transferable skills and experience
    - Sometimes small stipend adds to tenant income

WHO DOES THE COMMUNITY DEVELOPMENT WORK?
PART TIME PROJECT EMPLOYEES

- a part time basis, either on a permanent or temporary basis,
- run or support particular projects
- specific project funding linked to a set time period

Reflections

Who in your SHI is responsible for running the Community Development programme? Is this responsibility in the persons job description Is this person given the time and resources to do this?

Who else in your SHI carries out some of the Community Development activities?

Do you use volunteers?

If you do not have a CD programme who do you envisage will run it?

Who else will you involve in various activities?

IMPORTANCE OF PARTNERSHIPS

- Quality partnerships essential for success of CD
    - The SHI or their community development unit cannot do it all, nor does it want to.
    - Successful community development work is about building strong partnerships between organisations and groups which share at least some common objectives.

These partnerships are built on trust and a common commitment.
    - Need clarity between the partners on who does what and how they work together.
    - As partnerships strengthen, they can help extend the activities but also build stronger community organisations.

FORM OF PARTNERSHIPS

- short or long term

- permanent relationships or for shorter periods,

- built around single or multiple objectives

- different organisational forms e.g. government, NGO's, community groups, schools, resident associations.

- building, sustaining and extending such partnerships is an important skill of leaders in community development initiatives.

PARTNERSHIPS

Reflections:

What partnerships do you have in your CD programme?

Why did you forge these partnerships?

How have they helped (or hindered) the delivery of the CD projects.

If you do not yet have a CD programme:
- What are the potential partnerships if you implement the activities you identified in Section 7 above?
- How these partnerships help in you delivering these activities and achieving your objectives?

SECTION 6: FINANCING COMMUNITY DEVELOPMENT

THINKING FINANCING OF CD PROGRAMME

- Different forms of financing serving different functions and different projects.
- Important to ensure that there is clarity on the funding sources:
    - core company costs
    - project costs

means of financing that ensures effective projects Without excluding participants
the financial viability of a community development programme requires the mixing of financing from a number of sources.

GO TO THE FORMS OF FINANCING

FINANCING

FROM TENANTS RENTALS
- additional element of rent is charged to cover the costs of the community development activity.
- fees collected from rentals go to pay for the core costs of the company plus some project related costs e.g. security services.

PUBLIC HEALTH WARNING

- **For what purpose to add to tenant charge when they moight not benefit from the activity.**
- **In some instances makes basic SH housing facility unaffordable**

FINANCING

USER PAYS
- a charge made on the users for all or part of the cost of using a particular community or social development activity.
- user carries some of the cost for their own involvement.
- usually far lower than the cost of the service itself

Critical ? Is whether level of charge 'excludes' participation for some who are targeted

GRANT FINANCE
- projects and programmes are financed through grants from government, the donor sector or private companies.
- important part of making community development activities affordable

FINANCING SOURCES

OWN EQUITY

SHIs with activities that generate profits that are then re-invested in CD activities..

SELF RUN FUND RAISING ACTIVITIES

- community development programmes and projects use their participants and supporters to raise income for particular projects through fund raising activities
- while important mobilising buy in and makes a contribution, it generally only contributes a small amount to the total financing.

USE OF VOLUNTEERS

- significant way of keeping costs down
- indirectly helping to finance community development activities.

SETTING UP A CD PROGRAMME…

Reflections:
- Develop a pros and cons for each of these ways of paying for a Community Development Programme?

- How is your SHI presently doing it or how would you do it if you were to set up a Community Development Programme?

- What things would you have to pay for as part of your community development programme?
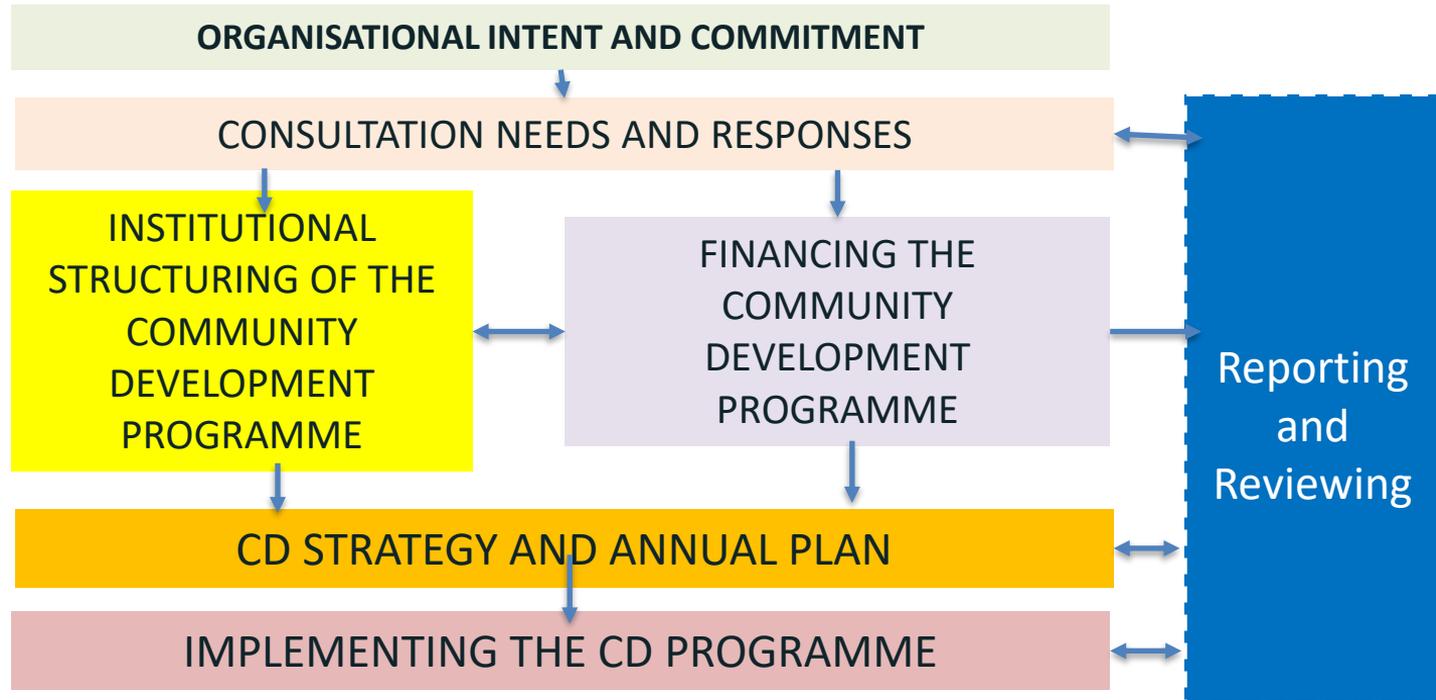
SECTION 7: GETTING ON WITH IT – SETTING UP YOUR CD PROGRAMME

STEP	OUTPUTS	INVOLVED
Organisational Intent and Commitment	• Board and Senior management agreement to prepare a feasibility on CD programme. • Plan on doing feasibility	Senior Management Board of SHI
Consultation -Needs and Responses	• Understanding of the tenant and neighbourhood needs • Potential resources • Possible intervention • Prioritising	SHI Staff Tenants Neighbourhood Groups
Institutional Structuring of the Community Development Programme	• Best organisational structuring Agreement • Putting in place relevant staffing	SHI Staff Board of SHI

Financing the Community Development Programme	• **Investigation of financial resources available** • **Linking of available resources with proposed interventions**	**Snr Management** **Board** **Possible Funders**
CD Strategy, Budget and Annual Action Plan	• Board agreed CD Strategy and Annual workplan • Linkage to budget and other resource commitment	Snr Management Board
Implementing the CD Programme	• Implemented projects in line with the annual plan and linked to agreed resourcing.	Staff Volunteers
Reporting and Reviewing	• System in place to monitor the delivery, outputs and impacts. • Implement the review and feedback	CD Management Staff

SETTING UP A CD PROGRAMME…

Reflections:
- Is your SHI Board and Snr Management team committed to a CD Programme linked to the SH delivery of your SHI?

- Have you carried out a needs and resources survey in preparing an annual plan?

- Does your have a. CD Strategy   b. Annual plan   c. CD Budget and Resource plan?

- If your SHI does not have a CD programme what should be done to prepare one and who will do it?

SECTION 8: MONITORING AND EVALUATING THE CD PROGRAMME

MONITORING AND EVALUATION OF CD PROGRAMME

- NB to have a plan to ensure that there is ME of the CD work:
  - to ensure that it is effective and efficient
  - that it has the intended impact
- Focus of M&E – linked to the strategy and annual action plan
  - Resource allocation
  - Delivery of outputs
  - Impact of outputs on the intent
  - Activities, projects and programme as a whole
- Reporting:
  - Staff and management
  - Board
  - Tenants
  - Other stakeholders

M&E REPORTING, REVIEWING AND PLANNING…

Reflections:

- Do you have a system in place to M&E system for your CD programme?

- What does it assess?

- How does it report and to whom is the report provided and in what form?

- How is the information used to review the programme and its resourcing?