



Equality, Diversity and Inclusion in Social Housing - Policy and Practice

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I. Introduction

Whilst the 'business case' for equality, diversity and inclusion practice (EDI) is often implicitly referred to and recognised, the level of understanding and discussion within the sector as regards to the potential benefits of EDI good practice is somewhat more ambiguous. While the 'legal case' and the 'moral case' for EDI are typically accepted, the potential 'business case' – the benefits that EDI can bring to a housing association, its staff, and tenants – is of increasing importance in the current policy climate. This think piece comes at a time when social housing is high on the political agenda, with Housing Associations facing increased pressure to respond to rising demand against a backdrop of challenging social housing and welfare reforms. These reforms have had financial consequences for housing associations, and as a result many are making difficult decisions about how and where to invest resources to ensure the best possible business performance and sustainability. A good evidence base for the business case of EDI would undoubtedly inform decisions about the approach to take in the future.

However, while the monitoring of equality and diversity metrics, such as the demographics of Boards or staff, is becoming more commonplace, there has been little exploration of the impact and outcomes of good EDI practice. For example, can providing additional support for young people in social housing reduce the number of cases of antisocial behaviour that the housing association has to deal with, and create more cohesive communities? Do organisations that undertake activities to increase staff diversity have better relationships with tenants as a consequence? Research on the impact of EDI is growing within the private sector, but there is a much more limited bank of evidence within social housing. However research currently being undertaken by CLES for Housing Diversity Network and sponsored by Places for People, Cestria and Aksa Homes will seek to evidence some of the benefits of EDI practice.

The current policy paper explores the backdrop for this research: the current policy landscape and its impact on EDI and housing associations, with an initial exploration of the potential benefits of equality, diversity and inclusion practice.

2. Policy Context

At the national level the introduction of recent equality and diversity reforms designed to improve equality in the workplace, have resulted in positive legislation such as a requirement to disclose the gender pay gap for all private and public sector organisations with more than 250 staff. Reforms such as name-blind recruitment will introduce anonymous application forms across Undergraduate Courses at University and College, the organisation which processes applications to higher education, (UCAS) and other private and public sector organisations, in an effort to stop unconscious bias against potential recruits from black and minority ethnic (BME) backgrounds. Further legislation such as the Equality Act 2010, the legalisation of gay marriage, and recognition of Islamophobia as a separate hate crime are likely to have a positive impact on groups in society that may be more likely to experience discrimination or disadvantage, according to protected characteristics¹ such as disability, sexual orientation and race. Such reforms have provided Associations with important guidelines and a stronger foundation upon which to build their own initiatives and internal practices to ensure greater levels of equality and diversity within their organisations.

In addition to this, the Social Value Act 2012 and associated agenda encourages those who commission and deliver public services, including housing associations, to consider the wider social, economic and environmental benefits that the service delivers. This is a clear opportunity to bring EDI to the forefront of service design: for example, an employment support service for residents that flexes provision to account for the relative disadvantage that job seekers with protected characteristics may face when seeking work has the potential to deliver greater social value than one that does not.

However, recent housing policy reforms such as the reversal of the rental formula, which currently allows housing associations to raise rents in line with the consumer prices index (CPI) (forming a significant part of their investment profile), has resulted in a 1 per cent cut to housing association's annual funding. Furthermore, the introduction of the recent Right to Buy scheme has further reduced housing association's abilities to replace and or expand their stock, and manage their loan agreements due to the reduction in rent funding. The combination of such reforms has served to weaken the level of investment and funding available to associations resulting in greater financial pressures. In some cases this threatens the sustainability of their overall business model with implications for their equality and diversity practices, both internally and across wider service delivery.

This is of particular concern given the wider austerity-driven policy context, and raft of recent asymmetric welfare reforms such as the 'Bedroom Tax', benefit cap and cuts to housing benefit for young people, which have been found to disproportionately affect certain groups such as the black and minority ethnic (BME) communities who are already more likely to experience discrimination and disadvantage. For example the extension of the benefit cap (which places a cap on the amount of benefits an individual is entitled to claim) has resulted in low income households facing a shortfall of £50 a week in more than one in six of England's 152 housing districts, while disproportionately impacting single parent and large families.² As a result the cap is more likely to impact women and BME groups who are overly represented within such groups^{3 4}. Disabled tenants have also been affected by the closure of the Independent Living Fund and cuts to Personal Independence Payments⁵. While for people with severe disabilities the combination of cuts in benefits and services means that they lose an average of £8,832 per person, 19 times more than the burden placed on most other citizens⁶. Women and families are also severely impacted by recent cuts, as the £13bn of cuts in social security spending by 2020/21 will disproportionately hit families and women on low incomes, regardless of the rise in the minimum wage⁷. Members of the BME communities are similarly affected as BME tenants are more likely to be overrepresented in vulnerable groups; all BME communities display higher levels of unemployment and lower level of full time workers than the White British community, and as such are more likely to be affected by changes to tax credits and the introduction of the benefit cap⁸.

The combination of such reforms are therefore likely to result in an increasing number of tenants and protected groups across the country being unable to afford their rent leading to an increased risk of homelessness and reduced spending on household essentials, particularly food and utility bills, which in turn may have serious mental and physical health implications for tenants⁹. Such indirect impacts are likely to result in increased service demand, increased service delivery costs and a loss of income for housing associations due to rent arrears and unstable or vacant tenancies. Combined with the 1% rent cut and Right to Buy reforms, associations are therefore facing reforms which pose both direct and indirect challenges to their financial sustainability.

Housing Associations also face a number of future challenges from changing demographics within the population. For example the five largest distinct black and minority ethnic (BME) communities could potentially double from 8 million people or 14% of the population to between 20-30% by 2050¹⁰. Housing Associations will therefore need to plan for delivering services and meeting the needs of communities



that will change significantly over time. While the continued ageing population also presents a number of future implications for Associations such as the need to ensure that their housing stock reflects the needs of an ageing population, coupled with the need for additional resources around health and social care¹¹.

Housing Associations are therefore faced with several key challenges. In the short term, it is clear that the parts of the population that are usually the focus of EDI activity are more likely to be affected by changes brought about by welfare reform, potentially impacting on their need for services as well as ability to pay rent. In the longer term, changing demographics present a challenge that all service providers will need to respond to. However, these issues are in the context of a dramatically changed environment which has caused Housing Associations to fundamentally rethink their business plans and purpose and potentially limit their ability to respond to these challenges.

There has always been differing views around how best to ensure EDI activity is effective and has an impact – should there be a dedicated person or team that ensures a focus for the organisation (with the danger that EDI activity is seen as only something that person or team does) or should it be mainstreamed, with EDI as everyone's responsibility (with the danger that there is a lack of focus and expertise). For most organisations it is not strictly one or the other of these approaches but a combination of some sort. These approaches will be revisited by many organisations in the current climate as all parts of an organisation come under scrutiny.

The decisions that are taken around how to respond - whether to increase, maintain, or cut both their internal and external equality and diversity initiatives and wider service provision - will have far-reaching consequences not only for the organisations but for the communities they operate in.



3. Implications for Housing Associations and the need for evidence

Considering the recent policy changes it is clear why the business case for equality, diversity and inclusion is becoming more important, as evidence indicates that housing association tenants are more likely to experience greater issues relating to equality, diversity and inclusion. However while it may therefore make sense for associations to at least maintain, or even increase, EDI activity, the negative financial impact and implications of recent reforms makes it difficult to justify such decisions without confidence about the effectiveness of such interventions. Naturally housing associations must be able to have confidence that maintaining or increasing EDI will lead to good outcomes for housing associations as a business, for their staff, and of course their tenants. Without any evidence of this nature, EDI activities will be seen as a 'nice to have' rather than a 'must have', with allocated funding being reduced rather than maintained or increased.

Current evidence suggests that a strong focus on equality and diversity policies may bring a number of advantages for an association's business model. For example, EDI could bring a number of business benefits such as:

- Improved governance,
- Improved risk management
- Improved decision making
- Increased organisational performance and service delivery¹²
- Improved value for money in service delivery
- Increased and more positive brand awareness¹³

While EDI policies which ensure that a diverse range of staff are valued and accommodated have been found to support:

- Staff retention
- Increased recruitment
- Positive organisational performance

- Reduced recruitment costs¹⁴
- Increased understanding of tenant behaviour resulting in improved tenant relations¹⁵
- Increased productivity¹⁶

Adopting equality and diversity policies to create programmes designed to address the unique barriers faced by certain groups may also bring a number of positive outcomes for tenants such as:

- Increased confidence or employment opportunities¹⁷
- A reduction in negative impacts and behaviour
- Increased tenant satisfaction
- Improved interpersonal relationships with staff and friends/family¹⁸

A number of Housing Associations already deliver programmes designed to promote equality and diversity, with a particular focus around long term prevention. For example Hanover Housing Association who provides housing and support services for 850 people of pensionable age in London Borough, developed an intergenerational environmental project designed to reduce social isolation and associated issues such as poor mental health¹⁹, while Aksa Homes, a Greater Manchester BME housing association, focused on developing a more diverse Board structure to better reflect, understand and address the needs of its diverse tenant base. One outcome of this has been that the new age-diverse board has led to the adoption and greater use of social media, enabling greater engagement with young tenants.²⁰

However, evidence regarding the impacts of equality and diversity within the housing sector in both internal practice and across service delivery is often limited to specific cases, or the potential impacts remain theoretical and based on evidence from other sectors. It is therefore crucially important that the current evidence base is expanded to ensure that housing associations have more robust evidence, upon which to make an informed decision as regards the future direction of their equality and diversity provision.



4. Conclusion

In light of the wider policy changes such as the 1% reduction in rents, Housing Associations are now presented with the question of whether to reduce provision including EDI activities, or to instead emphasise and expand such support. As a sector, Housing Associations are clearly at a crossroads, yet before organisations are able to make crucial decisions regarding the future direction of their organisation there needs to be a greater exploration of the impacts of their approach to equality, diversity and inclusion. The evidence base as regards the effectiveness of equality and diversity programmes and the different measurement techniques designed to gauge their effectiveness is limited. It is therefore now more crucial than ever that we understand and establish whether equality, diversity and inclusion practice is a 'must have' for a housing association as well as 'the right thing to do', and whether and how such practices can help Associations to manage current challenges.

In order to address this CLES is currently working with the Housing Diversity Network to begin to gather evidence on the economic and social value of diversity and inclusion across housing associations. It is intended that the research is an important learning tool for other housing associations and can enable more informed decisions as to direction and response to current and future challenges in equality, diversity and inclusion.

End Notes

¹According to the Equality Act 2010 the 'protected characteristics' by which it is unlawful to discriminate against someone are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnerships, race, religion or belief, sex and sexual orientation.

²Shelter (2015) Who will be hit if the benefit cap is lowered?

³Sunak R et al (2014), A Portrait of Modern Britain, Policy Exchange.

⁴Shelter (2015) Who will be hit if the benefit cap is lowered?

⁵Kaye A et al (2012), The Tipping Point: The Human and Economic Costs of Cutting Disabled People's Support, Hardest Hit coalition.

⁶Duffy S (2013), A fair society? How the cuts target disabled people.

⁷Women's Budget Group (2015), The impact on women of July budget 2015: A budget that undermines women's security.

⁸Sunak R et al (2014), A Portrait of Modern Britain, Policy Exchange.

⁹Power A (2014), The Impact of Welfare Reform on Social Landlords and Tenants, Joseph Rowntree Foundation.

¹⁰Sunak R et al (2014), A Portrait of Modern Britain, Policy Exchange.

¹¹Peabody Housing Association (2015), Older People's Strategy 2015-2020.

¹²Presidential Commission on Diversity in Housing (2015), Leading Diversity by 2020.

¹³Presidential Commission on Diversity in Housing (2015), Leading Diversity by 2020.

¹⁴Presidential Commission on Diversity in Housing (2015), Leading Diversity by 2020.

¹⁵Equality and Human Rights Commission, TUC, CBI, (2008) Talent not tokenism. The business benefits of workforce diversity.

¹⁶Presidential Commission on Diversity in Housing (2015), Leading Diversity by 2020.

¹⁷Equality and Human Rights Commission (2009), Equality, Diversity and Good Relations in Housing, Practice Brief.

¹⁸Presidential Commission on Diversity in Housing (2015), Leading Diversity by 2020.

¹⁹Equality and Human Rights Commission (2009), Equality, Diversity and Good Relations in Housing, Practice Brief .

²⁰Centre for Local Economic Strategies (2015), Governance and Diversity in Housing: Why it matters and Practical steps to increase diversity.

About the Housing Diversity Network

Housing Diversity Network is a social enterprise that supports organisations to improve how they address inequality, get the most from their staff and meet the needs of the communities they work with. Our membership scheme is designed to provide staff across your organisation with a comprehensive programme of mentoring support and instant access to information and support on equality and diversity issues. We also provide a range of training and support around Equality, Diversity and Inclusion. More information can be found here: <http://www.housingdiversitynetwork.co.uk/training>

Alternatively please contact us and we would be happy to talk about the support and services we provide.

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