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The role of outcomes-based frameworks in social housing provision in Australia

From the AHURI Inquiry: Inquiry into supporting pathways in a social housing system

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Executive summary

Key points

- This report examines the organisational and resource implications of transitioning from 'output-based' to 'outcomes-based' funding (OBF) arrangements for social housing provision in Australia.
- There is broad agreement among community housing providers (CHPs), policy makers and advocates about the importance of monitoring program outcomes, and how the information derived from this work can support the delivery of more effective housing services.
- Greater standardisation of housing and non–housing outcomes measures and definitions are required to support OBF in Australia.
- This work needs to consider different tenant characteristics and program goals to ensure greater consistency and comparability in the ways housing agencies identify and report program outcomes.
- Strong tenant/resident engagement is needed to inform this process, to ensure that the needs of diverse populations are addressed.
- Some policy makers questioned whether outcomes-based frameworks would alter the government's strategic approach to housing policy, or increase funding allocations for social housing investment.
- Strong consideration should be given to the establishment of a National Housing Outcomes Clearinghouse to support the dissemination of outcomes assessment frameworks and indicators, as a repository for outcomes data collection and findings, and to share best practice models to drive service improvements.

Key findings

Despite broad agreement among CHPs, policy makers and advocates about the importance of identifying and monitoring program outcomes, this research revealed significant discrepancies between social and community housing agencies in their capacity to monitor outcomes in robust and sophisticated ways.[1]

All CHPs described efforts to integrate formal outcomes assessments into routine 'needs assessment' and service delivery operations, but there is significant variation in what information is collected. For some services, outcomes measurement is limited to basic client demographics and key housing measures; for others, it involves more elaborate data collection, including health and wellbeing indicators, and community participation measures. All CHPs described regular (often mandated) efforts to collect service quality/satisfaction measures that are tracked over time to monitor service performance and inform quality improvement initiatives. Broadly speaking, efforts to monitor and evaluate outcomes across the community housing sectors in NSW, Victoria and Tasmania typically focus on two areas: housing outcomes and non-housing outcomes.

Housing outcomes address:

- **secure, stable housing,** where tenants feel safe, where they enjoy some degree of control over their tenure and the character and maintenance of the property.

Non-housing outcomes cover the following four domains:

- **financial security:** individuals have access to income/welfare support, employment or training opportunities that reflect their interests over time.
- **health and wellbeing:** individuals have access to timely and appropriate physical and mental health services and supports to sustain their wellbeing.
- **social and community participation:** individuals have access to social and cultural opportunities for meaningful participation in their local communities.
- **identity and empowerment:** individuals feel connected to social, family and community networks with a sense of belonging, purpose and autonomy.

Participants agreed that outcomes evaluations provide housing services with important indications of how their services are performing, and the extent to which they are delivering benefits for tenants. For this reason, housing outcome measures and, to a limited extent, non–housing outcomes measures have been integrated into routine management practices across the sector in an effort to track service performance.

Based on this performance data, outcomes reporting and evaluation provides an important evidence-base to drive service improvements by showcasing instances of best practice that can be shared across the sector. For housing associations and housing providers, outcomes data can drive improvements by highlighting aspects of services that are working well for tenants, as well as practices that are underperforming in comparative terms, taking into account differences in tenancy cohorts.

At the same time, the differing practices we observed across the sector in the ways outcomes are measured and tracked, and then reported to governments and other agencies, reflect challenges that are well established in the evaluation literature.

1 A note on terminology: when we use the term 'housing agencies' we are referring to both housing associations and housing providers.

For example, much of the outcomes measurement described by participants was *summative* in nature, in which information is collected primarily for the purpose of describing housing-related outcomes and reporting on performance (internally and externally). While summative evaluations play important roles in knowledge diffusion, and potentially service improvements, their *formative* impact is typically more limited when it comes to testing program logics or changing policy directions.

While there was broad agreement about the value of monitoring program outcomes, and that reporting outcomes data can potentially lead to significant service improvements, policy makers expressed doubts that housing policy might substantively change as a result of such efforts. This included key policy questions like allocation policies (e.g. access to social housing) and resources for investment in new social housing stock. OBF was generally treated by policy makers as a source of useful data to guide the identification of problems, such as unmet demand for homelessness services. OBF might also inform longer-term, strategic decision-making. However, policy makers were generally unconvinced that government policy—or the range of prospective solutions available to responsible authorities to address service or social housing stock requirements—would change as a consequence of the move to OBF.

Policy development options

We offer the following policy development recommendations for improving the monitoring and evaluation of program outcomes across the social housing sector:

- A more consistent approach to outcomes assessment and evaluation is needed across the sector, involving standardisation of performance indicators and measures, and more uniform reporting and dissemination arrangements.

At present, social housing agencies have mainly developed their own outcomes measures and frameworks, or adopted 'off the shelf' measurement tools. This has lead to discrepancies between agencies, and resulted in significant challenges in integrating and synthesising outcomes data. We also discovered discrepancies in evaluation capabilities, particularly between larger and smaller agencies. This suggests that:

- Resource and technical support should be provided to social housing services to enhance their outcomes evaluation, monitoring and reporting capabilities.

These capabilities vary significantly across the sector, further inhibiting preparedness for the broader roll-out of OBF. In our research, much of the potential of OBF to drive service improvements was explicitly restricted to service delivery innovation or diffusion of best practice. Pathways for translating outcomes into additional social housing provision was less evident, with reservations expressed about whether OBF models have this potential within current housing policy-making processes. As a result:

- Stronger national leadership is required to drive consistency in outcomes evaluation frameworks, indicators and reporting arrangements; and to develop pathways for translating outcomes into funding for new social and community housing stock.

National leadership is needed to ensure greater consistency in the reporting of outcomes, but also to drive greater uniformity between agencies in their capacity to conduct assessment and reporting work. In turn, more work needs to be done to consider and mitigate the risks that are inevitably associated with OBF—such as the selective reporting of outcomes, or 'cherry-picking' prospective clients to increase the likelihood of meeting outcomes targets—and how these risks might be managed across the sector. One related challenge is the issue of managing OBF where agencies work together to deliver support to populations, and also how financial risks might be mitigated in instances where outcomes are not achieved.

We recommend a coordinated, national approach to address these challenges by:

- establishing a National Housing Outcomes Clearinghouse to support a national approach to outcomes evaluation, and to disseminate findings to drive innovation.
- managing such a National Clearinghouse within a relevant federal department (e.g. Human Services) and National Cabinet (Housing Ministers), working alongside the Community Housing Industry Association (CHIA) following a co-design model.

The Study

This project is one of four in the AHURI *Inquiry into supporting pathways in a social housing system* series.

Outcomes-based approaches have been widely discussed across the Australian social housing sector, although implementation has been uneven. The measurement of tenant outcomes is an important concern for peak bodies, housing providers, policy makers and researchers. However, the methods, purposes and implications of outcomes measurement remain contentious. Unresolved questions include the following:

- To what extent can the assessment of outcomes measure benefits across a heterogenous service population where the risk of poor housing and non-housing outcomes is unevenly distributed?
- How can the impact of housing and support interventions be evaluated where there are attribution problems and confounding variables?
- If the above issues can be resolved, how can OBF approaches be translated into novel ways of financing investment in new social housing stock?

To gain insight into the ways outcomes-based arrangements have been managed in other sectors, research activities examined outcomes frameworks in:

- Social housing systems in Australia and overseas; and
- related health and social support services—such as mental health treatment or community development programs.

These investigations were guided by four research questions:

1. What does the evidence say about how social housing outcomes should be conceptualised and measured for clients?
2. Can OBF arrangements drive innovative, coordinated service responses for those currently in social housing?
3. What are the primary impediments to implementing OBF arrangements across the social housing sector? How can these impediments be addressed?
4. How can the potentially damaging impact of OBF on service users, as well as service providers, be mitigated across the social housing sector?

Research Stage 1: Evidence synthesis

Stage 1 involved an international literature review exploring problems associated with framing, measuring and assessing the impact of social housing across a range of housing and non–housing outcome indicators. This review was coordinated with work happening in the other supported research projects (SRPs) to maximise the scope of this synthesis, with the aim of determining what is already known about outcome measurement in social housing programs in Australia, and what challenges are associated with implementing OBF more broadly across the sector.

Research Stage 2: Interviews with key housing policy stakeholders

Stage 2 involved stakeholder interviews to augment understandings obtained during Stage 1. Interviewees included housing policy makers, representatives of peak housing bodies and advocacy groups, and housing policy experts, and were conducted either face-to-face or online via MS Teams. The interviews provided important insights into OBF approaches to:

- housing policy development and service provision;
- the key drivers of these reforms (and the anticipated benefits of this shift);
- known reform hurdles.

Research was completed in New South Wales, Victoria and Tasmania to maximise the relevance of findings across Australian housing jurisdictions. We undertook 11 interviews in this phase: five in Victoria, four in NSW, two in Tasmania.

Research Stage 3: Interviews with housing service managers

Understanding the impact of social housing across a range of outcome domains, along with the barriers and enablers associated with the shift to OBF, required detailed assessments of implementation challenges at the organisational level.

Where Stage 2 looked at system-wide factors relevant to our research questions, Stage 3 explored these questions with operational managers across a mix of CHPs—both housing associations and housing providers—to elaborate service implications of the move to OBF models. We were particularly interested in comparing how service outcomes are understood for:

- housing associations—which manage large housing portfolios; and
- housing providers—which provide support services for homeless and at-risk households but typically do not own their properties.

We conducted 27 interviews with CHPs in this phase: 15 in Victoria, eight in NSW and four in Tasmania.

A further five interviews (three in Victoria and two in NSW) were conducted with managers in related social service sectors, such as mental health care or substance-use treatment. These interviews explored how outcomes-based approaches have been managed in those sectors, and any insights that we could gather. We refrain from naming the agencies involved to preserve the confidentiality of our participants.

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