



Summary:

On December 4-5 2014, the British Council, Citi Community Development, and Social Enterprise UK invited social enterprise and affordable housing leaders from the UK and the US to the British Embassy in Washington, DC. The 28 senior participants shared best practice and discussed which affordable housing models were proven to work.

Three representatives from Citi Community Development, three representatives from the British Council in the USA, and one representative from Social Enterprise UK also took part. The discussion was led by an external facilitator who was also an expert in UK social enterprise models and financing.

Three themes were discussed:

1. Different models of affordable housing and how to finance them
2. Job creation and community development
3. Policies to support the growth of social enterprise and affordable housing

The event aimed to:

1. Identify areas of learning relevant to the experts taking part, which could be applied in their work
2. Create a professional network, so that organizations' representatives could share ideas
3. Generate interest and enthusiasm, and encourage the participants to continue to share learning and best practice

All these outcomes were met. Those taking part wanted to continue to network, and some already began to make links and agree on future activities during the event, such as sharing information on how to measure outcomes and setting up a group for young housing leaders.

Activities:

December 3: Site visits for UK participants

A day before the event, ten UK members of the group visited the AARP Foundation and SOME (So Others Might Eat) in Washington DC.

The AARP Foundation presented recent learnings from their report, *Housing America's Older Adults*. The discussion covered the implications of an aging population, and the particular challenges of providing affordable housing for older people.

The visit to SOME sparked interesting debate over the kinds of criteria used to identify who is suitable for access to affordable housing, and the role of support services in helping people move into the private rented (or home ownership) sectors and find viable employment. Differences in attitudes between the US and the UK were noted towards veterans, with the US providing more support than the UK.

The visits generated some very useful background information about some of the issues facing the affordable housing sector in the United States and food for thought for the UK participants.

December 4: Day one

The participants gave presentations on trends and policies for affordable housing in the US and UK. There was also discussion of the diversity of the situation across different parts of the US and UK, often linked to differences in local economic opportunities and/or employment and income levels.

The differences between Scotland and the rest of the UK were also highlighted. The Scottish participant noted that their government is more committed to social rented housing; provides support through paying housing associations 58% of capital costs; has a different welfare policy including integration of social care and health; and noted that the Minister for Housing in Scotland is also the Minister for Social Enterprise.

Various **similarities and differences between the US and UK** repeatedly came up over the two days.

Similarities included: demography, with the challenges of an aging population and young people faced with student loans; a huge deficit in affordable housing; limited access to, and engagement with, sources of large institutional investment to create scale; and the intent and values of all those present at the event.

Differences included: in the US, a stronger commitment to homeownership and tax incentives; housing as more of a local issue; rental assistance as more of a lottery than an entitlement. By contrast, in the UK, there was a greater focus on housing as part of the welfare system; greater impact of government regulation; greater use of loans (in contrast to using equity in the US). US mortgage terms also tend to include more cost certainty; while in the UK there was the trap of interest only mortgages, and restrictions on lending by mortgage providers.

Breakout groups discussed the pros and cons of different financing and business models.

The group highlighted the importance of building communities, not just housing projects. This means not only building more housing, but relaxing planning restrictions, and using cheaper and greener construction techniques to make affordable housing a real option for people. Regional policy can also rebalance supply and demand for housing.

December 5: Day two

After the first day, we adapted the program significantly to give the participants more time to investigate different business models to understand how these worked in detail and identify what may or may not be different about social enterprise approaches in the UK.

Each person who represented a practitioner organization had time to draw a diagram of their organizational structure and funding model and present this to the full group.

It became clear that most organizations were group structures that were able to mix services and revenue streams, while ensuring overall mission and efficiency through sharing core services. The importance of measuring impact and outcomes was also obvious, as was the role of skills, culture and strong leadership to encourage more entrepreneurial approaches.

Another interesting element was the use of 'social levies' with providers to pay for core costs and future development, or the inclusion of 'community benefit' clauses in provider contracts to maximize impact.

This part of the event enabled the group to clarify differences between the US and UK housing markets and policies. It became clear that any simple demarcation of the UK having social enterprise approaches and the US not, was incorrect.

However, in feedback, several US participants noted the greater focus on social impact by the UK and the different, more 'enterprising, asset-based mentality'. Both sides learned considerably from each other in terms of financial sustainability models and the potential for innovative financial instruments, as well as how to realize a range of multiple outcomes and services.

A presentation on the UK Social Value Act by Social Enterprise UK, which requires local governments to procure using social, economic and environmental criteria, rather than just lowest cost, led to a wider discussion.

Next steps:

The leaders highlighted several ideas they were interested in continuing to explore after the event:

- **Access to institutional capital** by housing organizations, to increase the availability of affordable housing.
- The potential of **housing tax credits**. US participants were interested in UK organizational tax credits, while UK participants were interested in US individual tax credits.
- **Education and training** on mortgage and homeownership in the UK, drawing on effective US examples.
- **Leadership and culture change** for a more entrepreneurial, innovative approach.
- Possibly replicating the **US Mortgage Fund** approach in the UK, using government guarantees to create mortgage funds for first-time home buyers on moderate incomes.
- Learning and lobbying together about the impact and potential of a **Community Reinvestment Act** in the UK.
- Sharing best practice for working with and housing **senior citizens**.
- **Partnerships** between large housing providers and smaller service deliverers.
- Seeking information on different **business models** (including opportunities for franchising and replication).
- Exploring ways to **measure outcomes** to identify impact, social value, procurement and supply chain benefits.
- Some US delegates were interested in **public sector housing stock transfer** experience from the UK.
- The **social levy**, as used on suppliers to fund core central activity.
- **Digital data and social media** to engage with people, better understand their needs, and improve services.

The group shared contact details and many also joined a Google Group to continue to stay in touch. Almost all of the practitioners who presented at the event produced case studies, and a blog [post](#) was published on the British Council's International Partner Zone on *The Guardian* website.

Outcomes:

The event created an environment where people involved in different aspects of the provision of affordable housing in the UK and US could come together and share best practice.

The social enterprise approach is not something that is wholly unique to the UK. It has been driven on both sides of the Atlantic by the need to cleverly make use of available financial resources, and to innovate to meet people's needs. But the UK does seem to lead with respect to thinking through the wider social impact, and participants from both countries recognized this difference in approach.

Most of those taking part said this event helped them to make professional contacts that are relevant to the work they do, and that it made them feel part of a network and motivated to apply what they learned to their work.

Most participants also indicated that the event met their expectations, was high quality and enabled them to learn something new, particularly regarding social enterprise. A socially entrepreneurial approach includes the ability to be able to use available assets deftly, to win and leverage external funding, to create a variety of income streams (some of which cross-subsidize others), and to move beyond housing to meet interrelated individual economic and social needs.

US participants noted "a new appreciation of social enterprise"; and a "tremendous learning experience since social enterprise is not well known [in their area]".

A number of participants independently reached out to the British Council and Citi Community Development to personally thank them for their inclusion, and share feedback on what they had learned and the valuable connections that they made.

Finally, it is worth noting that there seemed to be significant value in getting participants in a setting where they were able to think outside of their typical day to day.

Several reflected on the value of sharing knowledge both across their sector and the US and UK. As one participant put it, "I think the 'transatlantic' convening model is very valuable and applicable to topics in addition to housing. Experienced US housing people are used to thinking about the topic through the same tired lens. Getting a cross-cultural take forces you to think about the issues in ways you had not before."