The housing association of 2020: Distinctive by design
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Executive summary

The housing association sector at large is gearing up for transformation. Change is being driven partly by a new political and economic context and partly by the realms of the possible in terms of new business and digital opportunities. The economic reality for many associations means that they will have to set a new path for their organisations in order to realise their commitment to providing affordable housing and investing in communities.

By 2020, housing associations must look very different from how they appear today: larger organisations with differentiated offerings; new products and ways of delivering services to a more diverse customer base; greater capacity used more effectively; and a stronger external voice for the sector as a whole.

Although the sector has recently thrived financially, underneath the sector’s improved financial performance there have always been a number of risks and variables that need to be managed carefully. The window of opportunity to be proactive in addressing and investing in change will not stay open long, as the government’s policy changes around welfare reform, rent levels and Right to Buy begin to bite.

The change required will go far beyond rearranging the well-worn furniture. Housing associations, both individually and as part of the wider sector, need to reflect on their vision and purpose, and as a result review how successfully they are delivering for their customers.

In this Talking Points publication we set out the six key areas that housing associations need to address to lay the foundations of success for the future.

1. Clarity of purpose: setting a strategy

In these times of risk and uncertainty, housing associations need to establish clarity on their vision, purpose and the core objectives they want to achieve. Refreshing or developing a new corporate strategy through engagement and consultation with the right stakeholders has the power to bring coherence to an organisation. The strategy provides a framework that forms the basis on which to make sound decisions now and into the future.

2. Growing sustainably: development and diversification

Changes in demand for social housing and the growing diversity in customer segments mean that effective housing associations will need to continue to improve their understanding of customer needs in terms of services and assets, providing choice through diversification and commercialisation of services and developing new products.

With organisational mergers already prevalent and expected to increase, businesses coming together need to have a well-developed integration plan from the outset which delivers rapidly.
3. Designed to deliver: modern and efficient services
If housing associations want truly modern and efficient services, then they have to take a more holistic view of their organisations, consciously identifying the outcomes they want to achieve and designing services capable of delivering these as a whole. By underpinning intelligent service design with powerful technology in the front and back office, associations can release operational business costs while also providing the platform for consistent customer-focussed service delivery.

4. Unlocking insight: the power of data
To be effective, housing associations need to become adept at aligning resources and operations with their strategic objectives. The key to unlocking the potential power of this kind of smarter delivery framework is the right data, information and insight. Housing associations need to strengthen their capacity and capability in terms of data collection, management, and analytics to produce the quality insight and intelligence needed to underpin new ways of delivering.

5. Embracing digital: engaging customers, embedding efficiency
Digital technology and culture is evolving rapidly and is having a significant impact on the way in which housing associations provide services and engage with tenants. Housing associations need to use digital technology as a tool to drive innovation in their understanding of their customers and assets, how the two interact with each other, and how customer engagement and experience can be enhanced.

6. Aligning leadership, culture and competencies
Ultimately, the successful delivery of any strategy depends on people. Housing associations need to purposefully define their culture, building on their current strengths to establish effective behaviours and new ways of working that will help them achieve their ambitions, particularly through times of change. Housing associations also need to identify the new competencies they need to develop in order to be sustainable in future, strengthening their digital and data capabilities in particular.

Figure 1: The housing association of 2020
Drivers of change

Our view is that the sector is at risk of an identity crisis which, if not addressed, will increasingly leave it marginalised in answering some of the big questions around housing policy in the UK and with only a walk-on role in delivering solutions. Now is the time for the sector to show leadership and showcase its potential role through change and reform. The challenges the sector faces are well known:

A recognised role?
The government is increasingly silent on the role of housing associations in meeting national housing challenges, in spite of the achievements of the last few years. For example, in terms of housing supply, there is currently no specific role for housing associations in meeting the target of 200,000 starter homes.

Increasingly, the perception among some external stakeholders is that the sector is structurally inefficient and lacks the capacity to adopt more modern business practices. This perception is increasingly manifesting itself in government policy, potentially to the detriment of the sector’s long term ambitions and potential.

The impact of welfare reform
Greater volatility in terms of certainty of income and income levels per se arising from the government’s social housing rent policy, welfare reform and the reduced benefit cap, introduce a credit risk which may begin to chip away at an organisation’s financial health and resilience. The sector as a whole drew less income from its core social housing business last year than previously and at the same time is ever more reliant on outright sale to maintain income.

Source: UK Economic Outlook, July 2015, PwC
The rise of the private rented sector
Over the last 15 years the number of social housing units has remained static whilst the number of privately rented homes has doubled (Figure 4)\(^1\). The continuation of this trend, along with the first signs that metropolitan boroughs are beginning to re-enter the development market making use of new financial freedoms and more progressive delivery models, means that housing associations must now compete to redefine their role.

Changing demographics and customer needs
On the one hand, changing demographics and customer needs require digitisation of services, but on the other leave a group of customers with greater vulnerability and more complex needs, thereby requiring a pan public service and place-based response. The trend in housing tenure shows that, if housing associations wish to stay relevant, then they must lead diversification in tenure type rather than follow it.

A tougher regulatory environment
Housing associations are operating in a changing and arguably tougher regulatory environment where the balance between self-regulation and external intervention is less clear.

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\(^1\) Department for Communities and Local Government, February 2015, English Housing Survey.
Moody’s report on its publically-rated portfolio of English housing associations reported an increase in turnover of 11% and a median operating margin reaching 30% for the first time. Market sales benefitted the sector with improved margins and those organisations with the greatest exposure to market sales performed best. Only a drop in core social housing income interest cover from 1.6 to 1.3 times put a small dent in the overall strengthening of operating performance. This improved financial performance does mask a number of risks and variables which need to be managed carefully. Only time will tell what the precise impact of the July 2015 budget will be for the sector and individual associations.

The tension now is between historic financial strength in a fundamentally altered policy context. Housing associations need to look beyond the operational impact of the new rent policy and also consider some fundamentals. For example, the sector surplus last year was highly correlated to low interest rates. A 0.5% change in rates would reduce surplus by c.£200m. The sector is also heavily reliant on £14bn of outright sales over the next three to four years at the macro level to maintain its financial position. Experience from other comparable sectors indicates that it is at this fulcrum moment that decisive action is required which is coherent in its planning and execution.
Choice, efficiency and consolidation
an evolving agenda

Part of the backdrop to the changes that the sector is going through are the opportunities created by choice and competition. Although nationally the demand for social housing might outstrip supply, the growing diversity in customer segments and the need to broaden the standard social housing offering means that housing associations need to provide choice through diversification and new products.

This type of choice will increasingly be exercised between organisations and not within, as customers choose which association to buy or rent from. As a result, reputation, reliability, and the services and products on offer become key drivers of customer behaviour. There will also be competition for business, for finance, for land, and for people, therefore driving the need for even greater focus on capability, expertise and agility.

While the demand for customer choice and competition grows, efficiency will remain firmly on the agenda in a more pressured economic environment.

The drive for efficiency and growth also means that by 2020 we believe that through reform there will be a significantly larger number of housing associations with more than 40,000 units (compared to eight today) with a wave of mutual or mandated mergers having taken place.

The combination of these evolving market dynamics and the changing economic outlook provides opportunity as well as risk, but inevitably in a more competitive environment only those agile enough to respond will succeed.
The next steps – laying foundations for the future

Housing associations have a proud history rooted in communities, philanthropy and social value with a specific goal and purpose in mind which was at that time readily understood. However, the challenges of today, and the radical transformation – economic, social and digital – taking place in the lives of the customers that associations seek to serve means that associations need to refocus on delivering outcomes for customers. This is not simply a case of rearranging the well-worn furniture, but requires the sector to reflect on its’ purpose, its’ customers, its’ products and its’ services, and in doing so lay the foundations for the future. The rest of this document sets out our view on the six key areas for laying these foundations and being a successful housing association by 2020.
1. Clarity of purpose: setting a strategy

In times of risk and uncertainty it becomes increasingly important for an organisation to be clear about its role and objectives. The clarity of purpose which comes from refreshing or developing a new corporate strategy has the power to bring coherence to an organisation. Coherence ensures that the business is aligned through management, decision-making, teams and resources, to deliver what has been agreed as important. Created through engagement and consultation with the right stakeholders, and cascaded and communicated effectively, it provides consistency in an organisation’s dealings with customers and external stakeholders, maximising clarity and minimising ambiguity.

A key risk to organisations when issues emerge is that the immediacy of the response required does not allow sufficient time to take a considered and holistic view on the implications of decisions for the future. A focus on taking cost out of a business without understanding the corporate strategy can mean that reactive decisions are made that may be detrimental in the longer term.

Now is the time therefore for housing associations to ensure that their corporate strategy is clear, grounded in reality and sufficiently differentiated in the market place. The framework that this provides can then be used to make sound decisions for the immediate and the longer term.

In thinking through a new or revised corporate strategy there is an opportunity to refresh and recast an association’s governing principles. Today the opportunities for housing associations are more diverse and different than in the past, but the need for sharp focus remains the same as to who an association’s customers are, where they are, and how best to serve them. Conscious role definition and clarity of purpose therefore is critical.
Your business model
Housing associations need to establish a high level of clarity on the nature of their business and how they balance the need for good operational financial performance, successful commercial projects, the right level of customer service, and delivering on social value. In an operating environment where resources become scarcer, it may be that some long-held assumptions about the nature of parts of a business now need to be reframed.

Your outcomes – the balance between place, service and growth
The challenge is to define the outcomes an organisation wants to achieve and establish the balance between these outcomes so that strategic choices and trade-offs are fully understood. For example, in terms of regeneration of areas and existing stock; the delivery of good quality and increasingly diverse services to customers; or growth in existing or new areas of operation. Ultimately, outcomes should be a reflection of vision and values in the context of the needs of an area, the needs of customer groups, and the roles of other organisations, public or private sector.

Your delivery choices
Finite resources and sharper organisational focus will inevitably bring into play valuable questions as to how resources can be best used to deliver joint organisational outcomes. These may take a number of forms and focus on different areas such as back office functions, integrated delivery to benefit certain customer segments or joint development projects to better manage commercial opportunities. Not all collaborations will be easy or necessarily successful, but the chances of success can be maximised through a careful exploration of shared outcomes, defining goals and pooling appropriate resources to deliver with the support of good governance.
Embedded within corporate strategy, key decisions must be made on the nature of the growth ambitions of a housing association and how these will be achieved.

**Product development and innovation** – developing new products and offerings to different customer groups will be critical to reducing the risks associated with existing product provision, delivering additional capacity for non-commercial activities, and/or making a long-term dividend play. This will require balancing commercial decisions to exploit new markets in the face of saturation in existing geographies. Those associations who want to be successful will have to be clear about the reasons for product development and innovation and their individual appetite for risk and return. Product development and innovation needs to be aligned to the wider corporate and growth strategy and housing associations must ensure that their delivery framework is capable of underpinning new standards and customer demand attached to new products and offerings.

**Diversification** – diversifying and commercialising services will be another strategically important direction of growth for housing associations as they look to create a degree of resilience in a climate where core operational income becomes more volatile. A small number of associations are looking to rapidly grow the scale of their care and support businesses, others are considering energy companies, some want to invest in credit and savings institutions, and others are developing ways to sell core services to other housing organisations.

All of these opportunities must be grounded in careful consideration, planning, and governance. The depth of clarity in understanding between provider and client as to each other’s role and purpose will be key to successful commercialisation. For example, robust care and support businesses will be built upon a solid set of relationships with local commissioners such as local authorities and clinical commissioning groups (CCGs) which mutually incentivise long-term and commercially viable provision.

**Mergers and consolidation** – organisational mergers are already prevalent and we anticipate greater levels of merger activity, delivered more quickly than ever before. The creation of larger, consolidated organisations will absolutely require the elements of clarity of purpose, intelligent design, and the use of technology to realise the necessary efficiencies and benefits. From the outset organisations coming together will need to have a well-developed plan which is capable of delivering rapid integration as a basis for a step-change in performance. The common thread to all of these dimensions of sustainability and growth will be how they link to the corporate strategy and the systematic and focused way in which they are approached. Leadership, vision, capacity and appetite will be important in equal measure to ensure that business growth has momentum and stability. Ultimately however capacity will be unlocked by building a delivery framework capable of achieving the desired ambition.
3. Designed to deliver: modern and efficient services

Once strategy is clear, organisations must develop an effective framework aligned to key strategic objectives. Over the last five years housing associations have increasingly sought out ways to increase the efficiency and effectiveness of their services to customers. This focus has often resulted in traditional cost-cutting exercises, such as the ‘salami slicing’ of budgets, or in piecemeal systems and process improvements; it has rarely generated the levels of efficiency or improvement desired.

If housing associations truly want to create efficient services, they will need to take a more holistic view of their organisations, their desired outcomes, and the way they design their services against these, rapidly aligning resources and making use of technology as they move forward.

Effective delivery organisations will be built upon the answers to three seemingly simple questions:
1. How do we deliver efficiently and improve over time?
2. What do we need to deliver to achieve our outcomes?
3. Who do we need to collaborate with?

These intuitively simple questions can sometimes be complex in practice but by taking a structured approach it is possible to start to define answers which outline the following:

**Focused objectives** – being really clear with customers, employees and partners about how the organisation is committed to in terms of standards of delivery.

**Intelligent organisation** – making mature and evidence-based decisions about who is best placed to deliver and how; and

**Smarter Working** – ensuring the operations required to execute the agreed decisions are organised in slick, agile and cost effective ways.

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**Figure 8: Designed to deliver**

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Intelligent service design

Most housing associations have redesigned some parts of their services over the last five years. However, in many cases that has delivered either isolated or insignificant improvements, rather than materially increased the efficiency or effectiveness of services or operations as a whole.

There are three key ways in which associations can undertake holistic service redesign and achieve the efficiencies they seek:

**Delivering organisational outcomes** – service redesign must start with an articulation of an association’s core value chains and outcomes and how services and functions come together to deliver these. This will set the overarching framework for building new processes, systems, and organisational structures, reducing the inefficiency caused by the misalignment of services and the supporting infrastructure.

**Designing from the customer perspective** – too often resources are wasted on delivering activities which do not create value to customers or equally on managing the effects of designing services without the customer in mind, such as high volumes of basic customer queries and complaints. By taking account of customers’ wants, needs and behaviours and combining this with the power and capability of digital technologies, associations can focus constrained resources more effectively on the things that matter to their customers.

**Simplifying and standardising** – once the design framework is established, associations must focus on simplifying and standardising the way they work within this framework, reducing costly duplication and fragmentation, actively aligning and reducing resources as they do so.
4. Unlocking insight: the power of data

The key to unlocking the potential power of a smarter delivery framework will be bringing together the right data, information and insight. Forward-looking housing associations need to deepen their understanding of customers and assets in order to rethink their operating models, design technology-enabled services that are ‘right first time’, and build homes which are sustainable. A granular analysis of the demand and cost drivers within relevant local areas will also need to underpin this thinking.

**Baselining resources and activity**

It is important to begin by understanding how effectively resources are currently being used. Outcome based budgeting is a critical part of this as it allows an organisation to create a baseline which looks at resource consumption through a number of lenses:

1. Output and outcome
2. Customer group
3. Service/category
4. Management area
5. Asset type

Combining the results of outcome based budgeting with an organisation-wide activity analysis, can provide insight as to where resources are focused and whether these enable organisational objectives.

This baseline assessment allows housing associations to look at themselves in a new way and challenge the current business models and supporting operating models.

This approach is now actively being used by a number of leading housing associations. Those that do this well will use this insight to make smarter strategic choices and to focus resources on activities that best meet their stated strategic objectives. Importantly it also starts to unlock debates about the cost of corporate commitments and therefore the strategic choices and investments available.

By really understanding the true cost across customer and asset portfolios, it is possible to consider different strategic choices and begin to rethink delivery choices.

These decisions can then drive ‘shifts’ across the business as resources are aligned more effectively to corporate objectives.
**Demand management and earlier intervention**

There are a number of trends in how these ‘shifts’ are being considered including:

- Taking upstream or preventative actions to reduce the volatility or variability of demand, for example early intervention in terms of financial inclusion to prevent arrears;
- Changing the relationship with customers leading to better management of demand, behavioural changes and self-sufficiency, for example, cash incentives for carrying out repairs; or
- Implementing new models of culture, local leadership and organisational collaboration to place responsibility for effective delivery in the best place.

These modes of operating should also begin to transcend organisations and sectors where the needs of the most vulnerable customers can only be met through collaborative working and a more joined-up agency approach.

**The foundation of data and analytics**

Housing associations need to strengthen their capacity and capability in terms of data collection, management, and analytics to produce the required level and quality insight and intelligence to underpin new ways of delivering. Many parts of the private sector (such as retail) and the public sector (such as the health sector) already use data and insight to make more informed and evidence based policy and operational decisions.

What do customers really want and need? What are the options for addressing it? What would be the impact of planned change? This kind of modelling becomes critically important as the effective use of resources comes into sharper focus.

A number of housing associations are successfully using sophisticated segmentation techniques to start to develop a deeper and more granular understanding of the behaviours, needs, demands and preferences of different customer groups.

Once a clear view of different customer segments is developed, this analysis can be used to start to build a picture of the ‘cost to serve’ of different customer groups. This analysis in itself can drive innovation in service delivery as typical consumption paths or customer journeys are mapped and understood. But it can also become the catalyst for considering which customer groups to target more or less in terms of core and additional services.

Increasingly housing associations will be able to use data and analytic capability to understand in a far more rounded way how they can work with their customers in progressing from simply providing transactional services through to providing complementary services, helping customers achieve their own goals and outcomes, particularly around areas such as economic wellbeing and financial inclusion; health; and community cohesion and development.

The rapid developments in this space mean that helping social housing customers to help themselves and help each other will become an increasingly important part of the fabric of creating more effective communities, both geographic and virtual.
Currently, master data management, standards and policies, and clarity on who is gathering what data for what purpose, is not as robust as it needs to be.

Data collection is often part of an individual team carrying out an activity or process, rather than as a result of organisational-wide strategy. The relevant data is often held in different forms, in many different systems, and is not stored in a way that makes it easy to integrate. This undermines performance and predictive analysis, and consequently strategic and operational decision-making.

This under-developed data capability will become a major challenge if it is not dealt with quickly, especially as housing associations begin to partner with other organisations such as local authorities, combined authorities and health bodies, to deliver outcomes, with data management a critical part of making this successful.

A big (and expensive) system is not required to achieve these goals. The focus should be on collecting, using and sharing information better, rather than investing in very expensive technology. Citizen data gathering, trend analysis and the use of digital technology will enable the development of these approaches.

Mobile, social media, the cloud and big data will all play a role in transforming the information and insight of most organisations within the next five to 10 years but the need to access the right data and analytics capabilities and capacity to underpin the needs of the next two or three years is pressing.

![Data analytics framework](image)

**Stage 1**
What value exists in your data?
Can you trust your data?

**Stage 2**
What happened and why?
What might happen next?
What is the right answer for your business?

**Stage 3**
Is insight being delivered to the right people at the right time?
How do you embed data analytics into your organisation?
5. Embracing digital: driving innovation and shaping customer interactions

Digital technology and culture is evolving fast and has already had a significant impact on the way in which landlords provide services to their tenants. This revolution, however, is not simply about channel shift from face-to-face to phone or phone to web. Housing associations will need to use digital technology as a tool to drive innovation in their understanding of their customers and assets, how the two interact with each other, and how customer engagement and experience can be enhanced.

The digital change underway will be one of the cornerstones of the new housing association, recreating in part the deep understanding of the needs of customers, their environment and wellbeing which many of the social housing pioneers would have had 100 years ago.

By 2017 a new breed of customer will dominate – digital natives. Digital natives are consumers and employees born into a culture of digital technology. A recent study by PwC highlighted how their extraordinary ease with technology permeates every aspect of their lives – as both consumers in the marketplace and employees in the workforce³.

Digital natives want more access to, and control over, their own data when it comes to consuming and transacting online. The challenge will be encouraging them to share their data, so housing associations can not only help them achieve their desired outcomes, but also provide an experience that is personalised and special. To engage with digital natives and earn their trust, housing associations need to develop a business strategy fit for the digital age.

The impact of digital change to date can be described in three distinct waves of development. The first wave saw a shift toward digital commerce, the second wave sees a much stronger focus on consumption patterns rather than supply, and the third wave sees a move toward digital identities and brand advocacy.

Whilst there is still some way to go in terms of getting the full benefits from the first wave of digital transactions, housing associations must now open up to the additional possibilities of the second wave and how using ‘consumption data’ changes the way that service innovation can be driven. These new arrangements will also have a significant impact on the future operating and supply chain arrangements within and between organisations and the sector should expect to see further organisational redesign.

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³ worldinbeta.com

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Figure 12: Adults who have never been online

<table>
<thead>
<tr>
<th>Adults who have never been online</th>
<th>8.7m</th>
<th>4.1m</th>
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</table>
**Connecting communities**
In addition to transactional interactions, digital technology also offers an opportunity for associations to reshape the way they engage with their customers and connect with their wider communities. The creation of a digital community can be a simple but powerful means of proactively engaging with, and listening to, customers who have never been reached before. This engagement can take on a variety of shapes, from resident involvement to less formal dialogue about what customers value and need, to the direct provision of online training, support, and advice.

Beyond this, thriving digital spaces can create resilient, positive, and confident communities of people who actively share skills, learning, and ideas directly with each other, building relationships and connections in the process. By thinking about digital beyond a transactional perspective, associations can exploit the potential to deliver on some of their wider community objectives.

**Technology enabled support services**
If digital technology and culture is transforming the way in which housing associations engage with their customers, then cloud-based computing and remotely hosted services will also provide the next step in internal business transformation, providing a single, integrated solution for the core functionality of finance, HR and business processes.

The latest wave of enterprise resource planning (ERP) solutions offer a standardised approach to support business functionality in a much more streamlined and cost effective way paving the way for more straightforward and cost effective implementation and ongoing management. Critically for the housing association sector, the early adopters of ERP solutions are needing to break new ground in the design of sector specific functionality, for example around the management of housing stock which historically would have been a barrier to all but the largest organisations. The dysfunctionality in the sector between a plethora of asset management systems which were not capable of linking the key data points of customer, asset and finance, is now seemingly at an end.

This step-change in ‘back office’ technology will be the engine room that releases upward of 20% of operational business costs but, critically, also provides the platform upon which consistency of service to customer will be built. The most recent developments in integrated software solutions for care and support businesses and intelligent buildings are a signpost of how the rapid development, trial and deployment of technologies can effectively support seamless service innovation and delivery.
To be able to fulfil any new strategic choices, the housing association of 2020 will need to deliberately define their culture, establishing new, complementary ways of working that help them achieve their ambitions and sustain the required organisational changes. These new ways of working will be embodied by a leadership team who set a clear and compelling vision, and a modern, digitally capable workforce whose behaviours and performance are aligned to the association's stated objectives.

**Leadership**

It will be the leadership’s responsibility to define the culture that will best enable the fulfilment of the association’s chosen vision, purpose, and strategy. To embed this culture it will be critical to assess and reset the organisational structures, performance measures, and general people practices so that they are fully aligned to corporate strategy. Beyond these measures, it will be most important for the leadership team, from the board, to the executive and middle management, to articulate and model the behaviours they want their teams to display through their own actions and decisions. This encompasses anything from considering which issues are prioritised on a day-to-day basis, to what people are formally and informally rewarded for, and how resources are allocated to key organisational outcomes.

**Behaviours**

Aligning behaviours to purpose and strategy will be one of the key levers to successfully creating the right culture; a mismatch could be disastrous in a more competitive, fast-moving environment.

This means housing associations will need to consciously articulate their expectations of their people's behaviours, reinforcing these expectations with the defined values and wider brand, as well as through policies, processes and performance metrics. Associations will have to work back from their outcomes to identify the ‘moments that matter’, tackling first the explicit interactions and decision points where behaviours have a disproportionate effect on outcomes.

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**Figure 14: Embedding behaviour change**

<table>
<thead>
<tr>
<th>Shapers</th>
<th>Manifestations</th>
<th>Impact</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creation, reflection, reinforcement of culture</td>
<td>Content and manifestations of culture</td>
<td>Impact on organisational interactions</td>
<td>Effect on organisation results</td>
</tr>
</tbody>
</table>

- **Shapers**
  - Vision, purpose and strategy
  - Leadership actions
  - Performance measures
  - People practices
  - Structure
  - Competitive context

- **Manifestations**
  - Values
  - Beliefs
  - Climate
  - Norms
  - Symbols
  - Philosophy

- **Impact**
  - Behaviours
  - Decisions

- **Results**
  - Performance
Competencies

In addition to behaviours, housing associations will need to consider what competencies they will need for future delivery. These competencies will have to be similarly aligned to the vision and purpose of the organisation and teams, rather than a generic set of expectations. They will have to be embedded into all of the relevant people processes, including recruitment, induction, training and individual and team performance measurement.

These competencies will need to span both the expected behavioural competencies while acknowledging the skillsets that will drive success. For example, digital capabilities will become more important than ever before if new technology is to be truly exploited, while commercial capabilities will be critical to survival and success in the new world.
Conclusions

The year 2010 may prove to be a defining moment in the history of the social housing sector, marking, as it seems likely to do, the end of substantive grant to invest in social housing. Many associations have recently celebrated the 50th anniversary of their foundation and it is natural at such points to reflect, celebrate and look forward to the next 50 years.

The end of capital grant confirms that the future for these organisations lies in becoming more independent and self-sufficient. For other organisations whose origins lie in stock transfer, the origin of the challenge is different – the impact of austerity in local communities, the increasingly complex nature of many customers’ needs, and the reconfiguration of how those needs are met – but the challenge itself is the same. The housing association of 2020 must ensure that it stays relevant to its customers, communities and wider stakeholders.

The six steps set out in this Talking Point report represent a clear programme of action that all can undertake, if they have not done so already. We believe that clarity of purpose is key with a clear and compelling corporate strategy which makes sense to customers, employees and partners. Housing associations need to harness the potential of data, digital leadership and innovation to deliver their strategy. Structural change – consolidation, acquisition, divestment and shared services – may be a feature along the way, but continuing to deliver the sector’s potential lies in a strong vision delivered with understanding and purpose.
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