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### WG 20 Social Housing Institutions, Organisations and Governance Between State and Market – Non-Profit Housing Organisations in Three National Contexts

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This paper presents the results of an international collaborative study<sup>5</sup> of non-profit housing involving researchers<sup>6</sup> in three countries using a common methodology to engage the leaders of non-profit organisations themselves in the research process. The paper draws on earlier work on the hybridisation of social housing provision and the competing logics of state, market and third sector. It explores the hypothesis that despite the rhetoric of independence from government and the discourse of social enterprise, the relationship with the state has been one of the key influences on scope for action and hybridity in each country studied. It uses a modified Delphi methodology to collect information from leaders of non-profit housing organisations in three countries about how their organisations are negotiating these hybrid influences on their strategy and operations. This method involves collation of responses to scaled surveys from panels of 20-31 organisations in each country, playing back the results to the participants and follow up depth interviews with samples of respondents to explore and interpret the meanings of their responses<sup>7</sup>. The paper is intended to elicit comments on the approach by displaying preliminary findings in relation to state influences on hybridity; reflecting on methodology and drawing out some tentative conclusions in relation to the paper's hypothesis. Contrary to Koppell's (2001) warning in another domain of housing hybrids, it appears that state influence and control over social housing hybrids remains a key influence on their scope and action.

#### Keywords

Delphi method, hybridity, organisational strategy, non-profits, social housing, Australia, England, the Netherlands,

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## **Introduction**

For over 30 years researchers have recognised changes in the delivery of social and affordable housing involving the retreat of government, the advance of markets and specific roles played by non-profit providers who are neither state nor market (Blessing, 2014). This paper aims to contribute to this debate by exploring the role that governments continue to play as one of three main influences on the strategies of hybrid non-profit providers (Mullins et al 2013). The paper draws on new evidence gathered from leading actors within non-profit organisations themselves in three countries with contrasting housing systems; Australia, England and the Netherlands (Milligan et al 2014, Mullins and Jones 2014a, Nieboer and Gruis, 2014a). It aims to understand similarities and differences in the role played by non-profit housing in different national contexts. The thematic focus for this paper is the relationship between non-profit housing organisations and the state.

This paper presents initial results of an international collaborative study of non-profit housing involving researchers in the three countries using a common Delphi-type methodology to engage the leaders of non-profit organisations themselves in the research process. Delphi is a method employed in futures research to incorporate the views of expert actors by combining scaled survey questions with qualitative interviews (Linstone and Turoff, 1975); it has previously been applied to single studies of the non-profit housing sector in England, Ireland (North and South), Netherlands and Australia. This is the first application in a more systematic comparative study. The paper reports on an initial comparative analysis of on-line Likert-type scaled surveys (Boone and Boone, 2012) and draws on contextual analysis and follow up in-depth interviews undertaken over a similar period in Australia, England and the Netherlands. A further parallel study is underway in the United States.

This paper is structured as follows. A brief account of our theoretical framework is followed by a summary of contextual differences between the three countries. This is followed by an account of methodology to enable the reader to interpret the results that follow. Results are presented in five main clusters each exploring different dimensions of the relationship between housing associations and the state. The discussion and conclusion returns to review evidence on our core hypothesis that despite the rhetoric of independence from government, the relationship with the state has been one of the key influences on scope for action and hybridity in each country studied. The discussion also refers to methodological issues and is intended to promote comments to inform our planned future analysis.

## **Theoretical Framework**

Non-profit or third sector organisations, that combine public and private roles, such as housing associations, have been described as hybrid (Billis, 2010). Competing arguments may be advanced as to whether housing associations have been subject to processes of hybridisation and the directions of change that these processes have involved for individual organisations and for the sector as a whole (Mullins et al 2013). There are strong academic narratives that depict the process of change as a linear one with the progressive removal of housing from the public sector through privatisation, marketisation and neo-liberal reforms in which commercial and market drivers have progressively displaced the state (Ginsburg, 2005, Hodkinson et al, 2013).

This bi-polar state-market model is challenged in the hybridity literature by a triangular model in which community and civil society may form a third pole and additional driver for the origins, organisation and operational logics of housing provision (Mullins et al, 2013). Most of the housing associations included in this study had their origins either in an 'organic' third sector that is neither state nor market or in enacted forms designed to transfer public housing functions to bodies able to draw down private finance but which were not themselves pure market organisations, instead

incorporating state and community influences as symbolised in England, for example, by governance models with representatives of local government, tenants and experts which were widely adopted for stock transfers after 1996 (Pawson and Mullins, 2010). This hybridity framework is used here for analysis and interpretation of our results.

The application of concepts of hybridity to housing was initially a response to the recognition that in many countries provision of social housing had moved away from government and often involved organisations that operated on a non-profit distribution basis that were neither solely state nor market but involved combinations of the two (Czischke et al 2012). Growing consciousness of a degree of autonomy from the state has been a key feature of non-profit organisations who have increasingly sought to develop independent values and strategies and to harness resources beyond those of government. The discourse of social enterprise has been embraced by some of these organisations to describe their positioning as trading for social purpose and to distance their activities from those of government (Teasdale, 2011).

This positioning has to a degree been promoted by governments who have embraced the opportunity to shift social housing borrowing off the public accounts and to encourage various forms of cross subsidy to reduce the amount of public subsidy or public borrowing required to build new social housing for people whose needs are not met by the market (Pawson and Mullins, 2010).

This in turn has led to a language of independence from government and to a view that though trading for social purpose, the accumulation of housing assets and reserves it is possible for such organisations to meet social housing needs through hybrid cross-subsidy arrangements. For housing associations the most important cross-subsidy opportunities come from building housing for sale, private renting at market or near market rents. Other wider commercial activities include the provision of housing-related care and support services under contract and to the private market in England, strata services and rental management in Australia, and construction of schools and health facilities in the Netherlands.

The core hypothesis explored in the paper is that despite the rhetoric of independence from government and the discourse of social enterprise, the relationship with the state has been one of the key influences on scope for action and hybridity in each country studied.

## **Context**

The national context for non-profit housing varies in important ways between the three case studies. It is therefore necessary to set out a brief account of the three contexts to enable the panel responses to be interpreted. For each country we consider the sector size and profile from which the panel was recruited, business capacity and diversification and recent system shocks. This account highlights the diverse origins and evolution of the three sectors, but also similarities in the recent system shocks to which they were responding at the time of the study.

### *Sector size and profile*

Australia, England and the Netherlands differ substantially in terms of housing systems and institutions. Housing associations' share of the national dwelling stock is 31% in the Netherlands (Boelhower & Priemus 2014) and 10% in England (Perry & Wilcox, 2014), while in Australia community housing providers (CHPs) account for just 1% (AIHW, 2013). Moreover, housing associations are much longer and more securely established in the former two countries, owning most rental housing stock in the Netherlands and over half of all social housing stock in England. Hence, English and Dutch HAs are comparatively asset-rich operators. In England the national stock

of 2.3 million HA properties had a gross book value of £126 billion, and a net book value after taking off public grants and depreciation of £72.7 billion in 2013 (Homes and Communities Agency, 2013).

Not only are NFP housing sectors much larger in England and the Netherlands than in Australia, but individual providers typically manage much larger portfolios. In Australia the average number of tenancies managed by community housing providers (CHPs) almost certainly remains below 100<sup>8</sup>, although by 2013 there were at least 20 organisations with more than 1,000 properties in management<sup>9</sup>, with these landlords together responsible for over 40,000 homes – some two thirds of all sector dwellings. In England, by contrast, the average stock holding in 2010 was 1,800, while the largest 100 providers (those with at least 5,000 homes) controlled 73% of all sector stock, and four entities each owned more than 50,000 homes (Pawson and Sosenko 2012). In the Netherlands the average size of HAs had risen to 5,600 by 2008, having almost doubled since 1997 (van Bortel et al, 2010).

### *Business capacity and diversification*

Most large HAs in England and the Netherlands have long experience of housing development, in some cases on a significant scale. In the Dutch case, the loosening of ties to government in the mid-1990s 'bruterings operatie', by which repayment of outstanding state loans was cancelled in return for withdrawal of future subsidies, set a path of financial independence based on working historically funded assets (Ouwehand, and Van Daalen, 2002). While the transition in England was less dramatic there has been a similar shift in the balance of funding from public subsidy to private loans (with grant covering almost 100% of construction costs between 1974 and 1988 but less than 20% today). Public subsidy of £45 billion has now been overtaken by private debt amounting to £52 billion (HCA, 2013). Thus, capital investment is now substantially underpinned by private finance in these two countries, and many associations are highly geared (comparing their debts to their assets) and therefore exposed to significant financial risk. In order to manage such risk and to deploy more complex 'investment products' organisations have necessarily developed highly sophisticated business planning and treasury management capacities. In contrast, Australia's relatively youthful CHP sector, has until recently been more involved in property management than in ownership. However, property construction and ownership as well as management has recently been boosted by two large scale Commonwealth initiatives, the National Rental Affordability Scheme (NRAS) and the Social Housing Initiative (SHI); and the tax credit basis of the former added to the sophistication of partnerships and financial literacy of the sector (Blessing and Gilmour, 2011) .

The extension of the roles of non-profit providers beyond social housing has been a subject of considerable debate in all three countries (Milligan et al, 2009, Milligan et al, 2012, Milligan et al, 2014, National Housing Federation, 2014, Gruis and Nieboer, 2014). These roles include both non-social housing and wider community investment activities.

In relation to non-social housing there have been long established diversification trends in both England and the Netherlands. In England, almost half (46%) of homes funded for construction by social landlords in the period 2008/09-2010/11 were designated for 'intermediate rent' or low cost sale (Pawson & Wilcox 2013 Table 2.4.2). After the GFC there were adjustments with a number of large providers switching their strategies away from housing for sale and towards market rental housing. Similarly in the Netherlands HAs responded to the commercial freedom after the 'bruterings operatie' to develop diverse portfolios of home ownership and rented housing products, a positioning that Gruis (2008) described as 'social real estate investors'. In this period Dutch HAs became reliant on market activities, such as building housing for sale, to generate income to cross-subsidise social housing and wider urban development policies (Nieboer and Gruis 2014b). However,

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<sup>8</sup> Estimate calculated by authors from various sources for forthcoming report (Milligan et al 2014).

<sup>9</sup> Figures drawn from CHP annual reports and registrar websites, supplemented by estimates for missing data.

in recent years there has been a 'shifting back' from commercial strategies in response to a mix of state and market drivers to be discussed further below (Nieboer and Gruis 2014a).

There has been for a number of years, further diversification into non-housing activities, in England and to a lesser extent in the Netherlands (Pawson & Mullins 2010; Nieboer & Gruis 2014a). In a process ongoing since the 1990s, many of England's HAs have sought to transcend their landlord identity to become broader-based social enterprises ((Mullins and Riseborough 1997, 2000). For some, this has included the development of cross-subsidy-generating businesses such as care home development and management (Harris & Marshall 2005). More generally it has involved initiating or supporting 'community investment' and services. By 2010/11 England's HAs were documented as investing almost £750 million in delivering over 9,000 neighbourhood services and providing or maintaining 1,500 community spaces (National Housing Federation 2011). Many English housing associations have been re-positioning as wider social businesses but housing remains at their core with rental income from social housing accounting for 80% of turnover (HCA, 2013). In the Netherlands such activities included care, welfare, local economy, employment and education (Nieboer and Gruis 2014) but were less likely than in England to involve direct provision of wider community by HAs themselves, but instead to include commercial real estate development and facilities management to build health facilities, schools etc. and to manage local community facilities. The 'shifting back' after 2008 also included such activities. In Australia, the wider community and welfare role is on the agenda of a number of CHPs, with trade bodies such as the New South Wales Federation of Housing Associations providing advice to members on community engagement and place management<sup>10</sup>, the inclusion of a standard on community engagement in the national regulatory code, and social care initiatives such as the National Disability Insurance Scheme (NDIS)<sup>11</sup> being explored by CHPs as potential opportunities. Examples of the array of existing partnership activities that CHPs have engaged in with either for-profit or NFP partners include urban renewal projects, mixed tenure developments, and partnerships for tenancy support and community building (Milligan et al, 2014).

### *Recent System Shocks*

All three countries have experienced significant recent system shocks leading to substantial shifts in organizational strategies. Some of these relate to global economic change, others to more local policy and societal changes. In the wake of the Global Financial Crisis (GFC), NFP housing providers in all three countries have experienced more volatile and demanding conditions. In England and Australia while public funding was initially ramped up through stimulus investment programs, these proved short-lived. By 2012/13 government grants to HAs in England had been cut by 75% on the peak figure just three years earlier (Perry & Wilcox 2014 Table 59). However, with capital subsidy per dwelling cut from £51,000 under the 2008/09-2010/11 program to just £19,000 under its successor, the scale of development output has been largely maintained. The price of maintaining new development under the new regime has been a substantially increased debt burden and the need to charge rents at up to 80% of market levels rather than the 60% typical under the former regime (Ibid). Bidders for funding are also expected to increase rents for existing tenants towards the 80% level and to demonstrate 'asset management' by selling off high value or expensive-to-maintain properties to generate income.

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<sup>10</sup> <http://www.communityhousing.org.au/KnowledgeHub/index.html>

<sup>11</sup> Being introduced in stages from July 2013 and funded by a levy on Australian taxpayers, the NDIS is an innovative seven-year funded national program to provide individualised support for people with permanent and significant disability, their families and carers. Under the scheme, the housing needs of the clients will be addressed through a combination of referrals to existing programs and services (such as public and community housing, rent assistance and NRAS dwellings), family investment and dedicated capital or recurrent funding for housing, which will flow from 2015.

In Australia, recent growth and diversification of most CHPs in this study had been driven primarily by two large scale Commonwealth initiatives, the National Rental Affordability Scheme (NRAS) and the Social Housing Initiative (SHI). Both programs began in 2008, the starting date for the period covered by the Australian Delphi studies. The SHI was a four year commitment which completed as planned in 2012 and had provided a one-off \$6 billion boost to new supply to be managed by CHPs for traditional social housing client groups. The NRAS program, based in tax credits (or cash grants to charitable organisations), had made 40,000 offers of funding incentives to both for-profit and charitable providers to procure housing. It had become the primary driver of business development for CHPs by offering a means to broaden their client base to assist low and moderate income earners. Eighteen of the 20 organisations in this study had successfully applied for over 6,000 rental incentives since 2008 and by the end of June 2013 had delivered about one-fifth of all NRAS-funded dwellings that were tenanted at that date (calculated from Australian Government 2013). But its termination (subsequently confirmed in the 2014 Budget) was already clearly in prospect at the time of the early 2014 panel interviews.

Moreover, especially in England and the Netherlands, HAs have had to contend with balance sheet challenges triggered by government austerity policies – especially in the form of increased tax exposure in the Netherlands (Boelhouwer & Priemus, 2014) and deep cutbacks in tenant social security payments in England under the government's 'welfare reform' program (Power et al, 2014; Wilcox, 2014). These welfare reforms had a phased impact: early on the notorious 'bedroom tax' reduced benefit entitlement for tenants 'under-occupying' their homes, and local caps to eligible rents hit mainly private tenants. Later reforms wrapped up housing costs in a capped 'universal credit' and removed the option of direct payment of rent to landlords for working age households, and required tenants to have digital access to bank accounts. While the early impacts mainly hit vulnerable tenants, longer term impacts raised landlord concerns about business viability by making their formerly solid rental income stream less certain. In both these countries a post-GFC housing market slump also imposed considerable financial stress on many HAs – especially those with devalued stocks of unsold homes built for disposal under cross-subsidy programs.

While its problems were compounded by the GFC and by associated government austerity measures, the recently embattled state of the Dutch HA sector also reflects further political and societal challenges. Firstly, associations have faced increasingly negative public sentiment triggered by criticism of 'high salaries, arrogance [and] fraud'; including over-ambitious and risky diversifications such as the purchase of cruise ship that turned out to be riddled with asbestos as a catering training establishment (Boelhouwer & Priemus, 2014 p225). Secondly, and partly connected with the above, confidence in the Dutch sector has been badly shaken by the Vestia affair – the €2 billion in losses sustained by one of the country's largest HAs through risky trading in financial derivatives (Ibid). Thirdly, Dutch providers have needed to respond to the 2005 European Commission ruling against their 'unduly privileged' status (Priemus & Gruis, 2011). Accused of benefiting from 'illegal' state aid enabling them to compete unfairly with private landlords, HAs were obliged, from 2009, to narrow their allocations policy by designating as their 'target group' households receiving annual incomes of less than €34,000 (Boelhouwer & Priemus 2014). In response to such pressures, and partly on the basis of the Netherlands Wave 1 Delphi study the sector's response has been characterized as 'shifting back' towards 'defender' strategies (Nieboer & Gruis 2014a).

One final dimension of the policy context in which NFP housing sectors in the three countries have recently experienced change is regulation. Since 2007 Australia's CHPs have been subject to a rapidly evolving regulatory framework, latterly embodied through the National Regulatory System for Community Housing (NRSCH), formally introduced in most jurisdictions in 2014. Under these regimes CHPs have needed to comply with an increasingly well-defined set of regulatory criteria, mainly focused on competent governance and organisational viability.

In some respects recent Australian experience has converged with the post-2010 approach to HA regulation in England, where finance and governance (rather than housing services) have formed the central regulatory concern of a much reduced regulator, now again part of the investment body (Homes and Communities Agency). This changing focus was associated with a shift to 'co-regulation' in which boards were expected to take greater responsibility and where 'landlords are accountable to their tenants, not to the regulator' (DCLG 2010 p7) through 'tenant panels'. However, despite the narrowed focus of official scrutiny, the year immediately prior to the research fieldwork saw English HAs experiencing renewed regulatory attention. This included requirements to demonstrate Value for Money (Brown 2014), the newly introduced concept of management failings amounting to 'serious detriment' to tenant welfare (HCA 2012), the need to protect social housing assets from risks associated with diversification (following a well publicised failed student housing venture, HCA 2014), and more intrusive interventions symbolised by close attention to compliance with voluntary governance code on succession and (9 years) maximum length of term of board members . Meanwhile, consistent with their 'embattled status' (see above), Dutch providers have also recently found themselves needing to contend with much increased government scrutiny and direction (Boelhouver & Priemus 2014) including a parliamentary enquiry into the sector and closer financial monitoring by the Central Housing Fund.

Thus the distinctive historical origins of the three sectors and quite different financial, legal and regulatory regimes have led to significant differences in the scale and contribution of non-profit housing in the three cases. However, common exposure to recent and somewhat similar system shocks have led to some convergence and indeed overlapping changes in relationships with state and market. In many respects the last 15 years have seen the English and Dutch sectors moving in opposite directions with several U-Turns in each. Until 2007 the Dutch being more market oriented and the English more highly regulated, and after 2007 compensating moves by both but in opposing directions. Both sectors have had a more distant but still important relationship with communities. The more recent growth of the Australian sector of community housing providers borrowed elements from state and market models, but following the end of government supply side measures and the election of a more conservative government, appears to be stalled. This has left even the largest CHPs below the scale needed to establish viable business models and positioned them mainly as offering an alternative management model for public housing.

## **Methodology**

The paper uses a modified Delphi method to gather individual expert views about this changing context and association strategic responses, collate and analyse them, play them back to respondents and synthesise them to develop consensual accounts of the position of non-profit housing in three countries. Despite its unusual and specific origins as a means of pooling intelligence on Soviet bomb capacity in the cold war, Delphi has had a wide range of applications in scenario building and futures research (Linstone and Turoff, 1975). Key advantages are the sharing of expert knowledge while preserving anonymity, an iterative approach to building shared knowledge and understanding to develop plausible scenarios and combining quantitative and qualitative data in an original way.

### Applying Modified Delphi to non-profit housing

The paper draws on cumulative learning from applying Delphi type approaches to researching non-profit housing. Experience of applications in England and Ireland informed the design of the approach adopted in the Netherlands and Australia. Three core elements were included in all national panel studies included in the paper:

- i) a Likert-type scaled survey requiring judgements on organisational values and strategies and key changes to the operating environment over the past and next three years;

- ii) an open ended question asking respondents to identify three current strategic decisions their organisation is involved<sup>12</sup> in and
- iii) follow-up semi-structured interviews with a sample of those completing the questionnaire.

Other aspects of methodology that have been applied in individual studies, including organisational profiling, critical incident diary keeping and organisational and thematic case studies, are not reported here.

### Questionnaire Design

The survey draws on elements of the original instrument developed by Mullins and Riseborough (1997) in their study of changing times for English housing associations after the 1997 General Election. This instrument was in turn modified and adapted to relate to the time and local context and purpose of further studies in England (2000, 2004), Ireland (2002), the Netherlands (2008), and Australia (2011).

Significant changes to the survey design have included the reduction of the number of Likert-type scale points from 20 to 7, and the introduction of a consistent structure to the questionnaire in each country with five sections respectively concerned with organisational values, strategic positioning, recent changes affecting organisations, strategic adaptations to these and anticipated strategic decisions. In each case preliminary scoping work was used to refine and develop appropriate questions to fit the local context and current issues of concern in the sector. Question wording was tested through piloting by chief executives of non-participating organisations in each country.

For the comparative study undertaken in all countries in late 2013 it was agreed to aim for a core of common questions to account for approximately 60% of survey content. In practice there were 94 questions common to two or more of the questionnaires (equivalent to 74% of the total of 127 scaled questions on the English questionnaire). 55 questions were common to all three surveys (equivalent to 43% of the total of 127 scaled questions on the English questionnaire). There was a greater degree of overlap between the Australian and English questions than between either and the Dutch questions. It was also desirable to maintain consistent questions to allow in-country comparisons with earlier surveys. In the process of questionnaire design and piloting some of the common questions were adapted or reworded to be appropriate, intelligible and relevant in each country.

### Sample selection and recruitment

Sample selection and recruitment of panels followed a broadly consistent approach between the three countries. However there were some important differences in approach to reflect national contexts and sector structures and regulatory and funding regimes.

In Australia selection was confined to larger and more diversified CHPs that had progressed towards having greater business autonomy by 2008. Organisations considered for selection had to be of sufficient scale (preferably owning and/or managing at least 400 dwellings) and be directly involved in holding assets and financing housing development (i.e. they were not operating solely or largely as tenancy managers, the traditional model in the Australian sector). They also had to be registered housing providers under state/territory housing regulatory systems and, where regulatory tiers existed, organisations had to be registered at the higher levels, reflecting degree of risk.

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<sup>12</sup> Not included in this paper.



A list of around 40 such leading organisations ranked according to their size and diversity of activities was then stratified by (state or territory) jurisdiction to achieve a geographically dispersed sample and to reflect the heterogeneity of business models and organisational forms known to be operating in the sector (Gilmour & Milligan 2012; Milligan et al. 2009). From this reduced list, twenty organisations were selected at random and approached to nominate panel members to participate in the study<sup>13</sup>. Consistent with the standard Delphi methodology, the prime selection criterion for panel members was expertise and a position enabling them to be a ‘change maker’ within an organisation. In the Australian context where organisational profiles were relatively undeveloped, this meant giving preference to an organisation’s chief executive officer (CEO). CEOs from all 20 organisations first approached agreed to join the panel.

In England panel selection was stratified in terms of organisational size, geographical focus and type of housing organisations playing a key role in non-profit sector delivery of housing and related services. The size of organisations in the sample, based on number of homes owned, ranged from small (under 500 homes) to very large (over 40,000 homes). After excluding the very smallest HAs with little or no stock, the sample selected roughly equal numbers of smaller (under 5,000), medium (5-20,000) and large (over 20,000 homes). The geographical spread of the sample includes national HAs working across several regions, organisations based in each region (except East and after amalgamating London and South East and NE and Yorkshire) and a mix of locally focused HAs and those with more widespread stock. The type of organisation includes stock transfer HAs and ALMOS<sup>14</sup>, specialist HAs in relation to co-operative housing, care and support, BME communities and young people. As in Australia the preferred respondents were CEOs and in all cases the survey was completed by the CEO or in two cases on their behalf. All follow up interviews were with CEOs. A total of 31 survey returns were received from the English panel.

In the Netherlands eligibility for panel membership was limited to housing associations with their own policy staff and those which had been organisationally stable for at least two years (i.e. not subject to mergers). Thirty one associations participated in the initial 2010 panel. For the second panel, as recruited in 2013, participants in the first wave were invited to participate once more, with 23 of these agreeing to do so. While again over-representing larger and medium-sized associations the achieved sample was largely reflective of sector profile in terms of geographical distribution, financial situation and investment obligations. Unlike in Australia and England, survey respondents were not restricted to CEOs but included only those with a good awareness of their organisation’s strategy and policies.

### Follow up Interviews

In each case follow up interviews were undertaken with a sample of panel members to enable refinement of and add depth to findings drawing on panel members’ interpretation of and reflection on results. Prior to the follow up interviews panel members were provided with a summary of panel results along with a copy of their own results. In the interview they were given a chance to change their scores in the light of aggregate panel scores, to explain the rationale behind their scoring, to provide further comments on the meaning of panel results and to provide additional information to enable the research teams to contextualise and interpret the findings.

In Australia follow up interviews were held with 19 of 20 CEOs completing the survey<sup>15</sup>. In England a sub-sample of 20 CEOs was selected from the 31 CEOs completing the survey. Survey results were

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<sup>13</sup> Fourteen of the 20 participated in an earlier (2011) study that used the same Delphi methodology (see Milligan et al. 2013).

<sup>14</sup> ALMOS are Arms Length Management Organisations managing stock on behalf of local authority owners.

<sup>15</sup> One panellist left the sector between the period of the survey and follow up interviews.

used to define sub-sample categories to give a mix of public, private and community driven hybrids, a geographical spread between regions and a size mix based on the same small, medium and large categories as in the main sample. In the Netherlands first wave of the research, interviews were held with participants from 10 housing associations, based on every third organisation from an alphabetical list of the 31 responding housing associations. The interviews were held with the same individuals who had filled in the questionnaire. In the second wave, 12 such interviews were held, selected by choosing every second organisation from an alphabetical list of the 23 responding housing associations. Alignment with the other two countries was the main reason for having slightly more interviews in the second wave than in the first one.

Thus results in this paper draw on completed surveys provided by a total of 74 survey respondents, corroborated and interpreted by 52 follow up interviews.

### Comparative Analysis

For analysis purposes responses to the 2013 surveys in Australia, England and the Netherlands were collated into a common database using SPSS and Excel packages for storage and an analysis. A total of 94 questions with similar or identical wording were included in at least two of the three surveys. 46 of these questions relate closely to the hypothesis and themes outlined below and were therefore the focus of our analysis here.

Two main methods are recommended for analysis of Likert-type scaled data to reflect the ordinal rather than interval measurement scale associated with assignment of values to the scale by respondents (Boone and Boone 2012). For central tendency the preferred measure is the median, for variability the preferred method is a frequency distribution.

For this paper a limited set of themes was used to generate clusters of survey questions for comparative analysis using medians and frequency graphs. All of these themes were related to a core hypothesis that despite the rhetoric of social enterprise and independence from government, it seems that the relationship with the state has been one of the key influences on scope for action and hybridity in each country studied.

Five main clusters of questions were identified for analysis:

- Values (particularly public ethos and independence)
- Regulation/State Direction
- Specialism to fit social policies
- Balancing state and non-state resources
- Diversification

While the main focus of this paper is on this survey data, some reference is made to follow up interviews to assist in interpreting responses; particularly in the discussion section which follows the presentation of results. A full report of the Australian survey results will be published by the Australian Housing and Urban Research Institute later in 2014 (Milligan et al 2014). A fuller analysis of HA/state relationships in England based mainly on interview data is presented in a separate paper to this workshop (Mullins and Jones 2014b). A contrasting paper focusing mainly on the survey data (Nieboer and Gruis 2014b) is presented for the Dutch Panel. Nieboer and Gruis consider a rather different set of hypotheses related to the Prospector/Defender and Commercial/Social dimensions of organisational positioning. However, as discussed later their analysis also provides useful and different interpretation of the importance of state policies in influencing positioning. Together these papers further inform the conclusions of our analysis here.

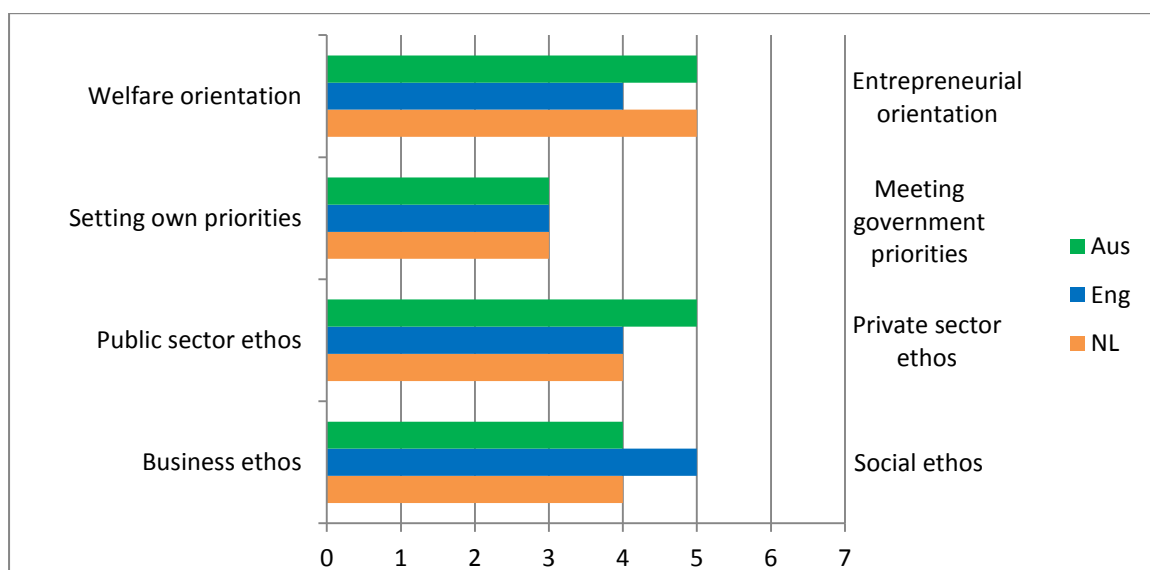
## Results

Results are now presented in five main clusters each of which informs our subsequent analysis of the relationship of housing associations to the state and public drivers of hybridity.

- Values (particularly public ethos and independence)
- Regulation/State Direction
- Specialism to fit social policies
- Balancing state and non-state resources
- Diversification

### i) Values (particularly public ethos and independence)

Figure 1: Values of Organisation leaders (median scores)



The first section of the survey provided the opportunity to test the self-image of panel members in relation to various dimensions of hybridity. Median responses to the four most important questions in relation to links to the state are set out in Figure 1 above. Responses to the first three questions all indicate a distancing from government with median positions being towards independence rather than meeting government priorities, a private sector ethos rather than a public sector one, and an entrepreneurial rather than a welfare orientation.

However, the fourth dimension indicates that panel members still see their organisations as primarily social purpose rather than purely business. This in itself is an interesting indication of a more complex transition than a simple move from state to market might indicate. It indicates that the non-profit and social enterprise status of these organisations does make a difference in preserving social values as opposed to purely commercial ones. In England we concluded that despite 25 years of exposure to market drivers CEOs are still more likely to claim a social than a business ethos; implications of this are discussed in our conclusion.

**Figure 1: Public sector ethos (left) versus private sector ethos (right) (frequencies)**

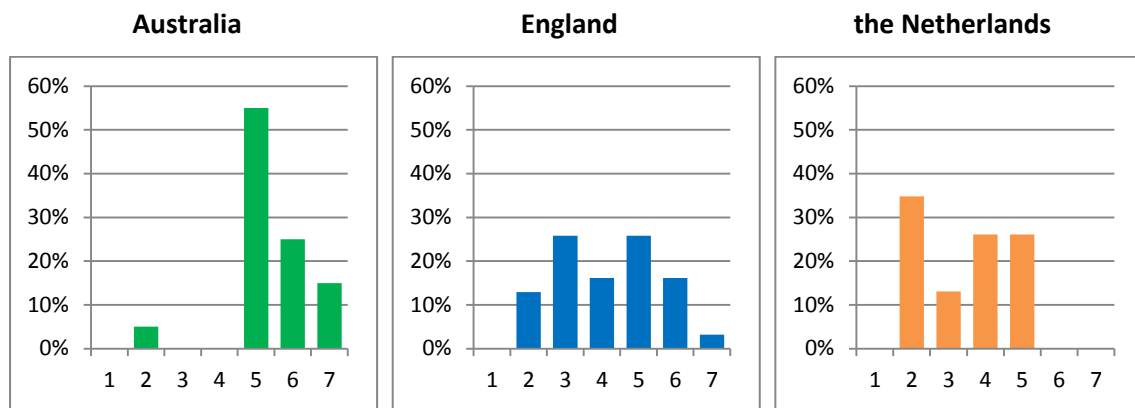


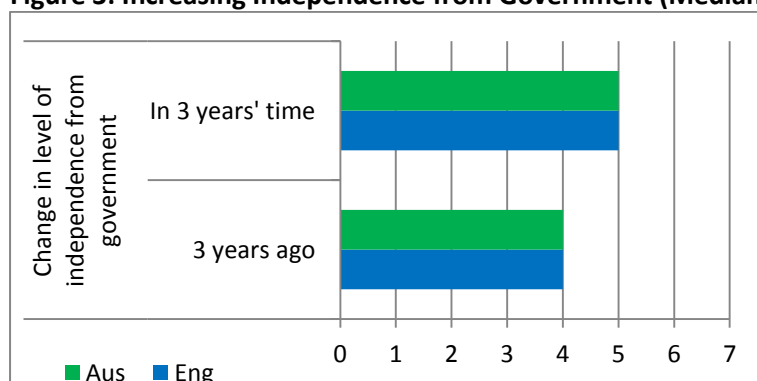
Figure 2 shows the extent of variation within the three panels on the public: private continuum. Here the clustering of Australian panel members towards the private end of the spectrum and of the Dutch towards the public end is more apparent. It is understood that the larger CHPs who predominate in the Australian panel have been keen to differentiate themselves from the remainder of CHPs (comprising many small organisations) which has remained closer to government.

In the Dutch case it seems likely that the public values claim is a response to recent challenges to the legitimacy of the sector after 15 years of 'independence' following 'bruterings operatie' to become more publicly accountable. As Ouwehand and van Daalen (p.13) prophetically wrote in 2002 *"At the end of the 1990s it could be concluded that the reallocation of responsibility and authority that had been sought (bruterings operatie)...had been achieved. However, the pendulum has continued to swing and local authorities do not know precisely how to proceed with the new balance of power. In Parliament too, the opinion can be heard that the politicians ought to have more say in housing"*.

The English panel shows a wider spread and follow up interviews show differences of position between panel members with more public values such as the latter: *"We are wrong to deny that we take a massive amount from the public purse and we still beg for grant. Unless we are prepared to buy ourselves out of grant we need to be realistic and there's still something historically good for me to be an arm of public policy for the good of all."* (see Mullins and Jones, 2014b).

Nevertheless, as Figure 3 illustrates, the anticipated trajectory of most Australian and English panel members was towards becoming increasingly independent of government. From the follow up interviews this seems to reflect three related drivers: first an anticipated further decline in public funding; second an aspiration to become more entrepreneurial (particularly in Australia); and third a more oppositional stance towards certain public policies (particularly in England).

**Figure 3: Increasing Independence from Government (Medians)**



## ii) Regulation/State Direction

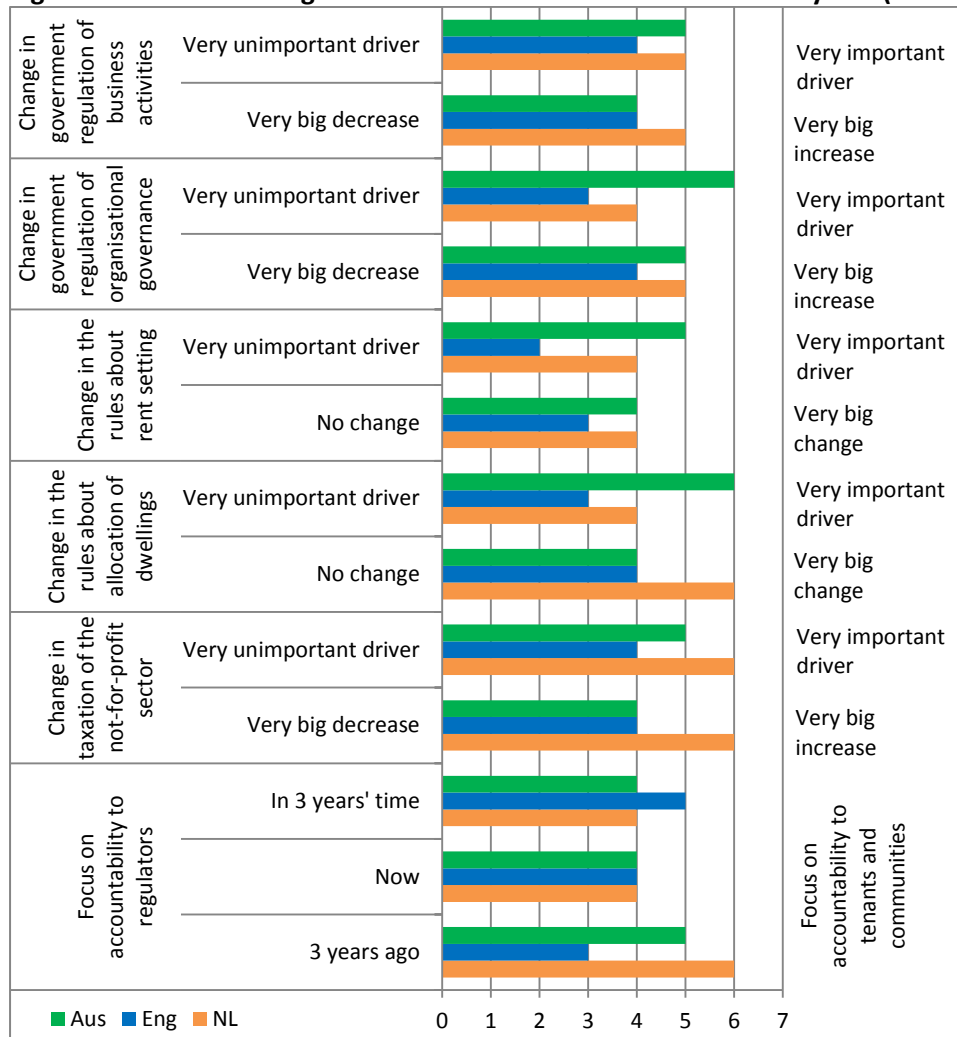
A second cluster of questions from the survey provides an indication of the extent to which the panel members' organisations are subject to regulation or state direction. While independent organisations may still be subject to regulation and follow specific public policies, the increase and importance attributed by panels to these drivers provides an indication of the influence of the state.

Figure 4 shows median scores on the perceived importance and extent of change in the last three years for a variety of direct state or regulatory influences in the three sectors. Median scores indicate that for most of the selected measures, there is a tendency to regard intervention and regulation as important and as having increased although generally only to a limited degree. The questions where more substantial importance is attributed to such interventions relate to regulation of governance and lettings rules in Australia and taxation policy in the Netherlands. The questions where such interventions are perceived to have increased considerably in importance are changes in allocation rules and taxation in the Netherlands. These changes are outlined earlier in the paper and are part of the significant drivers for retreat of the Dutch housing sector coming from European Commission and from the Dutch Government. These interventions may help to explain the strong emphasis of the formerly independent Dutch sector on its public sector identity (Figure 1).

Key ways in which providers can be strongly influenced by Government are through rent setting and allocation policies. Arguably, direction of these two policies places very significant constraints on the independent strategic capacity of these organisations by influencing their main source of income and of customers. For example rent from social housing tenants accounts for 80% of English HAs' income. It is interesting that the Australian sector was experiencing the biggest changes and attached the most importance to these drivers; this reflected at least in part conditionality associated with recent public investment, as discussed earlier. Meanwhile in the Netherlands changes in allocations had become very important in the wake of the policy to designate their 'target group' as households receiving with annual incomes of less than €34,000. Taxation changes were among the most fundamental recent changes for the Dutch sector, with HAs hit by several new taxes on their surpluses to help finance regeneration, housing allowances and general government expenditure. This highlighted the vulnerability of even the most independent of social enterprises to changes in government policies. The scale of tax in relation to surpluses may be a key reason for the radical shift in Dutch HAs towards defender strategies identified by Nieboer and Gruis (2014b).

In the English survey the most important and substantial change in the operating environment observed by the panel was that of welfare reform. This was considered to be a very important and increasing influence by over 70% of the English panel who chose the top two scale points for this question, making it the most highly ranked policy driver there (Mullins and Jones 2014b).

**Figure 4 Perceived Changes in Government Influence in last three years (medians)**



Behind the generally common findings on the influence of Government on the three sectors, there are recent differences of experience in relation to regulation, as indicated by the final graph in Figure 4. This shows that regulation as a form of accountability is having a different direction of travel between England where accountability is perceived to have shifted from the regulator to other stakeholders and the Netherlands where change has been in the opposite direction. Australia sits somewhere in between but with an increased focus by most panel members on regulation rather than wider stakeholder accountability, reflecting the recent introduction of a national regulatory regime.

A fuller picture of these differences is provided by Figure 5. Despite the moves of the English respondents away from regulatory accountability and the Dutch towards it, there remain considerable differences of orientation for individual organisations. In both countries the modal response was entirely neutral between accountability to regulators and to other stakeholders. Similarly in Australia while there has been a move towards regulatory accountability there is a bunching of respondents around a more neutral position.

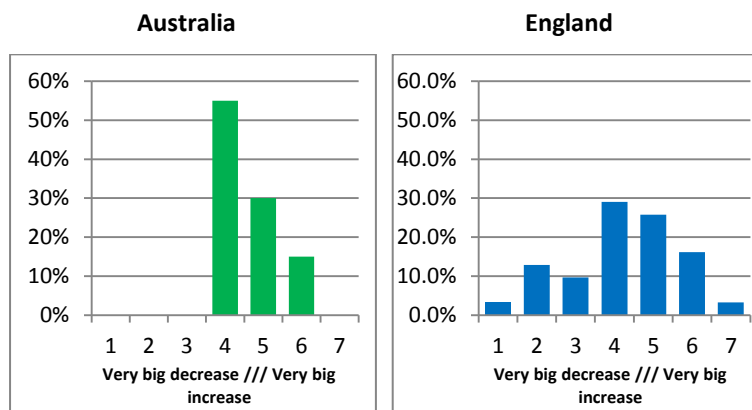
**Figure 5 Focus on accountability to regulators (left) vs. Focus on accountability to other stakeholders (right)**



One function of regulation is to give confidence to private lenders on the financial capability, business planning and treasury management of increasingly complex and potentially risky social businesses. In England scaled back regulation within the HCA now focuses on financial and governance standards in line with its risk based approach (HCA, 2014a). Similarly in Australia the new National Regulatory System for Community Housing (NRSCH) has tended towards business regulation. It is therefore interesting to consider panel responses to a more specific question (asked in Australia and England only) concerning change in relation to business regulation over the past three years (Figure 6).

Comparing Figure 6 to Figure 5 we can see that in England there is a greater perception of increased regulation specifically in relation to business activities in the last three years than of increased regulation per se. In Australia there is a slightly lesser perception of such and increase, although the panel responses are mainly concentrated towards either a neutral or an increased position.

**Figure 6: Change in Government regulation of business activities (frequencies)**



The balance of views indicating increased regulation in Australia is to be expected given the post-2007 ramping up of statutory regulation. Views were much more diverse in the English panel, with around a quarter reporting that regulation of business activities had recently declined, while 45% considered it had increased. While this might appear paradoxical, it is consistent with the recent regulatory changes outlined earlier in which following a retreat into financial and governance regulation in 2010, there has been a resurgence of intervention around value for money, protecting social housing assets from diversification risk and compliance with the voluntary code of governance on the length of board member terms (see Mullins and Jones, 2014b).

**iii) Specialism to fit social policies**

Another way in which housing associations may respond to state influences is by developing specific policies to deal with the needs of different societal groups. All national surveys asked about a variety of social policies including partnerships to promote tenant employment and education, care and support partnerships, and developing and adapting services for specific client groups including older people, homeless people and minority ethnic groups and new migrants.

**Figure 7: Involvement in Wider Social Policies**

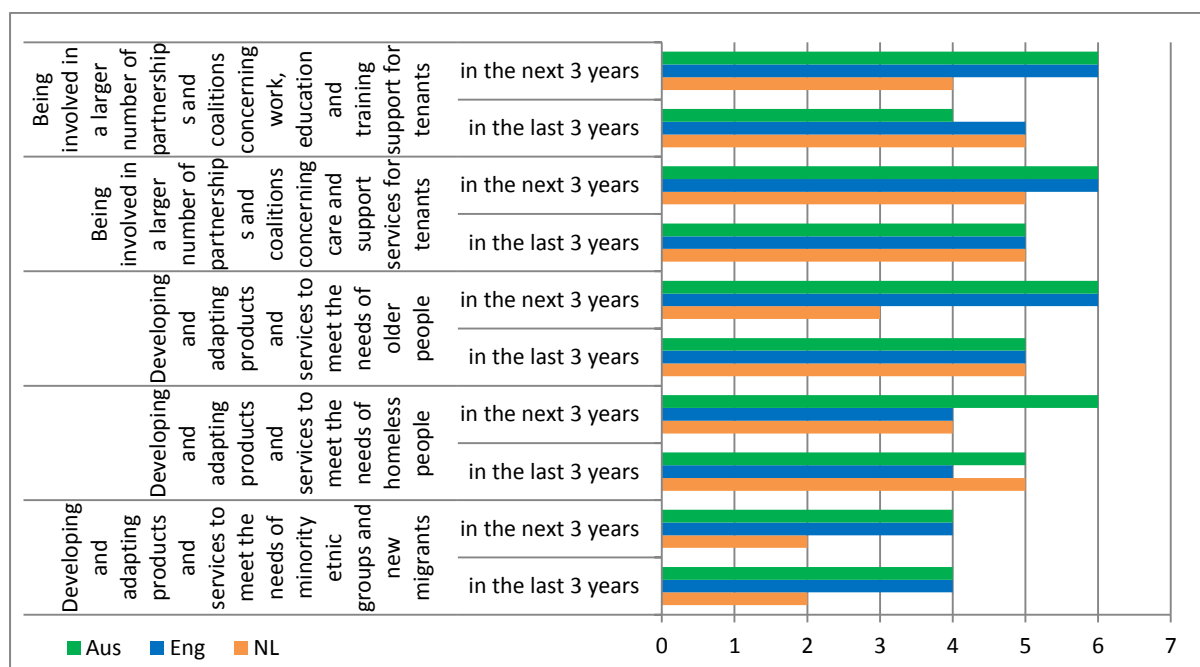




Figure 7 indicates a common pattern of contraction of Dutch HAs away from wider social policies and welfare roles in the last three years and the next three years and the opposite trend of diversification in Australian CHPs. Follow up interviews with the Australian panel revealed that factors influencing key diversification strategies included both community drivers (such as making a positive difference to the lives of tenants) and government priorities where targeted funding may be sourced including the new National Disability Insurance Scheme (NDIS) discussed earlier. English HA responses also anticipate an increasing role in relation to older people, care and support and work and education for tenants over the next three years with slightly lower but consistent commitment to meeting the needs of BME communities and homeless people. Individual interviews show a tendency for some English HAs to specialise in meeting needs of homeless people, older people or BME communities.

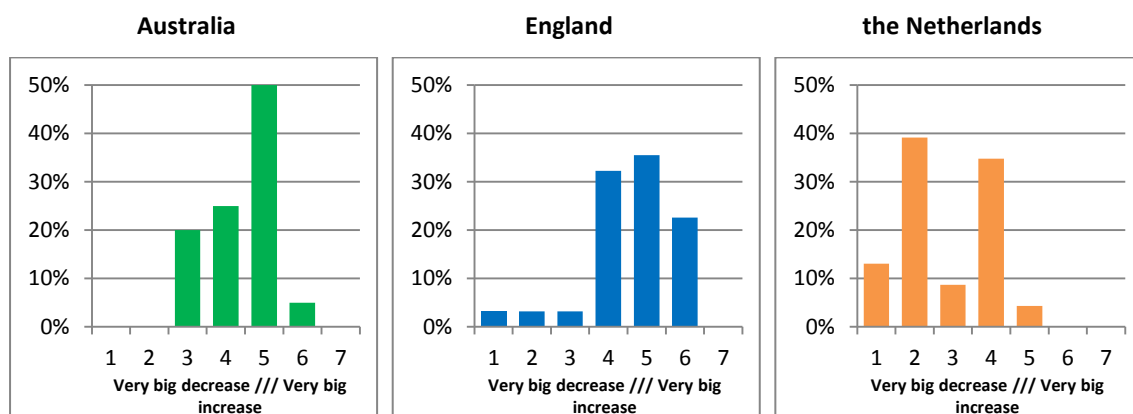
This evidence is difficult to interpret in relation to competing hybrid drivers. While on the one hand involvement in delivering wider public policies may be seen as consistent with state drivers, such involvement could equally well be consistent with civil society traditions of providing alternatives or supplements to state provision and to mixed economies of welfare.

#### iv) Balancing state and non-state resources

One of the main forms of engagement between housing associations and the state is around resource acquisition. While in the Netherlands public funding for new capital investment ended with 'bruterings operatie', both English and Australian providers have been responsive to shifts in the volume and nature of capital subsidy policies. In Australia the SHI and NRAS schemes outlined above provided a significant boost to the sector after 2008, but had both run their course by the time of this panel. In England, the NAHP 2011-15 had introduced significant changes in the terms of funding with much lower levels of grant per home and requirements to supplement this funding by drawing on reserves and surpluses, charging higher rents (up to 80% of market) to both new tenants and a proportion of existing tenants and selective sales of high value or high maintenance assets.

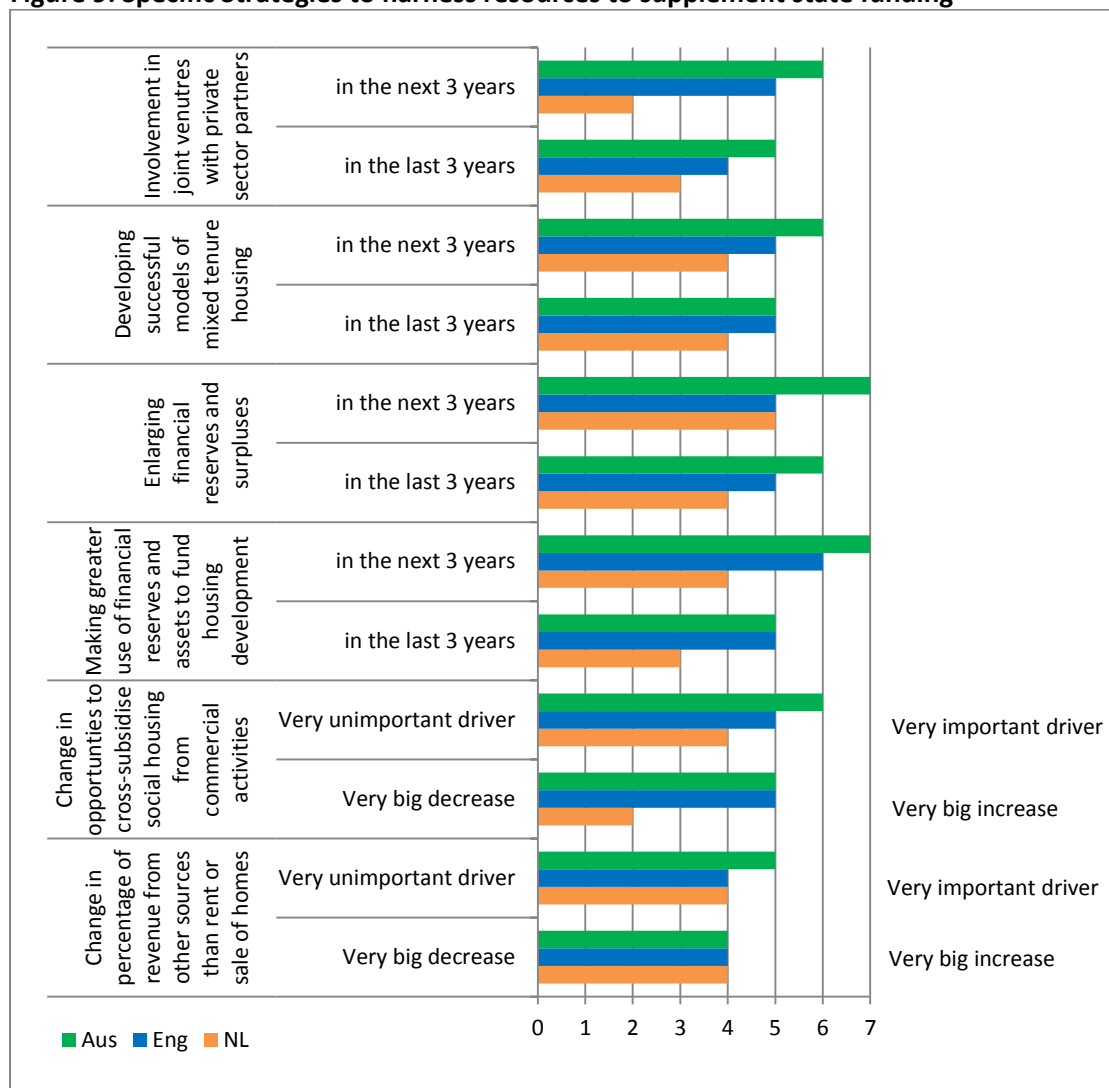
A key impact of the Australian and English funding regimes has been to stimulate non-profit providers to explore various forms of cross-subsidy to enable public funding to go further. Arguably, the principle of harnessing historic state funded assets to cross-subsidise new social housing was one of the fundamental drivers of the Dutch 'bruterings operatie' and formed an important strand of HA investment policies until recent financial and political challenges led to a 'shift-back' as described above Nieboer and Gruis 2014 a and b).

**Figure 8: Perceived change in opportunities to cross-subsidise social housing from other activities**



In Australia and especially in England the balance of views saw opportunities for cross-subsidising social housing from commercial activities as having recently increased (see Figure ). For Australian providers this may reflect increased (or newly initiated) involvement in ‘affordable housing’ provision for working households (e.g. through NRAS) and the emerging opportunity for some CHPs there to work their own assets for the first time. Results for English HAs could reflect growing diversification into market rental provision and a strong requirement to use cross-subsidy to compensate for falling development grants. Moreover, more than four out of five Australian respondents and two thirds of English participants considered this factor important or very important as a driver of recent strategic and/or operational direction (detailed results not shown here). The markedly different profile in the Dutch sector could reflect the Dutch Government’s response to the European Commission competition ruling requiring providers to re-focus on catering for low income households (Priemus and Gruis, 2011).

**Figure 9: Specific Strategies to harness resources to supplement state funding**



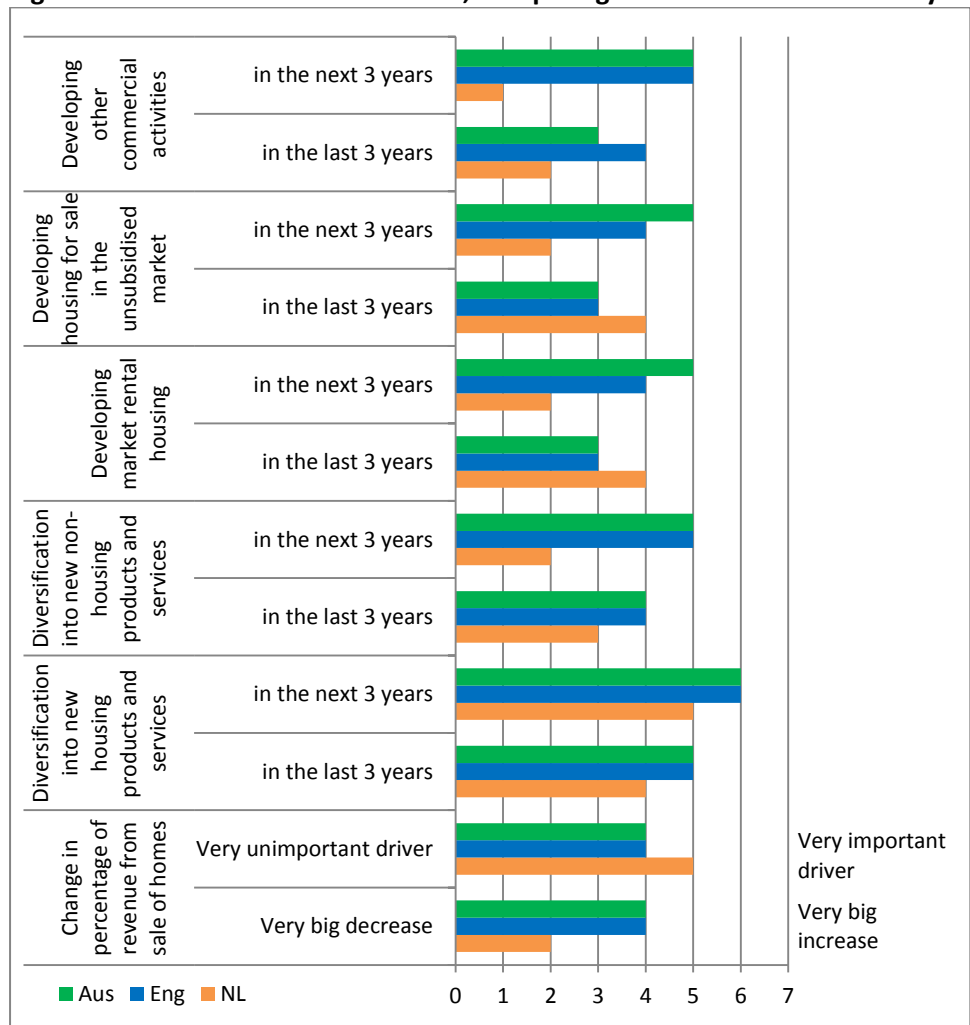
A summary of responses on specific strategies designed to harness resources to supplement state funding are included in Figure 9. What stands out from this figure is the high level of interest by the Australian panel to develop cross-subsidy approaches such as mixed tenure developments, commercial income, generating revenue from sources other than rent or sale of homes and enlarging reserves and surpluses and forming joint ventures with private sector partners to invest in additional housing. Despite much greater existing exposure to these cross-subsidy models English

and Dutch panels appear to be considerably more cautious. This may indicate that responses are more a function of falling off the cliff edge of existing state funding and tax relief subsidies and the need to keep some development activity going rather than the emergence of a more mature mixed economy strategy than in England or the Netherlands. This interpretation appears to be confirmed by follow up interviews in Australia.

**v) Diversification**

A summary of further evidence in the types of diversification being embarked on or retreated from in the three countries is provided in Figure 10 based on median responses to a series of questions. This confirms patterns from earlier parts of the paper with Australian panellists looking most at future diversification opportunities, while Dutch panellists were generally narrowing the range of activities they were involved in (on all questions but one).

**Figure 10: Diversification and Retreat, Comparing next three and last three years**



These data may reflect actual and anticipated diversification in response to reduced government funding as set out above, or could reflect more strategic positioning by organisations in relation to their values and purposes. A key consequence of diversification strategies confirmed by the panel is a reduced focus on low income groups relative to other potentially more rewarding niche markets. The different trajectory of the Dutch sector probably reflects refocusing on low income clientele as required by Government in response to European challenges about 'unfair competition' with private landlords in catering for middle income households (Priemus and Gruis, 2011). It may also reflect

political priorities for achieving responses to growing affordable housing shortages. At the same time it also reflects the more limited investment capacity of Dutch HAs following the GFC and increased taxation that may have made them more risk averse (Nieboer and Gruis 2014b).

The rationale for moving away from an exclusive focus on low income groups is intriguing because it may reflect either government pressure to move into cross-subsidy models or more strategic decisions by HAs to pursue a wider range of opportunities.

English follow up interviews indicated some of each. One English interviewee commented that:

*“We are moving as a sector to a housing provider full stop. We now run Market Rent housing, Shared Ownership and we do open market sale aimed at middle income groups”*

This was corroborated by a trade body publication presenting the sector as broad based (NHF 2014), delivering one market rent or home ownership for every social rented home. However, this vision was contested by another panel member:

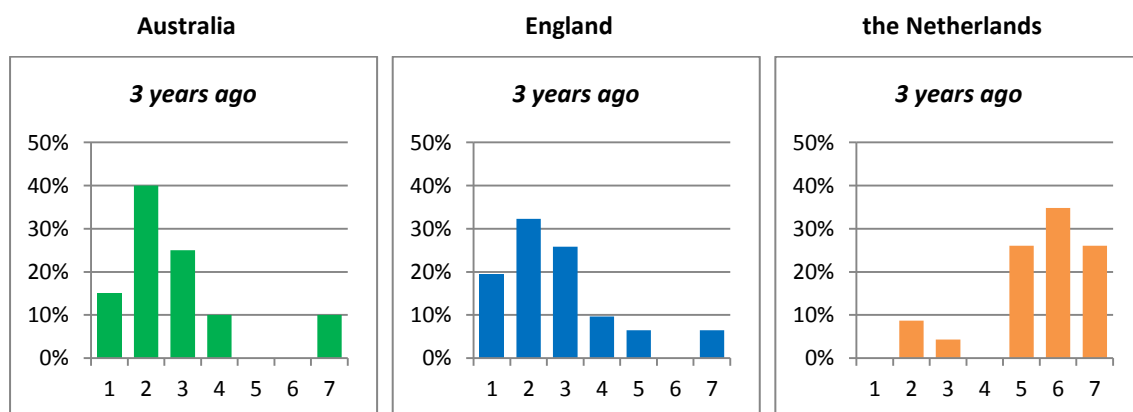
*“The heart and soul of the movement is not there – it doesn’t talk about poverty, homelessness, refugees etc. ....we need to keep values that are wider than housing about need, poverty. We’re going back to Cathy Come Home.”*

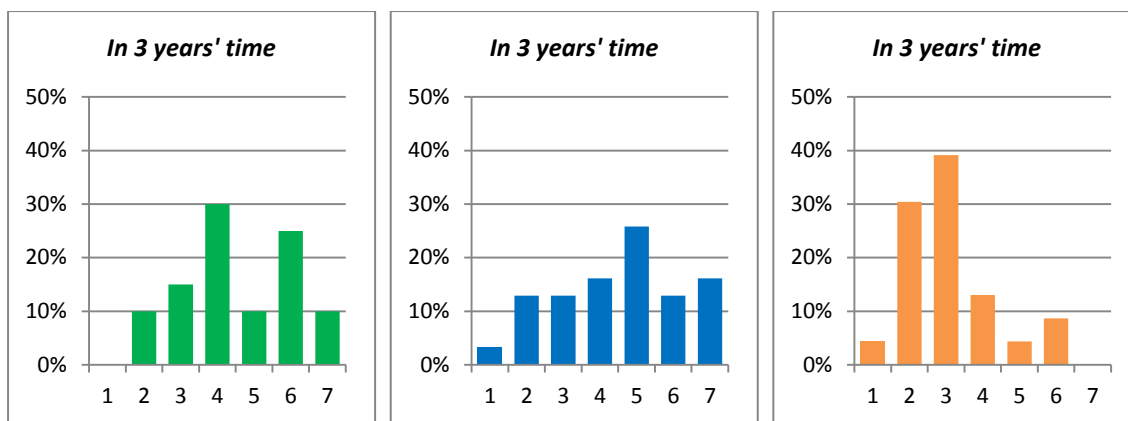
In Australia, panel members indicated this was about business viability and not a rejection of their core ethos.

*“It is definitely not a business that is sustainable with just social housing. You have to have affordable housing – middle income – in the mix.”*

*“I’m happy ... If I have to have 70 per cent of people who are not homeless housed in my housing, to get 30 per cent who are or could be, that’s 30 per cent more than I would’ve got anyway. “*

**Figure 11 Focus on low income groups versus focus on both low and moderate income groups**





## Discussion and Conclusions

In this section we reflect on the methods deployed and data collected in the three national studies and draw some interim conclusions on the relationship of hybrid non-profit housing organisations to the state and patterns of convergence and divergence between the three countries.

### Reflection on Method

Delphi responses provide a rich source of evidence to inform analyses of topics such as the changing relationship of hybrid organisations to the state. The data presented here comprises just a small slice of responses at one point in time and organised around a limited number of themes from relevant common questions between the three surveys. Such richness is welcome, but as with any attitudinal survey also carries dangers of mis-interpretation or over-interpretation of findings. The relationship between expressed attitudes and actual behaviour is a problem requiring validation through triangulation with other evidence. Questions involving past attitudes invoke problems of recall and may require comparison with longitudinal data covering the same topics. This indeed is the design of the study with two rounds already convened in Australia and the Netherlands, and tested in the Dutch paper (Nieboer and Gruis, 2014b). A further potential problem arises with questions about the future, where perspectives may vary from the optimistic to the pessimistic. Again, a key purpose of Delphi is to reduce such biases by allowing mutual adjustment of views by playing back group views to individual participants. This may introduce a further danger of groupthink, and there is certainly a hint of this in the strong aspirations for diversification in a number of different directions by the Australian panel despite (and perhaps because of) current resource constraints. A more negative groupthink arises concerning future prospects of Dutch HAs, despite a mature asset base on a massive scale in comparison to the situation of Australian CHPs. In this context pessimistic views belie an apparent advantage in opportunities to work those considerable assets, even in the face of state imposed constraints and taxes.

Juxtaposition of responses to the three national surveys provides an indication of patterns of convergence and divergence and led to the development of plausible hypotheses regarding underlying processes, such as the one used in this paper on relationships with the state. The research team first approached this task by writing short commentaries on frequency comparisons drawing on their own knowledge. However, fuller interpretation is dependent on a deeper understanding of context and our account therefore begins with a contextual comparison based on literature review. In an iterative process a richer account of findings informed by and corroborated with panel members can emerge. Interpretation of such data still needs to be approached with caution. A fundamental strength of the Delphi methodology is the use of follow up discussion with panel members to corroborate and test out hypotheses developed from the preliminary analyses of survey responses. For example in this study we were able to explore in follow-up interviews the

extent to which the move away from an exclusive focus on low income groups was the product of state direction or organisational strategy in Australia and England and similarly to understand the reasons for the shifting back of Dutch HAs to a clientele with below average incomes. In a further round of corroboration we will be seeking views of panel members on the interim account set out in this paper and build in responses to our final reports.

Interpretation of comparative data can be further strengthened by carrying out more in-depth national analyses, combining the scaled data responses with panel member interviews and related case studies drawing on wider data. Further depth studies of this kind are planned including those tracking current strategic decisions reported by panel members as part of the survey. In the short term the comparison in this paper has been informed by the two related papers drawing in the Dutch and English surveys and the report in progress on the Australian panel results. Insights from these deeper studies have informed our account of the relationship between non-profit housing and the state in several ways. The English paper (Mullins and Jones, 2014b) drew our attention to the need to distinguish between material links with the state such as resource dependency, regulation and policy drivers and more ideological connections including public ethos on the one hand and oppositional stances on specific public policies such as welfare conditionality on the other. The Dutch paper (Nieboer and Gruis, 2014b) in turn highlighted the power of public policy drivers over even a mature and supposedly independent sector, and the subtle relationship between a public policy drive back to a social housing clientele and a commercial drive into a narrower property based model similar to that depicted by Walker (Walker 2000) in relation to English HAs in the 1990s. Meanwhile the forthcoming Australian report (Milligan et al 2014) will investigate the apparent gap between aspirational strategies and anticipated state and organisational resources to deliver them, the absence of similar public policy supports to those that drove the earlier growth of Dutch and English sectors, the viability and terms of potential opportunities for public housing stock transfers and in another layer, not discussed in this paper, the impact on organisational strategies of variations between state level policies for housing in Australia's federal system.

#### Interim Conclusions on the role of the state

Some consistent patterns appear to exist within the five clusters of questions covering broadly similar and related areas.

The evidence on values suggests a level of buy-in by organisational leaders to the notion of independence from the state and the development of discourses aligned to ideas of enterprise (although social enterprise discourses appear less entrenched in housing than in other fields). However, there is variation within and between panels about how separate leaders see their organisations from government, and there are distinctions between public values in general and opposition to specific public policies. What comes across more strongly is that many panel members still see their organisations as primarily social purpose rather than purely business. This is an interesting indication of a more complex transition than a simple move from state to market. This is unlikely to have happened had there been more direct privatisation of social housing to the for profit sector.

Evidence on regulation and state direction suggests that these organisations still experience quite high levels of state control over their income stream and customers; particularly through rent setting and allocation policies but also through subsidies, with personal housing allowances underpinning income. Increased taxation of HAs is a particularly strong driver in the Netherlands, while welfare reform has been the biggest driver in England. There are different experiences in relation to regulation and accountability, but business regulation has been an important recent influence in

England and Australia. While different in form to regulatory regimes in the other countries, restored state control over Dutch HAs allocation policies is a strong regulatory pressure.

While English and Australian sectors continue to embrace wider social welfare aims, and Dutch HAs are shifting away from them it is difficult to interpret the significance of social welfare in relation to the hybrid model. Strong social welfare policy specialisms are as relevant to civil society/community dimensions of hybridity as to state. Evidence of contestation around welfare conditionality in English follow up interviews suggests need to separate general public values from approaches to specific policies.

There is strong evidence here that government policies are driving cross subsidy approaches in England and Australia, while they are undermining them in the Netherlands. Organisations may have their own strategies and motivations for diversification or 'shifting back' but it is hard to argue that these strategies are not affected by state policies such as the National Affordable Housing policy in England, the limitations of the proportion of new tenancies to be let to households with above minimum income thresholds in the Netherlands or the roll out and roll back of SHI and NRAS in Australia.

These patterns lead us to conclude that despite the rhetoric of independence from government and the discourse of social enterprise, the relationship of these hybrid organisations with the state has been one of the key influences on their scope for action and hybridity in each country studied.

#### Interim conclusions on convergence and divergence

Stable patterns of national difference appear to exist within the data which in turn reinforce our interim conclusion that state drivers still have a significant impact on hybrid non-profit housing organisations. The strikingly different recent trajectories of the Dutch sector on the one hand and the English and Australian sectors on the other can be explained to a large extent by the relationships between these hybrid organisations and the state.

The Dutch retreat from a market hybrid model may be in part be explained by the impact of the GFC on its asset value and on well-established cross-subsidy approaches. However, the more dramatic aspects of the recent shifting back appear to be more related to shifts in public policy towards the sector following its reduced legitimacy with politicians in the Hague and associated European competition challenges that have seen prescriptions on client groups, heavy taxation of surpluses and the prospects of more to come.

The Australian sector has rapidly embraced the identity of market hybridity, perhaps mainly as a response to the drying up of state resources that had promoted its recent growth. However, its potential to realise this identity appears to be out of line with existing capacity. The absence of the role played by the state over a long period in both England and the Netherlands in enabling such capacity to be built up appears to be the major factor in this gap between aspirations and resources, and it seems unlikely that public housing transfers on the terms currently envisaged will do much to bridge this gap.

In England the steadier advance of market hybridity has been stimulated but challenged by changes in state strategies in relation to welfare reform, new development funding and welfare conditionality. The diverse character of English sector appears to have been retained in face of these changes. From these comparisons it appears to be the least isomorphic sector, with greater variations of response to many questions in the survey and a clearer clustering of groups of organisations around public or private value or civil society positions.

In an earlier summary of the policy implications of the growth of hybridity (Mullins et al 2012) we cited Koppell's (2001) analysis of housing hybridity in the US mortgage giants Fannie Mae and Freddie Mac. These hybrids had become monstrous because although created by government, they became increasingly difficult for government control. Koppell cautioned governments against creating 'independent political actors with potential influence greater than most institutions public or private' (ibid p. 478). From our analysis of a different category of housing hybrids in three countries it would appear that these fears are far from being realised in social housing. State influence and control remains a key factor limiting the scope and action of these hybrids.

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