

# Housing Associations Incorporating the Value of the Social Enterprise Sector



## Briefing Note

Kevin Maton and Helen Ryman, July 2011

### Context

This briefing note sets out some of the key developments and sources of information relevant to West Midlands Housing Associations (HAs), following the meeting led by Social Enterprise West Midlands (SEWM) and Trident Housing to identify ways that HAs could work with social enterprises to achieve mutual value.

The meeting revealed a keen interest in building on a range of good examples of social enterprise development in communities, many of which had been backed or led by Housing Associations from the region. By recognising the contribution of the social enterprise approach, HAs can strengthen their operating model as well as address complex issues facing disadvantaged communities.

Opportunities exist to:

1. Facilitate social enterprises in communities
2. Buy in social enterprise as part of the supply chain
3. Set up and launch social enterprises

Housing Associations are often highly regarded within the communities they serve and are especially well placed to achieve social and economic goals that are part of the core mission of social enterprises. This overlap of values can be utilised by HAs in developing a social enterprise approach and create long-term financial stability and opportunities within the communities they are housing. SEWM will respond to the demands of Housing Associations and also welcomes investment in providing services of value to the sector.

### Why the renewed focus upon social enterprise?

The timeliness of the meeting was illustrated by a number

of recent media events, including an Inside Housing article featuring examples of links between HAs and social enterprises. Further, a report from ResPublica “At the Crossroads a progressive future for housing associations” (April 2011, sponsored by the Matrix Group of Housing Associations) reinforces the view that many housing associations are now looking more widely at opportunities that go beyond simply supplying social housing. Various tried and tested examples are given.

**One key reason for acting now is the financial and professional capacity within HAs that can very effectively support community development initiatives using social enterprise as a key mechanism for value and efficiency.**

This at a time when there are significant cuts in direct financial provision to community-based organisations. At the meeting, the SEWM presentation referenced examples of the types of support that HAs could give – e.g the transfer of redundant assets or assisting with back office services.



## Examples

### Practical Support for Local Voluntary Groups

The ResPublica report comments:

“Many housing associations already have a history of such partnership working - in particular where they are involved in care and support. Some are taking this forward by formal alliances. South Yorkshire Housing Association have made a specific decision to try and support the development and growth of local community enterprises within their area of operation. SYHA are also currently in discussions with FareShare - the community food network which won the Britain's Most Admired Charity award last year – about them joining their group”

### Back office support: new 'fiscal sponsorship' models

Within the West Midlands new approach are emerging: “The Accord Group of housing associations provides a range of back office support services to local business operating within its area. It is looking to radically expand its offer by creating capacity for the UK equivalent of a US-style “fiscal sponsorship” business within its group, extending that back office support to many more smaller groups, providing a single charitable registration, and through that breaking down barriers to local community and social enterprise.”

Such an approach at a time of public sector 'cut-backs' may reduce overhead costs and allow more of these local 'Third Sector' organisations to continue working in communities.

## Overcoming barriers to complex neighbourhood and business issues

The meeting discussed barriers to incorporating social enterprise value. One key barrier to taking forward an expanded role with the social enterprise sector is being able to demonstrate the benefits of this approach to often hesitant Housing Association Boards. And then identifying the means to utilise those resources and apply them to social enterprise development whilst leaving HA Finance Officers feeling relatively confident and reassured.

No easy task according to many!

The great thing is that in the West Midlands, there are already examples of Housing Associations linked to a wide range of such initiatives: the management of community business centres and schemes to increase economic activity in the community.

At the meeting Debbie Roberts (from EPIC CIC) and Marie Green (Bromsgrove Housing Trust) illustrated the highs and lows of starting a social enterprise in a deprived community. They demonstrated how the skills, finance and facilities of a housing association were able to act as a source of additional capacity to help build new social enterprise opportunities and support the growth of the community served by Bromsgrove Housing Trust.

### Building on these case studies and disseminating this information more widely through a dedicated network of interested HA staff is one way of tackling any inertia that may exist in expanding the role of social enterprise in the work of housing associations.

SEWM have developed an Ambassador Programme (housing-specific brochure also available) which equips housing association staff with enhanced knowledge of social enterprise structures and experience. Ambassadors become the basis for promoting the benefits of this approach more widely within associations.

Housing associations Accord and Trident are already starting the programme, as part of their ongoing commitment to the sector and desire to 'up their game' in relation to enterprise within their organisation.



## Social Enterprise West Midlands as a resource and development partner

SEWM outlined its role as a trusted development partner for housing associations, whatever their social enterprise framework. SEWM is able to work with key housing associations to find ways to collaborate more closely, share innovations and experience, raising awareness and influencing local policy and networks.

SEWM can assist in developing a collective approach that provides firmer foundations for the development of social enterprises in communities. Increasing this type of work is essential at a time when resources to support community economic development and the regeneration of neighbourhoods are diminishing at an alarming rate. A number of Housing Associations have decided to engage initially by becoming a Founder Member of Social Enterprise West Midlands CIC. Details here. Requests from Housing Associations. The issues discussed by the housing associations can be summarised in three strands of work that SEWM can assist in delivery.

### 1. Facilitating social enterprises in communities

For example, in assisting with Business Skills and Finance – using HA expertise and contacts to aid social investment and provide support and training in financial and investment management for social enterprises. Also Community Capacity Building - working with residents and the community to identify problems and develop solutions which may be addressed through setting up a social enterprise – as with the EPIC example.

### 2. Buying in social enterprise as part of the supply chain

As major procurers of construction related activities including repairs and maintenance HAs can open up contracting opportunities for existing social enterprises. They can collaborate in placing contracts to enable a sufficient market to be established for a range of contracts and services and housing associations can create new enterprises to procure services such as child care or estate maintenance. For example, Trident Housing have worked with the social enterprise Jericho on grounds maintenance and catering, aligning values to ensure that tenants have a higher level of customer satisfaction. SEWM has developed [www.buyse.co.uk](http://www.buyse.co.uk) the first national

Social Enterprise Business Directory that will assist housing associations to identify social enterprises that could be part of their supply chain.

Also the buySe website has a tender alert facility and it is hoped that housing associations will use this to advertise contracts suitable for social enterprise suppliers.



### 3. Setting up and launching social enterprises

Setting up a social enterprise to address opportunities in an area or to support the aims of the Housing Association such as the example of Aspire Housing and PM Training (see Inside Housing Article). And see the Guardian article - the Futures Housing Group.

SEWM will respond to the demands of housing associations and also welcomes investment in providing services of value to the sector. Contact details are below to discuss any area of social enterprise interest and how SEWM can partner your development needs for the benefit of your association, tenants, social enterprises and other customers and stakeholders.

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