

Housing Associations Incorporating the Value of the Social Enterprise Sector



Briefing Note

Kevin Maton and Helen Ryman, October 2011

Introduction

There are close to 150 Housing Associations (HAs) in the West Midlands, spending hundreds of millions of pounds on housing services (£266m of direct economic output according to a 2008 RTZ Study) with additional spend through associated services and the construction of new dwellings.

Yet the role of social enterprise and social investment in these activities can remain hidden or poorly understood, despite HAs engaging in valuable work and the recent attention given to the topic by Government, policy makers and the media.

At Social Enterprise West Midlands (SEWM) we have long recognised the potential of HAs to play a crucial and positive role in assisting the development of the social enterprise sector. It was a clear element of our 2010 Prospectus for social enterprise in the region – The Time is Now (www.socialenterprisewm.org.uk/services/time-is-now).

Following a series of meetings with individual associations in June 2011 SEWM and Trident Housing held an event for Chief Execs of Associations and other senior staff to identify ways that HAs could work with social enterprise (SE) to achieve mutual value

Through the meeting it was recognised that, by further engaging with the SE sector, Housing Associations could strengthen their operations as well as address issues facing their tenants and the often disadvantaged communities where they work.

Opportunities exist to:

1. Facilitate Social Enterprise Development on communities
2. Buy in social enterprise as part of the supply chain
3. Set up and launch social enterprises as part of HAs direct service provision

A reminder - why HAs have a crucial role

Associations already have a major presence in communities, many of which have a range of disadvantages and deprivations. The property based assets available to HAs, their diverse business skills (managing people, training, financial investment) and neighbourhood and partnership working experience make them well placed to foster and support social enterprise activity.

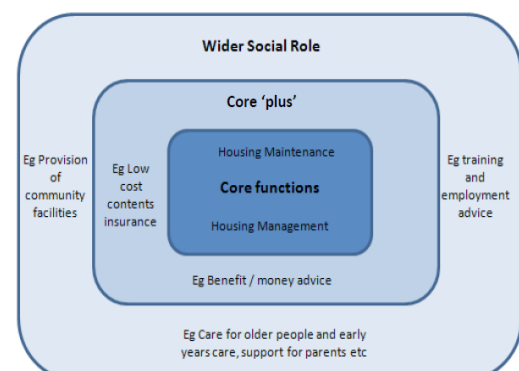
Housing Associations can add value to local places – through engaging with residents to more directly address their economic circumstances, where skills development and social enterprise support can really make a difference. This in turn can become a virtuous circle in ensuring that rent receipts are maximised.

Engaging with the Social Enterprise agenda helps:

- Contribute to the sustainability of communities
- Achieve longer-term and sustainable outcomes

The diagram below summarises the sorts of activities that moves a Housing Association from concentration on just its core functions and exemplifies the potential of a 'Wider Social Role'.

Figure 5.2: A Rationale for Housing Associations Wider Activities?



Source: Based on discussion with Orbit Group on the rationale for housing association involvement in different core and non core activities

One example - Residents Services Organisations (RSO)

Across the UK there are examples of HAs establishing RSOs – an investment in communities that can create jobs and empower residents. These RSOs have:

- Improved local services by directly providing those services;
- Tackled unemployment by providing jobs and training;
- Empowered communities through community led management and governance

Services provided could include:

- Painting and decorating
- Inspections and minor repairs
- Horticulture and gardening services
- Furniture/household goods repair and recycling

Recent Activity

Following the CEOs meeting, SEWM has continued to work with the sector, looking for opportunities to develop the 'social enterprise message' and to support organisations looking to develop their activities in this area. A number of associations have undertaken an Ambassador Programme (www.socialenterpriseism.org.uk/services/ambassador-programmes/) providing key members of their staff with in-depth knowledge about the social enterprise business model and finding out first-hand how social enterprises operate.

A round-table event at the recent National Housing Federation Conference explored the future of social enterprise and social investment and the importance of awareness/measurement, scale and contribution to sustainability (Human City News Release, 20.09.11).

Regional Practitioner Network

One of the significant developments arising from this recent activity is the (re) establishment of a network of practitioners in social enterprise from within Housing Associations. Led by SEWM and the NHF, the network will bring together HA staff with common professional interests and knowledge needs, to share information, resources and comparative experiences. The network will be an important means to exchange current thinking and experiences, as well as to compare practices within different HAs and their partners.

One of the key tasks for the network will be to identify the most effective ways to sustain such a best practice network and develop it so that it supports those in Housing Associations (and their partners) to unlock the

opportunities that social enterprise can offer.

Using the contacts of SEWM and their partners, an additional aim is to help facilitate collaboration between HAs and other agencies to 'spread the SE word' and provide them with relevant knowledge and support.

Through the HA Practitioner Network we will share experience and expertise so as to be able to:

- a) Encourage greater understanding of the role and value of social enterprise and thereby stimulate the market for products and services
- b) Develop HAs as part of an integrated business support infrastructure to encourage the creation and sustainability of social enterprises
- c) Assist collaborative working between agencies and social enterprises and work to open up new markets, develop innovative approaches, products and ideas in a cost effective way.

The infrastructure that already lies within Housing Associations

A starting point for the next stages of working with HAs will be to identify the infrastructure that already exists and available through HAs existing work. Some examples are given below:

Procurement

As major procurers of services – facilities management, technical and construction, repairs etc – HAs can influence the nature of their local market. Advertising tender and contract opportunities through www.buyse.co.uk will enhance these opportunities.

They can also look to create new enterprise opportunities such as child care or horticulture that support their overall business.

Business skills and finance

Through their financial systems, understanding of risk and investment readiness, and contacts with funders – HAs can assist by making available this financial expertise to assist development of social enterprise. Investment readiness is an often reported weakness within the SE sector and HAs could assist in finding ways to address this through their own in-house provision.

Asset transfer and incubation space

Physical assets such as redundant offices and land can be of critical importance to stimulating the development or sustaining social enterprises. Importantly, they create an asset base over time, against which additional investment can be raised and may provide a significant income stream. Housing Associations can both look at their existing physical assets and, in their planned developments, build in facilities, such as incubator space, to support businesses in the community.

Community investment and residents services organisations (RSOs)

Housing associations have the capacity to establish RSOs to invest in communities to create jobs and empower residents.

Conclusion

The Guardian Housing Network on 17 October posed the question:

“Should Housing Associations be offering tenants support with health, finance and getting back to work as well as a home?”

All the evidence suggests that Housing Associations are in a very strong position to play a crucial role in the communities where they are significant providers of housing.

This is at a time when the need for such support is rising because of the current economic situation, but provision is becoming more limited because of public service cutbacks.

This briefing note has identified some of the ways that HAs can be proactive in their communities, creating added value for their tenants and partners and achieving benefits for their own operations, procurement and sustainability.

The next step is for Housing Associations to tap into networks where they can explore how to unlock these opportunities, identify the resources already at their disposal and the support that they are likely to need to make social enterprise thinking a reality.

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