

Investing in the Future

Social Investments in Social Housing Communities

A Strategy for the Landlord Services Division
September 2015



Investing in the Future

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Foreword



Donald Hoodless
Chairman



Clark Bailie
Chief Executive

The Housing Executive has a proud record of supporting our local communities' development, and in assisting them build safe, stable and cohesive neighbourhoods.

Each year, we have renewed our efforts to deliver quality housing services which add value for our tenants, and assist them in addressing the difficult issues which affect their quality of life. We have welcomed the increasing contribution that tenants make, particularly through the Housing Community Network and the recently introduced Scrutiny Panels, and their assistance in the delivery of excellent housing services and to our improving performance, witnessed most recently by the award of the Customer Service Excellence Standard.

Yet, we are conscious that those same communities remain the most likely to be those which are socially disadvantaged and often excluded from the wider economy. We are also mindful that the Northern Ireland Assembly's Programme for Government strongly encourages public agencies, such as the Housing Executive, to help build a sustainable economy and invest in social enterprise for the future.

In response to the challenges being experienced by our communities which continue to constrain their growth and renewal, our Landlord Services Division will now implement a new strategy which will provide support to our social housing communities and help them become more self-sustaining and economically vibrant.

The Strategy, to be realised over the next three years throughout Northern Ireland, will complement our existing programmes of support for community involvement, community safety and community cohesion. It will provide additional finance and the other resources at our disposal for investment in the development of the local social economy, and in the creation of community-owned Social Enterprises.

Social Enterprises are businesses, operating on a sound commercial footing, which return their profits to the communities within which they operate, and help build social capital and social value for their residents.

The impacts of our social investments will help to transform local social housing communities, and the lives of the individuals and families within them, by increasing inward investment, creating new and innovative self-sustaining development opportunities, and improving life chances.

Social housing enterprises can create employment opportunities for those who might otherwise remain unemployed, invest in community-based projects, act to protect or improve the local environment, and provide services which are important and accessible for those who might not otherwise get them.

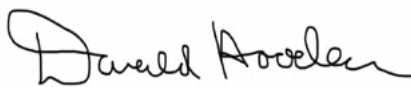
The aim of the Landlord Services' Social Housing Enterprise Strategy is for communities to improve their health and well-being by investing in their social housing enterprises and in identifying the opportunities for growth of the social economy sector within our estates and communities. Individual social entrepreneurs from within those communities will also have the opportunity to seek investment support from our scheme.

You will see in the following Strategy document the outline development and Investment Plan's timetable, and the finance and other resources that will be made available to deliver this important new strategy.

The Strategy will be initiated in the coming year. We will also, at the same time, build a strong working relationship with the key stakeholders in the social economy sector, raise awareness of the opportunities that the Strategy's investment plan offers communities and their local social entrepreneurs, and make social investment finance and other assets available to social housing communities throughout our housing stock.

We are confident that by undertaking this new role, we can build and grow locally-owned and managed businesses that will bring real and sustainable benefits and transformational change to local communities and their residents.

We wish all our communities well, and hope that they will support our aims in building the local social housing economy, and will bring forward their business ideas when we invite investment applications in the very near future.



Donald Hoodless
Chairman



Clark Bailie
Chief Executive

- 1.1 The Housing Executive's Corporate and Business Plans 2014/15 - 2016/17 and, in particular, the Corporate Objective 5 "Enabling Sustainable Communities", and the Landlord Services Division's Objective 3 – Fostering Vibrant Communities – has the focus "on creating safe, welcoming, and supportive and active neighbourhoods".
- 1.2 The Objectives' supporting delivery plans highlight key service areas for action, including the creation of sustainable futures for local social housing communities within the Housing Executive's stock.
- 1.3 In the Housing Executive's Excellence Strategy for 2014 - 2017, Customer Service Excellence is placed at the apex of the Organisation's Excellence Framework for delivering excellent services, supported by the other two key platforms of Business Excellence and People Excellence.
- 1.4 Acknowledging these critically important strategic strands, the Landlord Services Division continues to play a critical part in achieving excellent Customer Services, and in the development of stable and sustainable local social housing communities throughout Northern Ireland.
- 1.5 In particular, within the overarching objective of supporting the development of stable and sustainable communities, Landlord Services Division has drawn up a number of key strategies and action plans which are being implemented and their intended outcomes realised.

In each of these strategies - the Community Involvement Strategy (2014), the Community Safety Strategy 2012 - 2017, and the Community Cohesion Strategy 2015 - 20 - Landlord Services Division continues to work strenuously to impact positively on those corresponding aspects of each of those Strategies which impact so evidently on the quality of life being experienced by our tenants and their local communities.
- 1.6 Each year, the Strategies commit funding and other resources in support of their respective strategic objectives: in effect, providing social investment funding and support.
- 1.7 **Programme for Government**

The Northern Ireland Assembly's Programme for Government 2011 - 15 relates directly to the work of the Housing Executive and, in particular, its strategies and programmes aimed at improving the health and wellbeing of its communities.

Importantly, the Landlord Service Division's Business Plan's strategic and business objectives have relevance to each of the Assembly's four Programme Priorities:

- Priority 1 – Growing a Sustainable Economy and Investing in the Future
- Priority 2 – Creating Opportunities, Tackling Disadvantage and Improving Health and Wellbeing
- Priority 3 – Protecting Our People, the Environment and Creating Safer Community
- Priority 4 – Building a Strong and Shared Community.

- 1.8 For the purposes of this Strategy, our focus is on the Priority 1 Objective and its key commitment to:

“Invest in social enterprise growth to increase sustainability in the broad community sector”

and its associated Output/ Milestone:

“Baseline existing social enterprise activity with the voluntary and community sector in Northern Ireland, and identify opportunity for growth”.

- 1.9 Acknowledging the Programme for Government's emphasis on the inter-relationship between each of its Priorities and the need for all Government Departments (and public bodies) to recognise these connections and to build on them, the Landlord Services Division has brought forward a further strategy which will complement the other housing strategies which impact positively on the Housing Executive's social housing communities.

1.10 **The strategy for the Landlord Services Division**

In bringing forward this new strategy, the Landlord Services Division will be working to support and sustain its social housing communities, and, thereby, sustain the individual households and social housing tenancies within them.

The Strategy will also work to support the creation of self-sustaining and economically vibrant communities through the development and implementation of local social (housing) enterprise initiatives: **the Social Housing Enterprise Strategy.**

What is Social Enterprise?

- 2.1 While the concept of social enterprise has been around since the creation of the Co-operative movement in the mid-nineteenth century, there has been a significant resurgence in recent years and particularly in recognition of the potential social and economic benefits it can bring to communities.

These can be especially valuable to communities suffering long term social and economic deprivation, and which are under significant housing stress.


- 2.2 Importantly, Social Enterprises are businesses which are set up to act commercially in order to earn income and make profits like any other business. They can come in many shapes and sizes, from small local businesses to multi-million undertakings. However, they do differ from both conventional businesses and charities in a number of important ways.

Social Enterprises trade to tackle social problems experienced by and within communities, and to deliver socially beneficial outcomes of economic, social or environmental value to those communities; locally, regionally or nationally.

- 2.3 These outcomes will involve impacting on different aspects of individual communities' circumstances and experiences by, for example, improving its structural arrangements and capacity to act for the common good, increasing people's life chances, attracting more inward investment, providing for sustainable (communal) wealth, or improving the environment.

Such intended impacts will be evident in both the businesses' stated purposes that are to be carried on, and through the reinvesting of the profits being generated for socially beneficial outcomes. Existing social enterprises have been successful in creating jobs for people who might otherwise remain unemployed; in investing in community based projects; in protecting or improving the environment; and in providing services which are important and accessible for those who might not otherwise get them.

- 2.4 The report by PricewaterhouseCoopers (PwC), commissioned by the Department for Enterprise, Trade and Investment (DETI) and the Department for Social Development (DSD), "A survey of Northern Ireland's third sector and its potential to become more enterprise driven" (May 2013), usefully provides a definition for a Social Enterprise.



**“Social Enterprises
trade to tackle
social problems...”**

The definition below has received general agreement from the Voluntary, Community and Social Enterprise sectors in Northern Ireland:

It is: **“A business with primarily social objectives, whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profits for shareholders.”**

Interestingly, the DETI uses a further definition which adds insight into the form and purpose of intended Social Enterprises:

“Organisations that have a social, community or ethical purpose, operate using a commercial business model and have a legal form appropriate to a not-for-profit status.”

- 2.5 Developing the understanding and applicability of these definitions, it is noted that the following are recognised as the key characteristics of a Social Enterprise throughout the United Kingdom.

It should:

- have a Social Mission, with social/ environmental goals
- be at least 50% community-owned
- understand the needs of the community it serves
- be accountable to it, other stakeholders and consumers
- be under the control of a voluntary board
- add social value, and make a social impact
- be profitable from selling goods and services
- cover its own costs in the long-term (although like any business, it may need help to get started)
- put at least half of any profits back into the community/ making a difference
- pay reasonable salaries to its staff.

Also, critically, it will:

- not make profits for shareholders
- not be sold for private gain
- not make its owners wealthy
- not rely on volunteering, grants or donations to stay afloat in the long-term (though again, it may need some form of help occasionally).

- 2.6 Consequently, in its principal purposes and characteristics, whether social, economic/ commercial or environmental:

A Social Enterprise’s outcomes and impacts should grow social capital and create income streams/ profit which can better sustain community and social infrastructures. They should lead to transformational and sustainable change.

- 2.7 The benefits of employing a Social Enterprise approach to community-led social, economic and environmental regeneration, and in building the local social economy, are in:

- Addressing evident social need, while reducing social exclusion
- Supporting more sustainable community outcomes, including within other key housing strategies and policies
- Helping improve the overall skills and capacity within the target communities
- Providing commercial activity where little or none were previously, while raising opportunities for employment
- Enabling community led rejuvenation and renewal, alongside enhanced social and community environments and structures
- Supporting the development of social entrepreneurial-ship within local communities.

2.8 Both Invest NI and the PwC report referred to earlier identified that the three top goals of social enterprises in Northern Ireland were to:

- Enhance community
- Assist people into employment
- Improve the environment.

In addition, the top three most common single purposes of social enterprises were:

- Community development
- Education and training
- The arts.

2.9 Concepts and Ideas

For ease of reference and to better understand the concept of Social Enterprises, and their intended contributions to wealth creation and the development of the social economy within local communities, a glossary of associated terms and concepts which help shape and inform the social enterprise agenda has been drawn up and is at [Addendum 1](#) attached.

2.10 As indicated earlier, there have been a significant number of social enterprise initiatives across the rest of the United Kingdom over a considerable number of years, and, importantly, there is an increasing range of social enterprise initiatives underway in Northern Ireland.

Indeed, there is a very evident Social Enterprise sector developing within Northern Ireland which has the involvement of statutory, voluntary and community organisations, and been supported by public, lottery and philanthropic funding.

2.11 Yet, while it is recognised that there are a number of successful enterprises which have been grown here including in social housing communities, there is little evidence that the development of social enterprises in Northern Ireland has had extensive and sustainable impacts on social housing communities generally.

2.12 While Social Housing Enterprise has only recently come to the fore within the Housing Executive's strategic priorities, it will be embraced fully as an integral part of the Landlord Services Division's Journey to Excellence, its strategic priorities, the actions being undertaken in creating a Build Yes service and delivery environment, and as a further element in the leadership role which the organisation has, historically, offered to the communities it serves.

Strategic Context for Social Housing Enterprises

- 3.1 As indicated earlier, the development of a social economy in Northern Ireland through the provision of support to local enterprise is a priority within the Northern Ireland Assembly's "Programme for Government", and is a key driver for social enterprise development within the statutory sector.
- 3.2 Also, flowing from the Priority 1, the Dept. for Social Development (DSD) has the strategic lead on the development of the Social Enterprise Sector in Northern Ireland, and is funding a pilot initiative within the voluntary and community sector here to examine the policy and practice issues associated with social enterprise activity.
- 3.3 The Department also intends, through the Social Housing Reform Programme's proposals, to support the introduction of "extended services' delivery and the provision of the best possible services to tenants and communities which would have positive impacts on people's lives and their communities". With the aim of achieving those impacts, it promotes the use of innovation and the creation of "new opportunities".
- 3.4 In addition, there are other important factors and drivers for change which now need to be taken into account in the development of the social economy and the social enterprise sector in Northern Ireland.

These factors include the significant structural changes in local government already underway within Northern Ireland, with the implementation of the Reform of Public Administration and the advent of the 11 new (Super) Councils. The Councils are responsible for Community Planning, and the introduction of Social Enterprise within their areas from April 2015.
- 3.5 For the Housing Executive, supporting the development of vibrant and sustainable local social housing communities throughout its housing stock will contribute to its strategic objectives in Sustaining Tenancies (2011), developing service delivery into areas which are customers want, and in maximising its asset management. The Sustaining Tenancies Strategy acknowledges that economic vulnerability and complex social needs are often at the heart of the most disadvantaged communities and, consequently, contribute to tenancy breakdown.
- 3.6 Finally, there is need to build on the success of the neighbourhood renewal and regeneration programmes in recent years by investing in the social and economic development within those social housing communities.



**“Social Enterprises
have a social, community
or ethical purpose...”**

3.7 **Legislative Authority**

The Housing Executive, exercising its legislative authority from Article 28(1) of the Housing (NI) Order 1981 and Article 15 of the Housing (NI) Order 1988, has a long and valued record of providing revenue and capital investments to both community and voluntary sector organisations to support housing services development and delivery in Northern Ireland. These have been through local and regional initiatives, and often in strategic partnerships with other statutory bodies.

3.8 In line with the Landlord Services Division's key Strategies and Objectives identified earlier, those past investments have provided support and capacity building to local housing communities with the aim of helping them deal with the significant housing and social challenges facing them, as well as improving their relationship with the Housing Executive and other key agencies.

3.9 The resource support provided to communities and community-based projects has increasingly been geared to supporting the realisation of key strategic objectives; particularly through the Division's community-focussed strategies and action plans aimed at Involvement and its associated tenant participation and capacity building initiatives; Cohesion and in countering inter-community division and hate crime; and Safety, in which issues such as addressing the fear of crime and anti-social behaviour are central.

3.10 While it is acknowledged that the Landlord Services Division has previously engaged, through the provision of funding and other support, in local initiatives which could now be described as involving social enterprise activity, those initiatives have largely been small scale and without a strategic context underpinning their development and support.

The new Social Housing Enterprise Investments Scheme resulting from this Strategy, and detailed later, will be in addition to the Landlord Services Division's existing funding vehicles.

3.11 Critically within the communities served by the Housing Executive, there remain the profound issues of social and economic deprivation, and financial exclusion.

There are also the difficulties they experience in attracting inward investment which could contribute to their individual and collective health and well-being, and lead to meaningful improvement in their quality of life.

3.12 While social enterprises can be deployed in all manner of communities and tenures, urban and rural, it is likely to have a particular resonance within Social Housing Communities, as they, historically, are the most likely to be among the most socially and economically deprived, and the least likely to have received any meaningful "trickle-down" impact from the commercial activity in the wider economy.

The lack of any real and sustainable “trickle-down” effect from the wider economic activity illustrates a classic system failure; where non-community based enterprises produce little lasting social value for those communities in most need of investment and rejuvenation.

- 3.13 Recognising that these factors act as social and economic inhibitors, and constrain, if not prevent, the communities’ development and in becoming self-sufficient and sustainable, Landlord Services Division proposes to implement a strategy which will support Social Enterprise within social housing communities across Northern Ireland.

In this developing social business environment, the Landlord Services’ Social Housing Enterprise Strategy will be about helping local communities help themselves.

Key Drivers:

- Programme for Government
- Social Housing Reform Programme
- Reform of Public Administration
- Landlord Services Corporate and Business Plan Objectives
- Sustaining tenancies and communities
- Creation of socially and economically vibrant communities.

Landlord Services’ Social Housing Enterprise Strategy

- 4.1 The Landlord Services Division is bringing forward this strategy to introduce social enterprise activity within its social housing estates, and may well take up to 10 years to implement fully..

The Strategy will, over its initial 3 years, be aimed at supporting those communities within the Housing Executive’s social housing estates which already have properly constituted and representative community organisations, or are in the process doing so.

- 4.2 In addition, where individual social entrepreneurs are identified in need of support, they would also be considered within the Strategy, subject to their connection with local communities, and their social business model being satisfactory and in line with the Strategy’s objectives detailed below. Similarly, “external” social enterprises providing specialist services required within social housing communities would be considered.

- 4.3 The **Social Housing Enterprise Strategy’s Mission** is for:

The development of economically vibrant and self-sustaining Social Housing Communities through community-led social housing enterprises,

and with its Strategic Objective being:

To implement a Social Housing Enterprise Strategy which creates Social Capital and Social Value.

- i) **The Strategy’s Supporting Objectives** are to:

- Develop local social (housing) enterprises and social entrepreneurs
- Support them to access the funding and business support they require to generate wealth for their social housing communities
- Create opportunities for social enterprises to delivery key outcomes which impact positively on the well-being within those communities and neighbourhoods
- Encourage and facilitate partnering arrangements with other key stakeholders to optimise local social housing enterprise initiatives and outcomes
- Encourage and support the Social Enterprise Sector in Northern Ireland to grow within social housing areas in order to build sustainable neighbourhoods.

“... a Social Housing Enterprise which creates Social Capital and Social Value.”



- ii) The related **Strategic Outcomes** and intended **Social Impacts** will be that:
- Social Housing Enterprises and Entrepreneurs will help to transform local communities and hence improve people's lives and well-being
 - The Social Value of Housing Executive resources and assets will be known, optimised and profiled
 - The (Key) Skills and knowledge necessary in carrying on social housing enterprises will be known and developed as a toolkit, and its learning delivered to both Housing Executive staff and Community organisations
 - The key characteristics of social entrepreneurial-ship will be understood and the skills imparted to the benefit of local communities
 - The Social Enterprise Sector will be comprehensively mapped, strategic relationships built upon, and investment opportunities maximised.

- iii) Also considered critical for the Strategy is for its supported initiatives to consider, and then evidence, their intended Social Impacts from the outset. To ensure that these impacts are identified and ultimately tracked, it will be essential that each potential social housing enterprise has that community's baseline conditions established and recorded prior to any funding being awarded.

The lessons and insights from the recently introduced Inspiring Impacts agenda in Northern Ireland, and from its Funders' Demonstration Programme on which the Landlord Services Division participated, will be used to highlight and monitor the impacts of the Social Housing Enterprise Strategy in each of the supported local community-led initiatives.

- iv) The Strategy's Objectives, Outcomes and Planned Impacts are summarised at **Addendum 2** attached. These will be kept under review and updated regularly throughout the lifetime of the Strategy.

4.4 **Partnering and Partnerships**

Acknowledging the inherent complexities in supporting economically depressed and socially excluded communities' endeavours to develop social enterprises, it is very evident that the Strategy could not be fully realised without close working and partnering relationships with the other key stakeholders within the Social Economy and Enterprise Sector in Northern Ireland.

Those partnerships will provide invaluable support in accessing essential skills training in areas such as organisational efficiency, business planning, finance management, managing people, and planning and delivering activities for the individual social enterprises.

- 4.5 In the course of drawing up this Strategy, a number of those key organisations were identified and a series of meetings initiated. It is acknowledged that the information they provided identified a range of support generally available to social enterprises and social entrepreneurs in Northern Ireland, and has helped to inform this Strategy.

4.6 While the programme of planned meetings is not yet complete, the organisations who have already been met with have expressed very positive support for the Landlord Services Division's participation in the Sector, and for its intention to develop a social housing enterprise strategy for social housing communities: a unique contribution to the social economy in Northern Ireland.

Those organisations are acknowledged at [Addendum 3](#) attached.

4.7 It is intended that the continued development of such key working relationships within the Social Economy Sector in Northern Ireland will be a central feature of the Strategy's implementation and its outcomes.

4.8 An important element of the above relationships' development will be to link with the Northern Ireland network of Social Enterprise Hubs which are being piloted by the Department of Social Development, the Department of Enterprise, Trade and Investment, and Invest NI.

The 11 Hubs, located within the 9 Social Investment Fund Zones across Northern Ireland, will provide potential shop front retail space, hot desking facilities, conference/ meeting rooms, training suites, and general workspace. All potential social enterprises can access those free workshops, training and one to one mentoring support locally.

4.9 It has been confirmed that the social enterprises arising out of the social housing communities and supported by this Strategy will have equal access to the Social Enterprise Hubs and their facilities, albeit that the current financial support arrangements for the Hubs by the Office of the First Minister and Deputy First Minister is planned to end in 2016.

Key features of the Strategy:

- Social Housing Enterprises by and for social housing communities
- Support for sustainable social enterprise business development available to all
- Social value and social capital creation are fundamental outcomes
- Skills and knowledge are basis of the social housing enterprise toolkit
- Social entrepreneurs' development is a key element
- Stakeholders' partnering and participation from within Social Economy Sector critical to success
- Social Housing Enterprises' outcomes to impact positively on local communities' well-being and sustainability
- Social Economy/ Enterprise Sector to be encouraged to grow within social housing communities.

4.10 It is also acknowledged that the contributions from House Mark and Social Enterprise UK, in providing information on social enterprise activities in the rest of the United Kingdom, were both useful and welcomed.

Managing Social Investments

- 5.1 The Landlord Services Division has had a significant record over many years in providing financial support to the Voluntary and Community Sectors in Northern Ireland. This support has been aimed at addressing key housing issues, and to support the development of capacity within local social housing communities and their representative forums.
- 5.2 As already referred to, the Division continues to provide investments to projects which enable the achievement of key objectives within its 3 strategic programmes in relation to community involvement, community cohesion and community safety.
- 5.3 **Management Guide**
- Building on this experience, a management guide has been drawn on Managing Social Investments. It provides policy advice on the necessary aspects of investment practice, quality project managing and the development of partnership working when making financial awards to external organisations and projects.
- In addition, it features the management of risk, governance arrangements, performance monitoring and review, and the oversight relationship with the supported organisations.
- 5.4 The Guide will now be revisited to take account of the Social Housing Enterprise Strategy, and how it could provide appropriate advice and guidance on the financing of local enterprise and entrepreneurial activities within social housing communities.
- 5.5 On completion of the proposed review, the Managing Social Investments guide will be placed on the Housing Executive's Portal and Intranet for the advice of Managers and frontline staff. It will also be included in the Social Housing Enterprise toolkit to be made available to social housing enterprises and social entrepreneurs.
- In addition, it will be issued to the Housing Executive's Housing Community Network to ensure that social housing communities are kept abreast of these developments and opportunities.
- 5.6 The Housing Community Network is the community involvement and consultative framework for the Housing Executive, through the Landlord Services Division, to engage with local community representatives and social housing communities throughout our housing stock. The engagement is frequent and regular on matters of housing policy and development, and on the quality of our customer service delivery.



**“ ... Enterprises and
Entrepreneurs will
help to transform
local communities...”**

5.7 **The Social Investment Team**

It is intended that a team of 3 officers, headed by a Level 7 Policy Officer and based in the Division's Landlord Services Unit at Headquarters, will take the Strategy forward. The Social Investments Team and its costs will be met out of the Division's existing staffing budget.

- 5.8 The Team will be responsible for implementing an Action and Communications Plan which will guide the implementation of the Strategy over the next 3 years. The Plan will include marketing activities promoting the Strategy to the widest possible audience including key stakeholders. Also, to those Hard to Reach groups within our communities who should equally benefit from it. Social enterprises which focus on these specific communities of interest could provide specialist or tailored services, and build business potential.
- 5.9 In addition, the Team will provide a review and development service for participants; identify good practice and share it; and to provide advice and support to the Area Managers and their front-line staff who are have direct involvement with local social housing communities and their representative community organisations.
- 5.10 The Team will ensure that the necessary arrangements are in place to help manage risk, while maintaining the necessary profile and level of involvement as a key stakeholder within the Social Economy and Social Enterprise Sector in Northern Ireland.
- 5.11 Another key task for the Team will be to estimate the likely investments' take-up over the first 3 years, along with the associated annual resource demand arising from the delivery of the Social Housing Enterprise Strategy. These valuations of business readiness and service delivery costs are to be available following the first tranche of awards being made.
- 5.12 It is also intended that the Social Investment Team will take the lead in the Strategy's first year, but with the involvement of the 13 Area Managers in providing the initial verifications of applicants' circumstances and commenting on the respective proposals.

With the on-going development of the Strategy and the implementation of the Action Plan, it is anticipated that the Area Managers would progressively take the lead for the Strategy's subsequent awards' rounds with the support of the Social Investment Team.

Roles and responsibilities:

Social Investment Team to:

- produce Investment Guide
- implement the Action and Communications Plan
- establish and maintain social enterprise baseline database.

Area Managers to:

- introduce quality investment practice,
- carry on investment oversight
- manage risk and performance monitoring.

5.13 Building the Baseline Data

As already highlighted as a key objective, a detailed review and analysis of existing social enterprise activity within Housing Executive social housing communities will be carried out as a priority task by the Social Investment Team.

The results of this exercise will provide critically important baseline data on which the Strategy and its outcomes will be built and measured against annually.

- 5.14 Finally, it is proposed to commission expert support from within the Northern Ireland Social Economy Sector during the first year of the Strategy's implementation.

This support will, functioning as client agent, include

- identification of best practice in social enterprise development;
- provision of advice and support to staff and communities on the Strategy and its implementation;
- assisting the development of the Social Investments Scheme including its administrative, and monitoring and reporting arrangements;
- supporting the Strategy's introduction to the Social Economy Sector;
- identifying key social investors; and
- keeping the Social Investments Team abreast of key developments in social economy and social enterprise practice.

The Social Housing Investment Plan

6.1 The Social Housing Enterprise Investment Plan

The Landlord Services Division has currently 3 broadly themed strategies in place, each of which does provide financial and other support to community and other organisations to deliver key services and address social issues within the Housing Executive's social housing communities.

- 6.2 It is now intended that, with the introduction of the Social Housing Enterprise Strategy, which is aimed at promoting and supporting social housing enterprise within those same communities, the Division will have the potential to develop more fully integrated social investments' initiatives.

With such strategic investment vehicles at its disposal, the Division can enable community-led initiatives to address the broader range of often complex and difficult challenges facing our communities.

- 6.3 In particular, through the Social Housing Enterprise Strategy, income generating initiatives will be introduced into communities which, historically, have had little or no economic activity from which they could directly gain and sustain social value, as well as in the creation of communal wealth for those communities' use and benefit.

- 6.4 Consequently, the Landlord Services' Social Housing Enterprise Strategy's Investment Plan will be aimed at providing support to social housing enterprises, and social entrepreneurs, to develop enterprises which benefit local social housing communities and their residents leading to:

- increased economic activity,
- income generation,
- social capital creation,
- environmental improvement,
- health and well-being outcomes, and
- providing the capacity and business skills necessary to deliver them successfully.



“... Strategy is aimed at promoting and supporting social housing enterprises...”

6.5 **Financing the Strategy**

The Housing Executive considers it essential that the rental income derived from our 90,000 tenanted properties continues to be used exclusively for the delivery of quality housing services to our tenants, and for the maintenance and renewal of our housing stock.

6.6 In that understanding, the Housing Executive has taken a clear and strategic decision on the financial investments necessary for the development and support of social housing enterprises and social entrepreneurs within our social housing communities. That decision is that the Social Housing Enterprise Strategy will be financed out of the rental income generated from our Commercial Property portfolio of some 400 properties.

6.7 This a unique and eloquent solution to the anticipated resource demand arising from the delivery of this new and important strategic initiative, and in the development of socially and economically vibrant social housing communities.

6.8 In the first year of the Strategy, it is proposed that the Plan will have up to £339,000 of additional funds available to invest in community-led social housing enterprises and social entrepreneurs, rising to £500,000 by Year 3.

6.9 **Establishing applicants' bone fide**

It is essential in considering any proposal that the bona fide of each community group, and individual social entrepreneur, is established. Initially, all group applicants will be required to be fully constituted and representative social housing community organisations, or in the process of becoming so. Similarly, social entrepreneurs should be able to evidence that social connection.

The process of review and assessment of applications will involve the respective Landlord Services' Area Managers, who are responsible for the delivery of quality housing services in their Areas, will verify that the applicant organisations are appropriately constituted and representative, and comment on the individual business proposals.

6.10 An Expert Panel from within the Social Economy Sector in Northern Ireland will also be drawn together to provide further guidance and insight into the individual applications during the assessment and award process.

6.11 **The Government's Funding Database**

The Housing Executive is very mindful in managing public monies that appropriate management and governance arrangements are in place. The management and delivery of the Strategy's Investment Plan will be no exception to those standard arrangements.

6.12 Consequently, prior to any firm decision being taken on an investment application, and along with the other checks being made in line the Managing Social Investments arrangements referred to earlier, the Landlord Services Manager assessing the application will check the Government's Funding Database to verify whether other funding awards have been by a Government or statutory body for a similar social enterprise initiative by the applicant. This will ensure that duplicate funding does not occur.

The Government Funding Database, managed by the Department for Social Development on behalf of Government, registers all awards and payments made within the Government and Statutory sector within Northern Ireland to community, voluntary and social enterprise organisations here.

6.13 In relation to the Social Housing Enterprise Strategy and its Social Investments Scheme, the Government Funding Database will be updated with each individual social housing investment's information, as and when investment awards and payments are made.

Principal elements:

- Strategic Investment Plan
- New social investment finance
- Income generating initiatives
- Integrated strategic objectives
- Constituted and representative social housing organisations
- Government Funding Database checked and updated.

The Social Housing Enterprise Scheme - 2015/18

7.1 The Landlord Services' Social Housing Enterprise Strategy will have, at its core, an investment scheme through which local social housing enterprises and social entrepreneurs will be provided with funding and other support to develop and build viable business proposals which will benefit local social housing communities.

7.2 The Social Housing Investment Scheme

i) Taking into account good practice in social enterprise agendas in other parts of the United Kingdom, the Landlord Services' Social Housing Enterprise Strategy will be realised through an incremental **"tiered financing"** structure of social investment funding.

Building on existing funding arrangements within the Division, each of these new investment tiers will support social housing communities to progressively develop and grow their enterprises, depending on their existing social capital, capacity, investment readiness, business ideas, and future goals.

ii) The funding arrangements will have the structure detailed below, building incrementally from proportionate support for start-up to embryonic groups and business ideas, through a fledging or evolving enterprise level, to those with established or well-formed social housing enterprise proposals: a very real example of a progressive Value Demand opportunity being realised.

An Education Grant will also be available for individuals' development and understanding in relation to social enterprise and social entrepreneurial-ship.

iii) It is intended that the first call for investment applications will, by way of a general invitation to submit preliminary Expressions of Interest, be opened by the end of September 2015. The subsequent and more detailed written submissions will be subject to assessment of the individual organisations and their proposals' investment readiness.

The subsequent investment decisions, and the first tranche of awards made, will be completed by the end of December 2015, with a target total of up to 65 social housing enterprise and social entrepreneur proposals being supported.

7.3 It is also intended that an open application scheme will be in place from 2016, which will enable up to 3 investment cycles to be actioned in each financial year.

“... viable business proposals which will benefit local social housing communities.”



7.4 In addition to the implementation of the Social Housing Investment Scheme, every effort will be made to maximise other inward investments which could support the individual social housing enterprises' development: for example, from statutory, philanthropic and European funding programmes, and social investors.

To that end, the Social Investment Team will continue to engage with the Social Economy Sector in Northern Ireland as indicated earlier.

7.5 The first awards under the Social Housing Investment Scheme, of the Social Housing Enterprise Strategy, will be made on the following basis:

Social Housing Enterprise Awards (1st Tranche)			
Investment level	Awards Target	Max. Value	Budget
Education Grant:	26*	£500	£13,000
	Primarily to support individuals to learn about business and organisational development including the payment of course fees.		
Business Start-up Grant:	26*	£1,000	£26,000
	Support for the development of a business proposal and the creation of a social housing enterprise.		
Embryonic** Businesses:	5	£10,000	£50,000
	Social housing enterprises which would be new or under developed; with less than 25% of their income coming from trading.		
Emerging** Businesses:	5	£20,000	£100,000
	Social housing enterprises which would be more developed, but still requiring support to grow their business; with between 25% and 50% of their income coming from trading.		
Established** Businesses:	3	£50,000	£150,000
	Social housing enterprises which would be well developed, but requiring significant funding to grow their business and realise their full potential for the community; more than 50% of their income coming from trading.		
Total	65	-	£339,000
Notes:			
*- 2 awards per Area.			
**- these classifications are from the PwC (May 2013) Report: see Paragraph 2.4.			

7.6 Other support and development resources

To further support the delivery of the Social Housing Enterprise Strategy, a number of other Housing Executive facilities and resources will be made available, and which will add value, as and where appropriate. These will form part of the assessment and investment considerations, providing investment and development packages appropriately tailored to the needs of the individual social enterprise and social entrepreneur.

These include:

A. Asset Use and Management

- **Residential Property Lettings** - principally voided properties which are let, at nil rent, to local community and voluntary organisations providing a service(s) within the area. These have been used for social enterprise initiatives, and will provide an important impetus to their further development within social housing communities.

The total annual rebated rental charges on the current 265 community lettings are equivalent to in excess of £900,000 social investments in the community, voluntary and social enterprise sectors in Northern Ireland.

- **Commercial Property Lettings** - similarly, these are vacant premises within the Commercial Property portfolio which, when considered surplus to local commercial demand, are available for letting to community and voluntary organisations at nil rent.

Currently, there are 34 community lettings, with a further annual rebated rent totalling more £175,000.

- **Vacant Garage Lettings** - within the Housing Executive's stock, there are some 650 vacant garages and 15 garages let to local communities.

These will continue to be marketed as valuable property assets which can provide local enterprises with increased opportunities; for example, in providing additional logistical support and storage.

- **Land leasehold** - the leasing of surplus land is often the preferred option for a community organisation, as it can provide for purpose built facilities best suited to their plans, and as a valuable asset for attracting inward investment.

Each social housing enterprise proposal involving the leasing of land will be co-ordinated with our colleagues in the Regional Services Division to ensure the leasing option offers the best possible outcome for the social housing enterprise concerned, and for the utility and development potential of the land in question.

- **Meanwhile Use** - Also, where practicable as an interim arrangement and the individual social housing enterprise would be better served, consideration will be given to the application of a “Meanwhile use” for the facility under review, whether it concerns available property, land or other facilities.

This flexible approach, taking into account any necessary assurances and checks, could equally present opportunities for short term “pop-up” shops, and seasonal or crafts outlets.

- **Community Asset Transfers** - It is also intended to offer the opportunity for the Community Asset Transfer of those assets, such as referred to above, where is feasible to do so, and where it would contribute to the viability and sustainability of an individual social housing enterprise.

It will be critical in the assessment of any request and business case submitted in support of a Community Asset Transfer that the current use and future development potential of the asset is fully taken into account, while acknowledging the pressures on the Housing Executive to meet housing need and maximise the value of its assets.

Also, in the consideration of each Community Asset Transfer request, Landlord Services Division will ensure that its aims and outcomes complement those of the Community Asset Transfer strategy being developed by the Housing Executive’s Regional Services Division.

- **An Assets Register** - As indicated, one of the principal aims of the Social Housing Enterprise Strategy is to place within its arrangements enhanced asset management and utility.

To that end, it is also intended to create an Assets Register which will provide detailed information on specific individual assets (including their current status, condition, and location) which could be utilised by a Social Housing Enterprise or Social Entrepreneur in the development of their social housing enterprise’s business.

B. Employment and Service Commissioning

- **Direct Labour Organisation’s Contracts: Social (Value) Clauses** - again, following the commitment in the Programme for Government 2011-15, the positive application of the social clauses in public procurement contracts offer opportunities to create construction industry “social” apprenticeships, and associated training and logistical support within local social housing communities.

The realisation of the potential value of these Clauses and the opportunities they can provide in building social capacity, a community’s skills base, and wealth creation, and in the medium to longer term sustainability of its enterprise, will be positively pursued within the Strategy.

- “Buying Social” Contracting

Finally, consideration will be given to the potential for social housing enterprises to provide services in line with the Government’s policy on “Buying Social”, as highlighted in the Sustainable Development Strategy for Northern Ireland (2010).

The Buy Social Toolkit (January 2015), published by the Strategic Investment Board Limited (for Northern Ireland), provides guidance on how the procurement of public services can “deliver additional benefits for Northern Ireland’s people and communities, especially those with the greatest needs”

The “buying social” procurement of services, in such areas as house clearances, furniture removals and storage, environment works, oil buying clubs, office cleaning, and, in indeed, any other appropriate services, will be considered where they can offer opportunities for social housing enterprises and the Housing Executive to work more closely together.

It is noteworthy that Invest NI’s website highlights that there are “a wide variety of opportunities in the delivery of public services, where social enterprises work in partnership with government”. These partnerships have been reported to have been developed within the health and social care sector; fostering and adoption; transport services; refuse collection/ recycling; and sports and leisure services.

The Social (Value) Apprenticeships and the Buying Social elements of the Strategy are seen as important strands in the delivery of the overall strategic social housing enterprises’ initiative, and which will build employability and financial inclusion outcomes within our social housing communities.

7.7 Multi-element Social Value Initiatives

Taking into account the Division’s policy environment and the potential for the more integrated investment plans referred to earlier, every effort will be made to encourage the development of social housing enterprises which could, simultaneously, deal with one or more of the areas of community involvement, community cohesion and community safety, alongside their social business activity.

- 7.8 Social Housing Enterprise proposals could combine those other strategic and policy areas with those aimed at business development in addressing issues of local employment; creativity in the arts and crafts, income generation, environmental improvement, local services, and improved health and wellbeing. Indeed, there have been a number of initiatives which have successfully taken that multi faceted approach.

Such initiatives would provide for innovative opportunities which could have even greater positive social impacts on the communities concerned in the medium to long term, while anchoring social housing enterprises within social housing areas.

7.9 Acknowledging the very real contributions that each of the above investment and support elements of the Social Housing Enterprise Strategy can make, it is intended to build open and flexible responses to individual social housing enterprise proposals, taking into account that each business proposal will be unique and the individual communities will be at different stages of development and investment readiness.

7.10 **Social Values Framework**

It is seen as fundamentally important that the “social outcomes framework”, currently under development within the Social Economy Sector in Northern Ireland, is available to support the development of social housing enterprises and social entrepreneurs within social housing communities.

7.11 The Framework is anticipated to provide measures which will enable costed “social benefit values” to be placed on social housing enterprise proposals, and their subsequent activities, outcomes and impacts.

When available, it will greatly assist in the assessment of social housing enterprise proposals, make for better and more sensitive finance decisions, and inform the valuations of the individual social housing enterprises’ impacts in their local social housing communities.

7.12 It is intended that the Social Values Outcomes Framework will be contextualised to social housing communities, as appropriate.

The Scheme:

- **Strategic social housing investments:**
 - Tiered financing
 - Incremental business investments
- **Multi-faceted support and development facilities**
 - Tailored investment packages
- **Enhanced asset/ property management**
 - Residential
 - Commercial
 - Garages
 - Land
 - + Meanwhile use
- **Employment and service commissioning**
 - Social Clauses
 - Apprenticeships
 - Buying Social
- **Social Values Outcomes Framework**
 - Social housing values

“... measures which will enable costed ‘social benefit values’ to be placed on... proposals”



Next Steps

8.1 Now that the Housing Executive's Board, and its Senior Management Executive Committee, have endorsed the Landlord Services' Social Housing Enterprise Strategy, there will be a period of intense activity by the Social Investment Team. This will involve the formal launch of the Strategy, the promotion of social housing enterprise activity within the Housing Executive's housing stock, and putting the appropriate operational arrangements in place.

8.2 Action and Communications Plans

Action and Communications Plans will be drawn up in line with the Housing Executive's Excellence Framework. Built around the strands for Communities, Staff, and Stakeholders and the Sector, the Plans will highlight the actions necessary to realise the Strategy over the medium to long term.

They will also identify the arrangements to be put in place to track the achievement of the intended Social Value Impacts which will arise as the result of those actions.

8.3 Therefore, it is intended that by December 2015, a range of actions will have been completed in line with the Social Housing Enterprise Strategy and as detailed in the proposed Action and Communications Plans.

The Plans will include the following milestones:

- Establishing, through a base-line exercise, the existing social enterprise activity within the social housing communities,
- Communicating the Strategy to:
 - our Managers and staff,
 - the Housing Community Network,
 - key Stakeholders, and
 - the Social Economy Sector,
- Putting the necessary delivery and reporting mechanisms in place,
- Producing the Social Housing Enterprise Toolkit,
- Producing a Social Value Outcomes Framework for social housing,
- Developing partnership arrangements with other key stakeholders,
- Issuing the first call for social housing enterprise applications, and
- Making the first investment awards under the Scheme.

- 8.4 Also, importantly, the Landlord Services' Social Housing Enterprise Strategy, and its supporting management arrangements, will be developed in the context of the Housing Executive's "Build Yes/Think Yes" customer service programme.

This will ensure that the Strategy's delivery will offer the best possible opportunities and outcomes for the social housing communities concerned. It will also maintain the strategic focus on supporting the growth of social housing enterprise activity throughout the Housing Executive's social housing communities.

- 8.5 In supporting the Social Housing Enterprise Strategy in these ways, its key aims and objectives will be realised within the overarching Social Investments agenda for the Landlord Services Division, over the next three years.

Addendums

Addendum 1.

Glossary of concepts and terms associated with Social Enterprise

- **Social Capital** is the value or benefits that extend to those individuals and communities that co-operate through their networking and collective interaction. The accumulation of their interactions, whether “bonding” or “bridging”, creates social capital which, in turn, contributes in part or wholly in meeting their social needs, utilised for the public good or for the benefit of individuals within that group or network.
- **Social Economy** is that business sector which is geared to creating social capital, and social value and social impacts/ outcomes through the exchange and trading of goods and services by social enterprises.
- **Social Value** is the transformational benefit arising from a social enterprise. It is an element of the return derived from an activity/ business endeavour which benefits a community. Ideally, the outcome should be lasting and sustainable, as well as being measurable through a metric or framework of social value.
- **Social Investment** is an investment or loan finance for any business or trading activity which has an intended social outcome and a financial return.
- **Social Entrepreneurs/ ship** are individuals who bring a focus and energy to a business/ activity which creates social value for a community/ies, and brings about social change which is transformational and benefits them.
- **Social Impacts** are the effects or outcomes of activities which effect social change or benefit for a community.
- **Social Firms** are a particular form of social enterprise whose social purpose is to create employment for those individuals who find it hardest to get jobs. They will be market-led enterprises specifically set up to create good quality jobs for people who are especially disadvantaged within the labour market.
- **Local Impact Funds** are a local social investment fund product that provides appropriate and tailored support to social enterprises within a local community. It can provide a locally-led solution to directing the existing supply of finance to where it is most needed.

- **Investment Ready Projects/ Communities** are those which have the capacity, skills and organisational arrangements in place to best manage and deliver on a social investment or loan.
- **Social Return on Investment** is the value of the social benefit outcomes resulting from an investment activity. Its valuation is likely to involve the use of financial proxies for the social capital, social value and social impacts created by that investment in establishing the full value of social and financial returns.

Addendum 2

Landlord Services' Social Housing Enterprise Strategy 2015-2018: Objectives, Outcomes and Planned Impacts

Objectives	Outputs Year 1
<ul style="list-style-type: none"> • Create economically vibrant and sustainable social housing communities • Social Housing Enterprise Strategy implemented • Baseline database of social enterprise activity within those communities established • Key characteristics of social enterprises and social entrepreneurs identified re best practice • Social value outcomes framework for social housing enterprises/ communities in place • Series of SHE investments' programmes delivered • Initiatives integrating social housing enterprises with other LSD strategies incl. Cohesion, Involvement, Environment and Safety in place • Additional inward social investments from other social investors/ programmes into social housing communities • Communications Plan/ Marketing Strategy engaging Communities and Stakeholders implemented • Strategic and operational links with the wider Social Economy/ Enterprise Sector • Improved asset use and management of vacant residential and commercial property, garages and land. 	<ul style="list-style-type: none"> • SHE Team in place • SHE Framework/ Action Plan engaging Staff and Communities underway • Key skills and learning programmes for Staff and Communities developed and underway • Communications Plan and Marketing Strategy for Communities and key Stakeholders underway • First tranche of SHE investments/ projects identified and underway • Investments' profile over next 3 years identified • Social Enterprise Sector in NI mapped • Social Value Apprenticeship scheme in place • Baseline data of social enterprise activity within Housing Executive stock compiled • Services to be open to "BuyingSocial" tendering identified • Preparations for next round(s) of social investments in place • Potential for rental income from lettings to VCSE sector for re-investment identified.

Outcomes Year 2/3

Medium/ Long Term Impact

- Significant range of social housing investments realised
- Increased number of social enterprises and social entrepreneurs within social housing estates
- Landlord Services/ Housing Executive acknowledged stakeholder within NI Social Economy/ Enterprise Sector
- Social value return on investments realised
- Learning and Skills programmes reviewed and upgraded
- Rental income from lettings to VCSE sector contributing to social investments funds realised
- Increased utility of available assets realised
- Improved synergies between SHE Investments and external investment programmes
- Increased housing demand within involved communities
- Partnership arrangements in place with key stakeholders.

Medium

- Increased inward investments into involved neighbourhoods
- Increased social capital within funded social housing communities
- Improved community capacity
- Improved employability within social housing neighbourhoods
- Increased health and well-being within social housing communities
- Improved physical environment within social housing estates
- Increased community-held wealth within social housing communities
- Increased social investment funds available to social housing communities.

Long

- Communities more self-reliant, and with sustainable infrastructures
- Communities better able to self-start and deliver social enterprises
- Increased social and economic activity within social housing estates
- Increased educational attainment and community skills base
- Increased interplay between complementary strategic housing initiatives
- Economic and Social Deprivation indices improved within involved communities
- Improved health and well-being impacts on the quality of life of communities
- Communities more sustainable through increased stability, wealth creation, and housing demand.

Addendum 3

Acknowledgements

- Invest NI - Ethna McNamee
Frankie McCourt
- Dept. for Social Development - Sharon Polson
- Local Enterprise Development Company (Larne) - Audrey Murray
- Development Trusts NI - Charlie Fisher
Fiona Molloy
- Social Enterprise NI - Juliet Cornford
- Charity Bank - Patrick Minne
- Building Change Trust - Nigel McKinney
- Co-operative Alternatives - Tiziana O'Hara
- Unltd UK - Nuala Smyth
- Gauge NI - Stephen McGarry
- Supporting Communities NI - Colm McDaid
- Dept. for Enterprise, Trade and Investment - Stephen MacDonald
- Ulster Community Investment Trust - Phelim Sharvin
- Strategic Investment Board - Dr. Julie Harrison
- Bryson House - John McMullan
- Northern Ireland Council for Voluntary Action - Una McKernan
- The Big Lottery - Joanne McDowell
- NOW - Maeve Monaghan



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