Housing and Social Enterprise

Introduction

In October 2006, the Chartered Institute of Housing Scotland (CIH) produced a manifesto for the Scottish Parliament elections *Building a sustainable housing future for Scotland*. It put forward the actions which the CIH believes are key elements in delivering sustainable communities at both local and national levels. The principles set out have been further developed in this *Action Plan* which forms part of a series of *Action Plans* that are being produced during 2007-08.

The election manifesto *Building a sustainable housing future for Scotland* contained four central ‘building blocks’ the CIH considered essential to ensuring that housing can contribute to a healthier, wealthier, fairer, safer, greener and smarter Scotland. The building block *Closing the Opportunity Gap* emphasised the role housing organisations can provide beyond bricks and mortar to help people become more economically active in their communities. This *Action Plan* further develops this case by examining the context in which housing organisations operate, highlighting some examples of practice and identifying actions the Scottish Government, housing organisations and Community Planning Partnerships can take.

1 Information from the election materials is available at www.cih.org/scotland/policy/papers19.htm
Setting the scene

There has been an increasing focus on social enterprise in the housing sector since the 2006 Scottish Executive consultation, *A Social Enterprise Strategy for Scotland*, which recognised the valuable contribution that housing associations make toward social enterprise ventures.

The Scottish Government defines social enterprise as: “a business model where social, community or environmental purpose is the most important factor”. Social enterprises are businesses that compete in the open market for contracts or sales but combine their trading with social, community or environmental aims. They are sometimes referred to as ‘more-than-profit’ businesses because they reinvest their profits in the business or the community. In other terms, social enterprises are businesses that have a social purpose and wider remit to contribute back into the community via local economic development, capacity development, or attracting business and employment opportunities to a community.

Social enterprise supports the Scottish Government priority areas to promote a fairer, wealthier, healthier, greener, and smarter Scotland. Communities Scotland has been clear about the valuable role RSLs can play in social enterprise in meeting commitments to enhance economic growth; deliver excellent public services; support stronger communities; close the opportunity gap, and develop a vibrant third sector.

The *Wider Role Fund* was launched in 2000 to encourage housing associations to develop projects to help make life better for people in their communities. The fund can be directed toward a wide range of projects tackling health issues, training and employment, improving community safety, helping people with their finances, and increasing people’s skills and confidence. Wider Role funds are allocated to projects to assist in effective regeneration, business development and project development. These projects must also demonstrate they are sustainable and responsive to local needs. Housing associations also have the option to work in...
Practice example-
Govanhill Housing Association

Govanhill Housing Association, and its wholly-owned subsidiary Govanhill Community Development Trust (GCDT), has a well-established model and track record for Wider Role and local regeneration projects, training and employment programmes, and community development initiatives, all with the aim to promote social inclusion and invest in the community’s social, economic and environmental regeneration.

Wider Role Projects that the Association and GCDT have promoted are:

- GOSIP (Govanhill Social Inclusion Project)
- Outreach services to the BME community
- Welfare rights service
- GREAT (Govanhill RE-Action Team)
- Anti-Racist youth work
- Govanhill Addictions Awareness/Family Support Group
- Govanhill Youthbuild
- Skills for Learning/Paths to Progress
- Outreach Services to the Roma/Eastern European migrant community
- Community engagement initiatives
- Community facilities
- Provision of office and workspace accommodation

partnership with other organisations to develop Wider Role projects.

The more recent Scottish Government consultation, Firm Foundations\(^5\) and the budget settlement will have a significant impact on regeneration and Wider Role activities. The Scottish Government’s Budget for 2008-2011 allocates £12m per year for Wider Role, which will be transferred from Communities Scotland to the Scottish Government to administer; the full arrangements of this are not yet clear.

The Community Regeneration Fund\(^6\) is another source of funding being reallocated from Communities Scotland, this time to local government, and will be deployed through Community Planning Partnerships, to deliver specific regeneration outcomes as outlined in regeneration outcome agreements. What is less apparent is what will happen after the first year, especially concerning the potential removal of ring fencing which could have significant implications for the housing sector.

With the increase in budget allocations, there is a potential to expand Wider Role to incorporate projects that address a range of issues including:

- Health promotion,
- Training and employment,
- Improving community safety, and
- Increasing people’s skills and confidence.

There are also opportunities to emphasise the importance of Wider Role in new Government proposals, for example, the new settlements proposed in Firm Foundations could be ideal venues for introducing Wider Role activities as a means of achieving the goals of sustainability and a sense of community and wellbeing.

\(^5\) Firm foundations: The future of housing in Scotland\(\text{http://www.scotland.gov.uk/Publications/2007/10/30153156/0}\)

\(^6\) Community Regeneration Fund\(\text{http://www.communityscotland.gov.uk/stellet/groups/public/documents/webpages/cs__008070.hcsp}\)
Social Enterprise in Local Authorities and RSLs

The Local Government in Scotland Act 2003 contains powers that offer local authorities opportunities to promote and support social enterprise activities. In particular the ‘power of well-being’, which enables local authorities to do anything they consider is likely to promote or improve the well-being of their area and/or persons in it. This power enables local authorities to work in partnership with other agencies in meeting community needs including those for affordable housing, economic issues, social issues, health issues and environmental factors.

According to the Scottish Government, many local authorities actively support local enterprise through direct involvement or the formation of local partnerships. The Scottish Government concludes that housing associations are:

“an example of well-established enterprises which have a lot to offer newer entrants to social enterprise in areas where they have expertise such as business planning, contract management and risk management”.8 (A social enterprise strategy for Scotland: A consultation, p.20)

RSLs are not for profit organisations whose primary purpose is to provide affordable housing. However, they have an important role to play in developing the local, social economy in the communities they serve. Around 60% of RSLs are involved in Wider Role activities to provide community benefit, which often involves social enterprise. RSLs are in a well-seated position to engage in and promote the services of social enterprise activities. Wider Role activities are those that go over and above the provision of housing and serve to improve the economic, social and environmental conditions of communities.

RSLs are encouraged to work in social enterprise partnerships with other organisations to develop and deliver Wider Role projects. One method of ensuring this partnership working is through the Community Planning Partnerships (CPPs) as set out in the Local Government in Scotland Act 2003. The Act suggests a number of potential benefits including: ensuring best value in the use of existing resources, breaking down cultural barriers between organisations, and acting as a conduit to receive Government funding with the responsibility for distributing

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and ensuring effective use of funding. The Housing (Scotland) Act 2006 now makes clear that the permissible purposes of RSLs include improving the economic, social and environmental circumstances of the communities in which they house.

RSLs are well positioned to support social enterprise activities due to their strong financial asset base and business background as demonstrated by the following figures:

- RSLs own £6.4b of housing assets,
- RSLs have secure revenue streams, and derive 80% of their income from rents and service charges,
- RSLs report an annual turnover £808m,
- In 2005-06 £9.5m was spent on Wider Role activities, in 196 new projects.

In addition to these financial and asset based strengths, RSLs have the benefit of strong links to communities, a professional staff base to draw from, regulation by Communities Scotland to ensure good service provision, and successful track records in both business and community engagement.

Since 2000, around £25m has been invested through Wider Role funding in almost 600 projects or activities. Communities Scotland has to date managed the Wider Role programme for RSLs, which has contributed to large amounts of social enterprise activity across Scotland and promoted joint working in the development and delivery of services to local communities.

Local authorities have an ever-expanding role as they attempt to address not only the housing needs in their communities, but also capacity issues and support needs of the people they house. For example, there are issues around poverty in the social

Practice example - Govanhill RE-Action Team (GREAT)

The GREAT project was developed by Govanhill Community Development Trust in response to a community consultation exercise which identified environmental problems as the issue of greatest local concern.

Aims of the initiative include:

- Increasing recycling and reduce waste,
- Increasing community involvement in recycling and environmental issues through volunteering,
- Reducing local unemployment,
- Increasing awareness of recycling,
- Waste minimisation and environmental issues,
- Improvement of derelict gardens and open spaces.

GREAT has been developed as a community based initiative promoting recycling and environmental awareness in Govanhill. GREAT tackles waste issues and environmental regeneration through practical projects whilst providing training in horticulture and gardening to young trainees.

GREAT also supports these projects with volunteer activities, and offers comprehensive training packages to all who get involved.

GREAT is now being developed as a charitable, social enterprise company in its own right (GREAT Gardens) with the support of Govanhill Community Development Trust and its parent company, Govanhill Housing Association.

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10. Communities Scotland, 2006, The Digest
12. From April 2008 a new Scottish housing regulator will take on these functions
rented housing sector, particularly for tenants who are in low paid jobs or on benefits. This can lead to an increase in rent arrears and can displace valuable resources toward following up and chasing tenants for rent.

Social enterprise ventures may also be a means for local authorities to address capacity issues in their communities. Low levels of education and a lack of employment skills decrease the likelihood of tenants securing gainful employment, which then creates problems with affordability and poverty. Therefore pursuing skill development and offering opportunities for tenants to further their education and training would be in the interest of local authorities and RSLs looking to decrease arrears, increase the self-esteem of tenants, and contribute to overall community wellbeing. The benefits of these can feed into the wider community by increasing cohesion and decreasing crime and antisocial behaviour, all issues that are in the interests of local authorities and RSLs to tackle or improve upon. Wider Role and social enterprise activities can benefit these and many other areas including:

- Addressing social exclusion,
- Improving health,
- Increasing educational attainment,
- Improving levels of community safety, including reducing levels of antisocial behaviour,
- Helping people into jobs,
- Improving transport,
- Increasing environmental sustainability,
- Increasing levels of income or access to affordable credit,
- Building the skills, motivation, networks and confidence of local people.

Since 2000, around £25m has been invested through Wider Role funding in almost 600 projects or activities.
The CIH would like to see local authorities take on a more pivotal role in identifying opportunities for social enterprise and promoting and developing appropriately targeted social enterprise in their area. RSLs can be key players in assisting the setting up and supporting of these on the ground either through their Wider Role activities or in supporting new independent social enterprise organisations.

The CIH sees the Government’s Social Enterprise strategy as a means of promoting closer links between social enterprise organisations and RSLs to improve the quality and delivery of services. The CIH is keen to see greater partnership working between local authorities and RSLs operating in their area and has previously suggested that local authority housing and RSLs could work together more effectively in providing a ‘local housing service’ in each local authority area. This included the suggestion that local authorities and RSLs should have joint responsibility in developing local housing strategies rather than local authorities being the lead agency. The CIH believes that the social enterprise strategy can take this further forward by assisting local authorities to recognise the role of RSLs in providing Wider Role activities and working with them to ensure they are well targeted.

14 CIH in Scotland, June 2006, Consultation Response, Communities Scotland -Strategic Housing Investment Framework Consultation Paper
Practice example-
Ferguslie Park Housing Association

Ferguslie Park Housing Association has a well-established model for Wider Role and local regeneration projects, training and employment programme, and community participation initiatives all with the aim to promote social inclusion and invest in the community’s social and economic regeneration.

In October 2006, the Association took over the ownership and management of the Tannahill Centre from Renfrewshire Council. The Centre is a 35,000sq ft building built in 1995 and was a symbol of Ferguslie Park’s regeneration and a key element of the Governments New Life for Urban Scotland Strategy. The Association’s new vision for the Centre is for it to provide a focal point for the regeneration of the community of Ferguslie Park. It will be a centre of excellence for civic and commercial activity and enterprise. The Associations take over of the Centre came after extensive consultation with the community and other stakeholders. A business and marketing plan is in place with a big lottery application for £1 million now submitted. The plan is for the new look centre to have a gym, hairdresser, restaurant and various other improved services which will allow extensive social enterprise development opportunities.

Additional Wider Role projects that the Association have been involved in are:

- Communications and Promotions Officer Project,
- Careers Focus on Housing,
- Ferguslie Park Television (FPTV),
- Home Safety and Security Project,
- Realm,
- Youthbuild,
- Barochan Greenspace.\(^{15}\)

Suggested action points

For Scottish Government

The Scottish Government can:

- Update the national performance standards for housing to include a standard on local authorities and RSLs participation in Wider Role/social enterprise,
- Ensure the delivery of the Social Enterprise Strategy for Scotland fully encompasses the role of RSLs,
- Provide guidance on the ‘power of well-being’ and how it can be used to assist community based social enterprises,
- Give guidance to local authorities and Community Planning Partnerships on the use of Community Regeneration Funding to support RSLs in social enterprise activities,
- Ensure that the promotion and creation of social enterprises is a key component of regeneration strategies,
- Work with RSLs to facilitate them to become providers of professional services or partnership assistance to new and start up social enterprises in their area, helping to ensure efficient and well targeted social enterprise activities,
- Work with national housing organisations to promote the uptake of Wider Role funding,
- Work with national housing organisations and national social enterprise/regeneration organisations to promote the benefits of social enterprise through a programme of training and support in how to engage in social enterprise activities.
Suggested action points

For RSLs and local authorities:

RSLs and local authorities can:

- Have a pivotal role in identifying opportunities for social enterprise and promoting and developing appropriately targeted social enterprise in their area,
- Work with local communities, tenants and community groups to achieve this,
- Ensure that management boards or committees sign up to the principle of delivering or supporting Wider Role and social enterprise activities,
- Work together across Scotland to develop a practice exchange for RSLs, local authorities and other social enterprise organisations to share information on their activities which can encourage similar actions or projects in other areas,
- Ensure staff knowledge and skills are in place to take forward or support social enterprise activities.

For Community Planning Partnerships:

Community Planning Partnerships can:

- Engage with RSLs locally to pursue appropriate social enterprise activities,
- Ensure that the Community Regeneration Fund is utilised to support RSLs in delivering or assisting social enterprise activities.
The Chartered Institute of Housing

The Chartered Institute of Housing (CIH) is the professional body for people involved in housing and communities. We are a registered charity and not-for-profit organisation. We have a diverse and growing membership of over 20,000 people - both in the public and private sectors - living and working in over 20 countries on five continents across the world. We exist to maximise the contribution that housing professionals make to the wellbeing of communities. Our vision is to be the first point of contact for - and the credible voice of - anyone involved or interested in housing.

CIH Scotland has more than 2,000 members working in local authorities, housing associations, housing co-operatives, Communities Scotland, voluntary organisations, the private sector, educational institutions and the Rent Registration Service. The CIH aims to ensure members are equipped to do their job by working to improve practice and delivery. We also represent the interests of our members in the development of strategic and national housing policy.

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Our mission is
“to create opportunities of local people to improve and develop their own quality of life”.

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