

## Workshop 2b: So what Social Enterprise?

Speakers:  
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Chaired by: Paul Reader  
Room: Packwood Room



National Housing Maintenance Forum



www.nhmf.co.uk



## Social Enterprise Does it have a role to play in the delivery of maintenance services?

Helen Scurr, Partner – Ark People & Communities

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## Workshop Objectives



**Explore the development of social enterprise in the affordable housing sector:**

**Case study Futures Housing Group – Greenscapes Social Enterprise - the journey – Martin Sherman Chief Operating Officer**

**What are the opportunities? and how does this link to the Social Value Act?**

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## What are Social Enterprises?



- Common theme – vehicle that is trading for a social or environmental purpose
- Social Enterprise is a legal entity
- Encapsulates mutual's, co-operatives, charities and community enterprises
- Has a “social mission”
- Objectives are often – tackle social problems-worklessness, improve peoples life chances, improve communities and/or the environment
- “For profit “ companies

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## Why has the housing profession engaged with Social Enterprises?



- Prof John Hills report – linking worklessness to tenants and residents
- Diversification from traditional core activities
- To provide and maximise training & employment opportunities for tenants & residents
- Social Value Act – requirement for public sector bodies
- Welfare Reform – pressures on rental streams and increasing rent arrears
- Localism Bill & Big Society – empowering local people & local communities

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## The Statistics



- 1,700 registered housing associations spend - £13bn annually
- 69% spend less than £50K with SE's
- 60% don't have a single SE on their preferred suppliers list

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## National Examples



- Aspire Housing/PM Training – Staffordshire
- Soar Build – Sheffield Keepmoat 50% owner
- Trident Housing Association Birmingham
- Academy 4 Housing London

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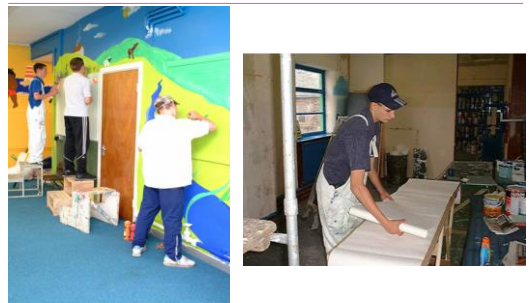
## Acquisition PM Training



- Provision of basic level training - NVQs
- Apprenticeship placements – 800 per annum
- Employment opportunities – local employment partnerships

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## Construction/Painting



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## The Social Enterprise Model



- Training & apprenticeships outcomes
- Grounds maintenance contracts
- Decency plus initiatives
- Linkages with the in house team
- Aspires supply chains and procurement process
- Strong relationships with local employers
- Furniture mine and recycling

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## Commercial Arm



Grounds Maintenance, painting & decorating voids, soft furnishings, modern art



45 teams - complete work for Stoke on Trent City Council, Aspire Housing, other RPs

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## Case Study Futures Housing Group

Martin Sherman

## Futures Housing Group Social Enterprise - Case Study

- Outsourced Grounds Maintenance
- Strategic Direction
- Combined Solution
- Phased Approach
- Competitive



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### The Hurdles

- ✓ Board approval
- ✓ Business set up
- ✓ Sound business plan
- ✓ Resource plan
- ✓ Someone who can
- ✓ Change over process
- ✓ Timing is all
- ✓ Risks



### The Longer Term Plan - Strategic



- Management and Staff
- Local Employment
- Flexibility
- Enhanced Services
- Delivery
- Quality
- Training
- Financially Sound
- Bold and Exciting

### Social Enterprise – The Financials & the Questions

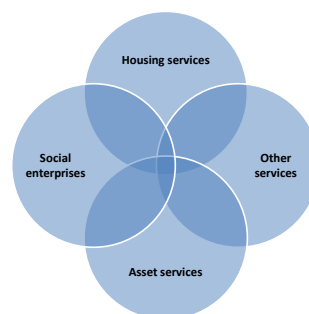
- Vision : £2m in 5 Years
- Turnover £365k and £6k EBITDA first year
- What Budgets?
- Set up costs
- How could it benefit ?
- What are the implications ?
- Who does it affect ?
- Why ?
- Commercial expansion

£ (000)'s	2013 - 2014	2014 - 2015	2015 - 2016
Income FHL	£678	£783	£867
Income DDH	£345	£440	£494
Income External	£17	£87	£87?
Income Total	£1,040	£1,310	£1,448?
Expenditure	£939	£1,192	£1,318?
EBITDA	£99	£118	£130?
EBITDA %	9.52%	9%	9%?

### Think Budgets not Individual Contracts



ONE AND ONE EQUALS THREE




## Services Beyond Grounds




- **Voids**
  - Inside clearing
  - Site clearance
  - Painting and decorating
- **Cleaning**
  - Voids
  - Offices & Depot
  - Sheltered communal areas
- **Estate Handyman services**
  - Winter works - snow clearance



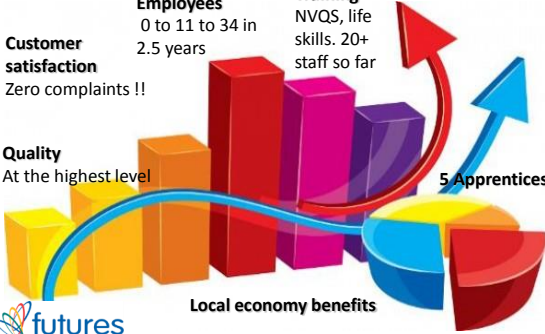
## Additional Services




- **Grounds Contracts**
- **Painting & Decoration**
- **Drainage**
- **Cleaning**
- **New Build ?**
- **ECO ?**
- **Win : Win : Win**
- **Tenders**



## The Rewards



- Customer satisfaction**  
Zero complaints !!
- Quality**  
At the highest level
- Employees**  
0 to 11 to 34 in 2.5 years
- Training**  
NVQS, life skills. 20+ staff so far
- Flexibility of services**
- 5 Apprentices**
- Local economy benefits**




## Getting it Right First Time

- Company set up
- TUPE issues
- Resources – Tenants
- Theft of vehicle
- Pay & Pensions
- Timing is all
- Work shy - help
- Capital costs
- Tendering
- Fleet of foot



## Maintenance Services – Opportunities Knock



- Scope to grow and develop maintenance social enterprises
- Collaborative working amongst partners
- Investment models – joint venture
- Accessing a variety of funding streams – ESF/Big Lottery/Big Issue
- Employer led approach to apprenticeships – changes afoot – SFA
- Social Value Act – a requirement to encourage and work collaboratively with social enterprises to enable them to secure tendering opportunities
- Group Structures – subsidiary social enterprise structures

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## The Social Value Act



- The Public Sector Services Social Value Act – gained Royal Assent March 2012
- Implemented January 2013
- Public bodies have to consider how services procured might improve the – economic, social and environmental well being of the area
- Identify how the procurement process will secure improvement
- Embedding social value through the procurement process
- Commissioners required to factor social value in to the pre-procurement phase
- The authority must consider whether to undertake any consultation regarding the procurement process
- Place shaping is now a legal requirement on all such authorities

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## Who does the Act apply to?



- All English and some Welsh bodies
- Local Authorities, government departments, NHT Trusts, PCTs, fire & rescue service
- Housing associations
- Public sector contracts and services with only an element of goods or works over the EU threshold



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## Ark P&C Current Social Enterprise Projects



- North Wales – creation of a Handyman and gardening social enterprise – employing long term unemployed people
- South West – creation of a joint venture recycling partnership and new business start up
- Midlands – acquisition for 3 Housing Associations of a social enterprise
- Liverpool – creation of a DSO with a strong commitment to traineeships/apprenticeships and employment for tenants

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