

KEEPING IN TOUCH WITH OUR ROOTS

The case for housing associations to build closer links with social enterprises

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About Us

Metropolitan is a leading provider of integrated housing services, care and support and community regeneration. We manage over 36,000 affordable homes for rent and sale to those with greatest need, along with a range of care and support services. In total, we provide a diverse range of service to over 80,000 customers across London, the East of England and the East Midlands.

Olmec is a BAMER-led (Black, Asian, Minority Ethnic and Refugee) social enterprise which champions race equality through economic and social justice. We work with a broad range of clients and partners to deliver innovative solutions that inspire and act as catalysts for social change.

The Young Foundation is determined to make positive social change happen. We pioneered the field of social innovation, with The Open University, UpRising and Studio Schools. We continue to work closely with individuals, communities and partners, building relationships to ensure that our thinking does something, our actions matter, and the change we make together will continue to grow.

Further Information

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A more detailed report of the programmes of work delivered by Metropolitan, Olmec and The Young Foundation will be published later this year.



How housing associations can work with social enterprises to achieve their joint aims

The history of housing associations is rooted in supporting the most vulnerable in society. As their reach has expanded, the challenge has been to stay connected to the communities they serve. Social enterprise and entrepreneurship offers a route for housing associations to strengthen the relationship with these communities; creating new enterprises, providing jobs for the local community and helping housing associations deliver their services.

Metropolitan's roots are as a housing association, set up to provide good quality, affordable housing for immigrants from the West Indies. This legacy led them to found the Migration Foundation. Tapping into this history was central to why Metropolitan partnered with Olmec and The Young Foundation to support migrant social entrepreneurs in London and Nottingham.

In this brief document, we share the lessons learned from our partnership programme.

Summary of findings: Key lessons from supporting migrant social entrepreneurs

There are both social and economic benefits for housing associations that engage with social enterprise. Potential benefits include local economic growth that is locked into the community, passion and commitment to deliver contracts, and an innovation culture that challenges and engages staff.

1. **All parts of housing associations (beyond simply community development teams) could benefit from engaging with social enterprise:**
 - Social enterprises are often small and other housing association departments, such as procurement or finance, do not come into contact with them
 - It can be difficult for smaller social enterprises to get access to housing association supply chains and procurement processes
 - The different departments within housing associations need a greater understanding of the possibilities presented by social enterprise
2. **Housing associations need to be proactive in their approach to social enterprises:**
 - Social enterprises lack networks to access housing associations, but also the confidence to see them as a potential business partner
 - Internally housing associations need champions to promote social enterprise and break down silos between departments
 - Partnership programmes have the potential to raise the aspirations and capabilities of the social entrepreneurs, enabling them to develop a track record and create local success stories
3. **Social enterprises must also be proactive in their approach to housing associations:**
 - They need to understand what housing associations' interests are

- They must be able to explain how their work fits into a housing association's aims
- They also need to build business capacity to deliver to housing associations

Methodology

Metropolitan, The Young Foundation, and Olmec began working together in March 2012 to support migrant social entrepreneurs in London and Nottingham. We provided support to over 60 migrant social entrepreneurs and enterprises through two distinct programmes: First Steps in Social Enterprise and CLIMB (Community Level Investment for Migrant Businesses).

First Steps in Social Enterprise was a 12-week programme of support for early-stage social enterprise designed to test the viability of services prior to prototyping. It focused on setting up legal structures and formalising their business plans. The CLIMB programme was aimed at more established social enterprises. This was supported by a member of The Young Foundation's staff based in Metropolitan's offices who acted as a champion of social enterprise within the organisation, providing training, advice to staff and brokering relationships with social entrepreneurs.

Over the course of the programme, Olmec and The Young Foundation ran:

- two launch events
- 23 engagement events
- 10 workshops on business modelling
- two pitch days to Metropolitan

Social enterprise

Social enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community.

Social Enterprise UK estimate there are around 70,000 social enterprises employing around a million people, contributing over £24 billion to the UK economy.

Introduction

There is an increasing focus on understanding how housing associations and social enterprises can better work together. For example, the Green Light project is working with over 100 housing associations investigating the range of sustainable social enterprise development projects being undertaken by housing associations.

Many housing associations see the benefits of social enterprise. For social enterprises that work with disadvantaged communities, housing associations can be a primary commissioner of their services. But developing a relationship between both parties is not always easy. There is therefore an important enabling role for intermediary organisations such as Olmec and The Young Foundation to play.

Over the last year we have learnt some important lessons on how housing associations and social enterprises can work together to achieve their shared aims.

Housing associations

Housing associations or registered providers are independent not-for-profit organisations that provide affordable homes for people in need.

With an annual turnover of £10bn, they have a major impact on the nation's economy. There are 1,700 registered housing associations in the UK.

What has changed for Metropolitan?

The programme has had a significant impact on Metropolitan as a housing association. This can be seen in changes to the internal culture and perceptions of social enterprise, updated procurement procedures and practices, and the emergence of internal champions of social enterprise. The concept of social enterprise is better understood and as a result is no longer seen as automatically high risk.

1. Procurement has become much more social enterprise-friendly

Processes have been reviewed for how they may implicitly include or exclude social enterprise. An internal procurement guide has been produced to form a core part of training in the future. Metropolitan has adapted its procurement processes to support social enterprises to bid for tenders. As a result the programme helped a number of social enterprises to become approved suppliers.

2. Internal buy-in across all business functions

The finance team now understands the value of using social enterprises that are connected with their communities. When procuring from a social enterprise there may be added value by creating employment locally and strengthening the community.

3. Creating internal champions of social enterprise

The community regeneration team has become a strong advocate of social enterprise across the organisation. They are known as experts and champion the sector internally by making links between departments and helping to bring more social enterprises into the fold.

However, changes to Metropolitan's culture and practice alone would not have been enough to improve the relationship with social enterprises. The migrant entrepreneurs we worked with made proactive steps to meet Metropolitan's needs and concerns.

What has changed for the migrant social enterprises?

Many of the barriers that migrant social entrepreneurs face are similar to those faced by British-born social entrepreneurs. These include fundraising, business planning, marketing,

responding to tenders and reliance on voluntary support. However these challenges are exacerbated because they were born outside the UK, so there were additional language barriers. Our programmes helped to mainstream the work of the migrant social entrepreneurs, formalising their approach and giving them the skills to tender for larger contracts. The key changes were:

1. Improved communication

The most obvious barrier that migrants face is language. A lack of English as a mother tongue can make communication a problem, particularly given the need to learn specialist business language. The First Steps and CLIMB programmes were designed to support the migrant social entrepreneurs with these issues. Metropolitan offers a dedicated Home Learning Project to provide English for speakers of other languages (ESOL) training.

2. Formalised structures

The first task was formalising the migrant social enterprise's work. This meant establishing suitable legal structures, putting appropriate insurance cover in place, and having a clear business plan. Without these, the social enterprises would not be able to meet housing association tender requirements.

3. Clear service offering

Further training and support then helped the social enterprises to articulate their service offering and economic benefit for a housing association. Tailoring their message for Metropolitan helped to highlight shared aims and mutual economic and social benefits.

4. Improved Networks

The programme also helped to build the migrant social entrepreneur's networks. Mentors from Metropolitan provided access and support, helping to broaden their network. The cohort within each programme also proved to be a useful further support network for what can otherwise be an isolating role for an entrepreneur.

Example 1. Tutors United

Tutors United, a social enterprise that provides tutoring for primary school children, struggled to make the link between their work and housing associations. Working with The Young Foundation, Tutors United was able to hone their message to meet the needs of Metropolitan. By focusing on Metropolitan's residents and exploring how their work complemented its existing youth programmes, Tutors United built a strong case for providing private tutoring to Metropolitan residents in community centres.

The initiative now delivers group tutoring to Metropolitan's key stage four and five primary school tenants.

The role of intermediary organisations

Achieving these changes would not have been possible without The Young Foundation and Olmec acting as intermediaries. Our experience shows that intermediary organisations have a vital role in brokering relationships between housing associations and social entrepreneurs. The key benefits of this role were:

1. Seeing both sides of the story

With a foot in both camps, the two organisations provided support and advice where needed. As neutrals, they were able to highlight gaps in both organisations' knowledge.

2. Outreach and engagement

Olmec's model of cultural brokerage, community engagement prior to an engagement event, followed by a competitive recruitment process, resulted in 80 applications for 30 places.

3. Tailoring support

The Young Foundation tailored their support to migrant communities. Unsurprisingly the support needed was not very different to other early-stage social entrepreneurs. The main difference was the amount of help with language needed which was embedded in the approach.

The Young Foundation and Olmec have developed a better understanding of the needs of housing associations such as Metropolitan, especially around presenting a persuasive business case and communicating the benefits of social enterprise.

Example 2. Eat Club

Eat Club provides workshops for teenagers and young adults focused on the joint preparation and consumption of food. The Club aims to improve the health and wellbeing of young people, especially those who do not have the opportunity to benefit from regular family meals and a healthy diet. Eat Club took part in the First Steps in Social Enterprise programme.

Over the course of 10 weeks Eat Club was supported to create a sustainable business plan. Olmec continues to support the club with the next stages in its operation, which include gaining financial sustainability and incorporation.

Eat Club has now successfully secured a contract with Metropolitan to deliver cooking sessions over the next two years in three London locations. With a clearly articulated business plan, Eat Club was able to prove it could provide high quality services.

Migrant perspective

The migrant social entrepreneurs who took part in the programmes gained a great deal from the experience.

1. Raised aspirations and expectations

Before starting on First Steps or CLIMB, many of the migrant social entrepreneurs lacked confidence in getting a contract with a housing association. By giving them the skills needed and brokering relationships with Metropolitan, the programmes raised the aspirations of those involved.

2. Creation of role models within the resident communities

The CLIMB project worked with 30 organisations across two residential communities. Ten of these went on to pitch for work with Metropolitan. Five of these were successful; the remaining five are still receiving support from Metropolitan. A further 10 are now on Metropolitan's preferred buyers list. They can now be held up as local examples of successful migrant social entrepreneurs.

3. Track record of delivery

The migrant social enterprises that won work with Metropolitan now have a track record of working with a housing association, which should help them to win further work. For example, 17 out of the 31 enterprises supported by First Steps have been able to secure prototyping contracts and grants including four with Metropolitan.

4. Access to further support

Eight of the First Steps social enterprises drew further support from the Olmec Step Ahead programme funded by City Bridge Trust. The creation of Metropolitan's Incubator space in Clapham will offer an on-going supportive and cost-effective working environment.

Example 3. Metropolitan Incubator

Located in Clapham Park, the Metropolitan Incubator provides a nurturing and supportive environment for entrepreneurs during the critical stages of starting up and growing a new business. The new multi-purpose space – which was an empty retail unit – will host three winning social ventures from the CLIMB project in addition to providing a strong, vibrant environment for collaborative working where ideas are shared for wider Metropolitan customers.

In fact, Urban Construction, one of the winning CLIMB ventures, was commissioned to turn the disused commercial retail unit into the business space for the Incubator, which will work with local people and organisations to improve the wider social and economic conditions of the area. The Incubator will help diversify the local economy, generating activity and wealth by creating a small business sector.