

# The Economic Impact of Housing Organisations on the North: *Helena Partnerships*

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January 2013

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# Background and study objectives

In 2012 the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University was commissioned by the Northern Housing Consortium (NHC), to assess the economic impact of housing organisations on the Northern economy<sup>1</sup>.

The study provides an estimate of the economic impact of housing organisations on the Northern economy based on evidence from a survey of members and detailed case study work in seven organisations. It measures the economic activity stimulated directly by the day-to-day activities of housing organisations as well as the additional activity through the intermediate supply chain.

The findings will support the NHC and housing organisations when engaging with Government, funders and other stakeholders and will underpin the case for housing in the North in the run up to the next Comprehensive Spending Review and the next general election. This study also provides a **baseline** against which to assess the impact of the multiple challenges facing housing organisations, such as those arising from Welfare Reform.

This case study report for Helena Partnerships (Helena) forms one of a suite of outputs from the study<sup>2</sup>. It provides an overview of Helena Partnerships, including its vision, values and objectives and key facts relating to its day-to-day activities, before providing examples of its community investment work. The report concludes by providing estimates of Helena Partnerships' economic impact.

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<sup>1</sup> Comprising England's three Northern regions: the North East, the North West and Yorkshire and the Humber.

<sup>2</sup> The main report being available at: Dayson, C. Lawless, P. and Wilson, I. (2013) The Economic Impact of Housing Organisations on the North. Sheffield: CRESR, Sheffield Hallam University.

[http://www.shu.ac.uk/assets/pdf/cresr-Economic\\_Impact\\_Housing\\_Organisations\\_Main.pdf](http://www.shu.ac.uk/assets/pdf/cresr-Economic_Impact_Housing_Organisations_Main.pdf)

# Helena Partnerships - an overview and key facts

## 2.1. Background

Helena is a housing association based in St Helens on Merseyside which owns and manages 12,900 homes. The organisation was created on 1 July 2002 following the stock transfer of 14,423 properties from St Helens Metropolitan Borough Council.

Helena's remit extends beyond the management of its social housing dwellings. Its vision is ***'to be an innovative and well respected housing company working with tenants, employees and partners to provide thriving neighbourhoods with modern homes and services'***.

This vision is underpinned by Helena's agreed organisational aims which are to:

- work at the heart of neighbourhoods and communities, making a real difference to the lives of the people that live their neighbourhoods
- listen to their customers and be driven by what they tell us
- work in partnership with others who share their passion for making better places
- safeguard the future success of Helena Partnerships.

This will be done by:

- having a real pride in what they do
- being innovative and creative
- being open, honest and accountable
- investing in people who are passionate, energetic and committed.

In addition Helena has seven strategic aims for its role as a place maker. These focus on:

- providing the right homes in the right places
- making neighbourhoods cleaner and greener
- building strong and vibrant communities
- supporting people who need extra help
- delivering services that are accessible, responsive and local
- developing the business and building on the strengths of their organisation.

## 2.2. Key Facts

Key facts about Helena's day-to-day activities in the financial year 2011/12 include:

- 90 per cent of tenants were satisfied with Helena as a landlord
- it employed, on average, 635 FTE employees per month
- it managed 12,900 dwellings comprising general needs housing (90 per cent) and Supported Housing or Housing for Older People (9 per cent)
- in the year the organisation completed 126 new builds, bringing the total built in the past 10 years to in excess of 300 new homes; a further 83 units were also in development at the end of March 2012
- total income received was £66.392 million, 80 per cent from rents and 6 per cent from the Affordable Homes Programme funding
- incomes not realised due to arrears and voids were £1.514 million and £0.689 million respectively
- Helena brought 147 homes up to the decent homes standard; at the end of the financial year 99.9 per cent of all dwellings met the decent homes standard
- the organisation committed a direct financial input of £1.103 million and £2.611 million of staff cost towards community investment<sup>3</sup> activities; these projects benefited just under 31,000 local residents; this work was commonly undertaken in partnership with a range of local organisations
- its work was supported by 700 volunteers
- over the next five years Helena will:
  - invest £150 million in the existing dwelling stock
  - build 500 new homes
  - continue investing in neighbourhoods so that people can live longer, healthier lives
  - reduce anti-social behaviour in their neighbourhoods by 20 per cent
  - help 1,000 tenants each year to get online
  - get 50 people into volunteer training each year
  - reduce its carbon footprint by 30 per cent.

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<sup>3</sup> Community investment has been used within this report as a collective term to cover services, facilities and environmental improvements which housing organisations provide for their tenants and the wider communities in which they operate. It encompasses what has previously been termed 'housing plus', 'added value' or regeneration work.

# Helena Partnerships: community investment work

## 3.1. Introduction

As well as managing its social housing properties, Helena's remit includes what are commonly called 'community investment' activities, including:

- ready for work training
- apprenticeships and work placements
- job clubs and fairs
- after-school and breakfast clubs
- benefit, budgeting, debt and fuel poverty advice
- digital inclusion training
- gardening clubs
- community health initiatives
- diversionary activities for young people
- and environmental projects including clean days and graffiti removal.

Undertaking this work reflects:

- a recognition of the business case for improving the economic and social circumstances of tenants, in order both to help increase rental income, and also to reduce stock turnover and maintain demand for its homes
- a desire on the part of the Board to create successful, sustainable and resilient residents and communities
- other stakeholders (such as councils) accepting that housing organisations are a cost-effective vehicle through which to implement this type of locality based work
- terms written into Helena's Large Scale Voluntary Transfer (LSVT) agreement.

Key measures by broad types of community investment activity, include:

- total input (where input equals the sum of staff cost, direct financial contributions and contributions from other organisations) for the six broad categories of



- activity<sup>4</sup> was £4.164 million, of which 63 per cent was staff costs, 26 per cent direct financial contributions, and 11 per cent contributions from other organisations
- the largest input was for 'Environment and liveability' projects, £1.389 million, 72 per cent of which was staff costs
- 'crime and cohesion' projects had a total input of £1.162 million; of which £0.841 million was staff costs and £0.248 million direct financial contributions
- around 31,000 local people benefited from community investment work.

Helena's community investment activities provide significant economic and social benefits to a range of stakeholders, including local people and communities, local councils, public authorities such as the Department for Work and Pensions, the police the fire service and the criminal justice system. The three sections immediately below provide examples of community investment activity undertaken by Helena.

### 3.2. re:new Four Acre

re:new Four Acre is a neighbourhood management scheme led by Helena which brings together local partners including St Helens Metropolitan Borough Council, Merseyside Police and Merseyside Fire & Rescue Service in order to improve the long term sustainability of the Four Acre estate. This includes addressing inequalities in health, employment and education and empowering residents to shape local service provision.

re:new Four Acre has been funded from a number of sources:

- Helena Partnerships: a direct annual financial contribution of £20,500 and annual staffing costs of £74,300, employing 2.3 FTE worker
- St Helens Metropolitan Borough Council: annual staffing costs of £30,000, employing 1 FTE worker
- BIG lottery: a direct annual financial contribution of £21,000 and annual staffing costs of £9,000 employing 0.3 FTE worker
- European Social Fund: a direct annual financial contribution of £21,000 and weekly staffing costs of £50.

The following provide a flavour of key outputs and outcomes achieved thus far:

- re:new Four Acre has provided:
  - one dedicated police officer and four Police Community Support Officers
  - one dedicated fire fighter providing 6 hours per week and 12 community fire fighters
  - 2 major green space projects and 2 green street projects have taken place
  - 72 community chest grants have been awarded; amounting to £34,000
  - four environmental clean up days
  - six 'apprenticeship events' have been held, attended by approximately 270 people

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<sup>4</sup> these are: crime and cohesion; education and skills; employment and enterprise; environment liability; wellbeing, health, support and sport; poverty and social inclusion.



- opportunities for community engagement, including: 10 resident board members, 12 Junior Wardens and 36 Street Champions
- approximately 325 residents have been given assistance in obtaining work (start-up packs)
- two PCT health check events have taken place in local pubs
- 130 visits have taken place with 78 young people who are Not in Employment, Education or Training (NEETs)
- since 2009 there has been a 85 per cent reduction in nuisance fires, 83 per cent reduction in calls relating to ASB and a 79 per cent reduction in reported criminal damage
- reported crime has halved from 305 incidents in 2009 to 141 incidents in 2011
- the number of Troubled Families living in the area has fallen from 54 to 18 since 2010
- 18 apprenticeships have been found; from which 11 apprentices had found work
- resident 'satisfaction with the area' increased from 44 per cent in 2008/09 to 72 per cent in 2010/11
- 10 NEETs have returned to full time education.

There are both significant financial and social benefits associated with the re:new Four Acre scheme. For instance:

- according to Home Office estimates<sup>5</sup> the reported reduction in criminal damage has helped generate social and economic cost saving of £177,000 in 2011/12 prices
- DCLG data<sup>6</sup> shows on average £75,000 per family each year is spent on Troubled Families
- being satisfied with the area as a place to live, compared to not being satisfied, has a similar impact on well-being as does an additional £59,600 in household income<sup>7</sup>.

### **3.3. Four Acre Community Energy Saving Project (CESP)**

Four Acre CESP, delivered by Helena, will see homes on the Four Acre estate retrofitted with a range of measures to make them more energy efficient. It has been funded by:

- Helena Partnerships: a direct financial contribution of £500,000 and annual staffing costs of £75,000 employing 3 FTE workers
- Renewable and Energy Efficiency in Community Housing (REECH): a direct financial contribution of £1,633,000
- and British Gas: a direct financial contribution of £2,100,000 and 1 FTE worker.

<sup>5</sup> Home Office (2005) „The economic and social costs of crime against individuals and households 2003/04“. Home Office Online Report 30/05. London: Home Office.

<sup>6</sup> <https://www.gov.uk/government/policies/helping-troubled-families-turn-their-lives-around>

<sup>7</sup> Department for Communities and Local Government (2010) Valuing the Benefits of Regeneration: Economics paper 7: volume 1 - Final Report. London: DCLG

Four Acre CESP has seen:

- 652 properties retrofitted with:
  - external wall insulation
  - voltage optimizers
  - drimasters.
- 424 properties had outside security lights installed and 652 properties had new fencing fitted
- all 652 properties were provided with Home Energy Advice Packs with advice on how to reduce energy consumption
- six of Helena's Propertycare team were trained in maintaining the green technology and spare parts were purchased to reduce future costs
- eight apprentices from the local community were taken on to support the project; these reported improvements in core employability skills such as confidence and customer relations; four apprentices have so far moved into employment
- four site safety sessions, with 80 attendees, were run to raise awareness of the on-site dangers during the works.

It is too early to report on the impacts of the Four Acre CESP. However Helena envisages that it will provide a range of financial, social and environmental benefits. Helena plans to monitor these through a range of sources including 'energy cost comparison sessions' with local residents.

### **3.4. Appleton Road**

The Appleton Road project is a supported tenancy scheme which provides 52 units of independent accommodation for young people. Helena has contributed £80,000 towards the scheme as well as funding for 2 staff (a tenancy support worker and a security guard) at a cost of £60,000 per annum. Prospective tenants are required to attend a pre-tenancy course to raise awareness of the expectations and responsibilities of being a Helena tenant. This includes education on:

- tenancy management and agreements
- money management and budgeting
- 'My choices', which covers topics such as finding employment, and also alcohol and drugs awareness.

Since its inception in 2011 Appleton Road has:

- accommodated 47 tenants
- seen abandonments reduce significantly from over 80 cases to just 6
- seen the tenancy turnover rate reduce by 23 per cent
- seen rent arrears reduce by an average of 20 per cent
- provided 16 tenants with work related training
- supported 26 tenants into volunteering, work or training; this includes 19 tenants into work
- seen incidents of vandalism reduce by 19 per cent.

# Economic Impact of Helena Partnerships

## 4.1. Introduction

This section provides estimates of the economic impact of Helena. Economic Impact for 2011/12 has been assessed for three key economic measures:

- expenditure (output)
- Gross Value Added (GVA): the value of output produced minus intermediate output
- employment.

The study incorporates both **direct and indirect impacts**:

- direct impact: the value to the economy directly attributable to the activities of Helena: money flowing into the economy through expenditure on day-to-day activities
- indirect supplier effects: the ripple effect through the immediate supply chain providing goods and services to housing organisations
- indirect income induced effects: arising outside the immediate supply chain as a result of expenditure by employees of both Helena and of organisations in the immediate supply chain.

Before summarising the economic impact of Helena on the Northern economy three sections look at factors affecting economic impact: income, procurement and expenditure.

## 4.2. Income

The amount of income<sup>8</sup> which Helena received is important in assessing economic impact as it affects the level of gross expenditure. In the financial year 2011/12 Helena's income was £66.392 million:

- £53.299 million (80 per cent) from rent
- £4.244 million (6 per cent) from the Government's Affordable Homes Programme

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<sup>8</sup> This study uses a more inclusive definition of income than that within financial statements. The study includes all 'incoming', including loan funding and income earned from non social housing activities.

- £2.931 million (2 per cent) from the sale of other fixed assets
- £2.608 million (2 per cent) from shared ownership sales.

### 4.3. Procurement

Procurement policies are important in determining leakage of expenditure out of the local economy. Helena's procurement strategy has been designed to support its broader vision and aims. The procurement strategy is underpinned by 17 aims, which include:

- obtaining Best Value on all procured goods, services and works through careful planning, innovative approaches and balancing cost and quality
- actively promoting the inclusion of local suppliers within the tendering and quotation process; including assisting local SME's to develop policies around Health and Safety, Environmental and Sustainability, Equality and Diversity and Customer Care
- promoting Helena's regeneration strategy to increase, where possible, local sourcing and local employment
- realising economic, social and environmental benefits for communities
- stimulating markets and using the organisation's buying power creatively in order to drive innovation in the design, construction and delivery of services
- obtaining greater value for money by collaborating with partners at local, regional, national and European levels.

Helena is one of the founding partners of Fusion 21, through which many major contracts are let. The Fusion 21 model has received national recognition as a leader in procurement practices. Benefits from using Fusion 21 procurement frameworks include:

- every pound procured makes a positive contribution towards training and employment initiatives for local communities; this includes requirements to take on given numbers of apprentices depending on the value of the contract involved
- access to a large pool of suppliers, many of which are local SMEs
- efficiency savings on market prices.

### 4.4. Expenditure

The value of gross expenditure<sup>9</sup>, the percentage of expenditure going to local suppliers (net expenditure) and the composition of expenditure (i.e. how money has been spent) are all relevant in assessing economic impact.

In 2011/12 Helena had a gross expenditure of £58.870 million. Of this £48.493 million (82 per cent) went to suppliers based in England's three Northern regions.

How this money was spent affects economic impact calculations through the magnitude of the indirect effect. Certain types of expenditure, such as that on

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<sup>9</sup> This study uses a more inclusive definition of expenditure than that for operational expenditure outlined in financial statements. The study includes expenditure on items such as construction and refurbishment which usually feature as capital, rather than operational, expenditure.

construction, are associated with a larger 'multiplier effect', that is they stimulate a greater ripple effect through the supply chain than do other types of expenditure. Analysis of how Helena spent its money reveals:

- expenditure on major works, routine and planned maintenance (£13.592 million) accounted for 23 per cent of gross expenditure with 88 per cent (£11.958 million) of this going to suppliers based in the North
- construction expenditure made up the second largest component of gross expenditure (£13.362 million), all of which went to suppliers in the North
- £11.831 million was spent on direct staff costs all of which went to employees residing in the North
- the refurbishment and purchase of housing properties comprised 6 per cent of gross expenditure (£3.448 million); all of which went to suppliers in the North.

#### 4.5. Economic Impact summary measures

Table 4.1 summarises Helena's economic impact on the Northern economy. This study estimates that in 2011/12 Helena:

- supported £97.187 million worth of expenditure (output); £48.493 million directly and £48.694 million indirectly through the intermediate supply chain
- created an estimated GVA of £46.704 million; £24.491 million directly and £22.213 million indirectly through the intermediate supply chain
- supported 1,313 FTE jobs; 635 directly and a further 678 indirectly within the intermediate supply chain.

**Table 4.1: Summary of economic impact on the Northern economy, 2011/12**

	Direct Impact	Indirect Impact	Total Impact
<b>Output:</b> £thousands	48,493	48,694	97,187
<b>Gross Value Added:</b> £thousands	24,491	22,213	46,704
<b>Employment:</b> (FTEs)	635	678	1,313

Source: CRESR survey (2012)

Table 4.2 summarises the economic impact of Helena on the North West, Merseyside and the St Helens Metropolitan Borough Council area. It is estimated that in 2011/12 Helena generated:

- £88.360 million worth of expenditure (output) both directly and indirectly in the North West
- an estimated £38.643 million worth of GVA both directly and indirectly in the North West
- 954 FTE jobs both directly and indirectly in the North West
- £20.201 million worth of expenditure (output) directly in the Merseyside economy

- £24.491 million worth of GVA directly for the Merseyside economy
- 635 FTE jobs based within Merseyside
- £12.173 million worth of expenditure (output) directly in the St Helens economy
- £24.491 million worth of GVA directly for the St Helens economy
- 635 FTE jobs based within St Helens.

**Table 4.2: Summary of economic impact on the North West, Merseyside and St Helens economies, 2011/12**

	Direct Impact	Indirect Impact	Total Impact
<b>North West</b>			
<b>Output:</b> £thousands	47,017	41,344	88,360
<b>Gross Value Added:</b> £thousands	24,491	14,152	38,643
<b>Employment:</b> (FTEs)	635	319	954
<b>Merseyside</b>			
<b>Output:</b> £thousands	20,201		
<b>Gross Value Added:</b> £thousands	24,491		
<b>Employment:</b> (FTEs)	635		
<b>St Helens</b>			
<b>Output:</b> £thousands	12,173		
<b>Gross Value Added:</b> £thousands	24,491		
<b>Employment:</b> (FTEs)	635		

Source: CRESR survey (2012)