

The Economic Impact of Social Housing Organisations in Northern Ireland

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Executive Summary

Background

The Centre for Regional Economic and Social Research (CRESR), Sheffield Hallam University was commissioned by the Northern Ireland Housing Executive (NIHE) to assess the economic impact of social housing organisations on Northern Ireland's economy. This included the economic impact of the NIHE and housing associations (including the Northern Ireland Co-Ownership Housing Association) in relation to the provision of new social housing, the management of social housing, their role as employers, their investment in communities and promotion of economic growth. The research set out to provide a firm foundation upon which to make a rigorous assessment of the case for social housing investment, as well as informing ongoing debates regarding models of investment, delivery and management. The aim was to provide a baseline against which to assess the impact of multiple challenges facing housing organisations in Northern Ireland arising from, for example, welfare reform, economic retrenchment and changes in Northern Ireland's financial settlement with Westminster.

Analysis measured economic activity stimulated directly by expenditure associated with day-to-day activities of housing organisations (for example providing routine maintenance, house-building and managing rental income), which then flows through the economy to create additional activity in other sectors and industries. Analysis focuses on the financial year 2012/13. The assessment reflected impact from all day-to-day activities, including those related to both social and non-social housing, and whether such impacts occur within, or outwith, Northern Ireland.

Methods

Quantitative and qualitative data were drawn on to support analysis. These included: the published financial statements and annual reports of all social housing organisations; secondary and administrative data held by the Department for Social Development (DSD), the NIHE and the Northern Ireland Federation of Housing Associations (NIFHA); including global accounts, Annual Regulatory Returns (ARR), Annual Accounts Returns (AAR) and Northern Ireland Housing Statistics; a survey of all social housing organisations managing units within Northern Ireland; and in-depth qualitative work with three case study housing organisations¹ and key stakeholders such as DSD, the NIFHA and representatives from the construction industry. The survey provided a comprehensive evidence base from which to make region-wide estimates of economic impact. It was completed by 12 organisations (48 per cent of social landlords, which collectively represented around 80 per cent of total turnover in 2012/13). Unless stated, estimates presented in this report are representative of the known population of social housing organisations, which were produced by grossing up survey responses received from these 12 responding organisations using weights which take into account turnover and landlord type and size.

¹ Fold Housing Association, the Northern Ireland Housing Executive and Triangle Housing Association.

Economic impact was assessed through three key economic measures: output expenditure, Gross Added Value; and employment. Three separate components were used to determine the economic impact of housing organisations: direct impact; indirect supplier effects; and indirect income-induced effects.

Social Housing Organisations in Northern Ireland

In 2011, 15.5 per cent of households in Northern Ireland were living in the social rented sector. This included people living in stock managed by the NIHE and housing associations. These organisations represent the focus of this study.

Managing social housing is a core function of the NIHE and housing associations. This role includes providing and allocating homes, delivering repairs and maintenance, and managing rental income. Social housing organisations in Northern Ireland managed almost 137,000 units in 2012/13. More than two-thirds (69 per cent) of these properties were managed by the NIHE. Housing associations in Northern Ireland manage more than 38,000 properties for rent or equity sharing. They vary in size from small community-based organisations managing less than 100 homes in a particular locality, through to larger associations managing more than 5,000 homes across Northern Ireland. Housing associations employ around 3,000 people. The number of housing associations has gradually reduced over recent years as a result of a series of mergers. At the time of writing, there are 24 registered housing associations in Northern Ireland.

Housing associations are responsible for the development of new social and affordable housing. These house-building activities are typically funded through a combination of: reinvestment of surplus; grant funding, of which the Housing Association Grant (HAG) from the DSD is a main source; and loan borrowings. Data from the DSD Housing Statistics Bulletin show housing associations made 1,120 new building 'starts' in 2012-13; this accounted for 19 per cent of all new housing starts in Northern Ireland. Housing associations completed 1,110 units in 2012/13; 14 per cent of all new housing completions in Northern Ireland.

Findings

This study estimates that in 2012/13:

- £536 million of expenditure by social housing organisations went into the Northern Ireland economy, which in turn generated £615 million in the supply chain. Therefore, **the total economic output supported by social housing organisations was £1,152 million** (£1.15 billion).
- The Gross Value Added (GVA) produced directly by social housing organisations was £246 million. In turn, the activities of social housing organisations supported a further £214 million of GVA. Therefore, **a total of £460 million GVA was created for the Northern Ireland economy by the activities of social housing organisations: 1.4 per cent of the total GVA.**
- Social housing organisations directly employed 4,796 FTE jobs in Northern Ireland. In turn, their activities supported a further 10,640 FTEs. Therefore, **a total of 15,436 FTE jobs in Northern Ireland were associated with the activities of social housing organisations.**

Introduction

1.1. Background

In 2014, the Centre for Regional Economic and Social Research (CRESR), Sheffield Hallam University was commissioned by the Northern Ireland Housing Executive (NIHE) to assess the economic impact of social housing organisations on Northern Ireland's economy. This included the economic impact of the NIHE and housing associations (including the Northern Ireland Co-Ownership Housing Association) in relation to the provision of new social housing, the management of social housing, their role as employers, their investment in communities and promotion of economic growth.

It is important that policy is aware of the multiplier effects of investment in social housing so that the implications of any decisions about future funding for the sector are fully understood. Spending on social housing is relatively high in Northern Ireland, compared to England, Scotland and Wales. There are various good reasons for this, but in the context of increasing pressure on public expenditure it is inevitable that questions are asked about the sustainability of this position and the balance between public and private investment in the sector. Answering these questions demands understanding the extent to which social housing (provision and management) represents an *investment* in economic growth and employment, rather than merely an out-going or cost. This was a primary objective of this project.

It is particularly important to understand the contribution being made by social housing when major reforms to the sector are being contemplated. *Facing the Future: Northern Ireland Housing Strategy 2012-17*² acknowledges that there is no sign that demand for social housing will reduce in the near future and recognises the need to use public funds in innovative ways to increase the supply of social housing at a time of public sector retrenchment. It asks fundamental questions about the future role of the sector, how it should be funded, regulated, allocated and maintained. In January 2013, the Minister for Social Development announced proposals to address these questions via a radical change in the way social housing is delivered in Northern Ireland. Stated aims included making the system more financially sustainable; ensuring the delivery of well-maintained housing stock; improving the focus on strategy and regional delivery of services; and supporting social landlords to play a more proactive role in the communities they serve. Key proposals included moving the non-landlord functions of the NIHE to a new Regional Housing Body, whose functions would include the Social Housing Development Programme; and transferring NIHE's landlord function, possibly to the housing association sector.

² See <http://www.dsdni.gov.uk/index/hdiv-housing/hdiv-publications/hdiv-facing-the-future.htm>

The research set out to provide a firm foundation upon which to make a rigorous assessment of the case for social housing investment, as well as informing ongoing debates regarding models of investment, delivery and management. The aim was to provide a baseline against which to assess the impact of multiple challenges facing housing organisations in Northern Ireland arising from, for example, welfare reform, economic retrenchment and changes in Northern Ireland's financial settlement with Westminster. The study builds on existing evidence regarding the impact of housing and updates the findings of the 2009 report,³ which revealed social housing to have a strong multiplier effect in terms of employment and to have a greater short-term impact on the labour market than other construction investments.

1.2. Objectives

The objectives of this study were to:

- demonstrate the economic and social importance of social housing organisations to Northern Ireland:
 - in promoting economic growth
 - as a major employer
 - in investing in people and communities
 - in building and managing social and affordable housing
- indicate to Government, funders and other stakeholders the economic impact of social housing organisations in Northern Ireland
- underpin the case for Northern Ireland's social housing sector in the run up to the next general election
- enhance the existing evidence base in relation to the impact of social housing organisations; previous studies have highlighted, for example, the impact of house-building on the national economy,⁴ and also relationships between housing and health⁵
- provide a **baseline** against which to assess the impact of the multiple challenges and opportunities facing social housing organisations arising from, for example, social housing reform, welfare reform, continuing economic retrenchment and changes in government spending plans.

1.3. Methodology

Key issues in relation to parameters adopted, the evidence base, and estimating economic impact are outlined below.

Key parameters to the study

Key parameters to the study include:

- analyses developed in this report explore the two main types of social housing provider: the NIHE and housing associations; section 2.2 outlines each type of provider

³ Smyth, M. and Bailey, M. (2009) Addressing the Economic Downturn: The Case of Increased Investment in Social Housing. The Department for Social Development.

⁴ Ibid.

⁵ NICE (2005) Housing and public health: a review of reviews of interventions for improving health, National Institute for Health and Clinical Excellence http://www.nice.org.uk/nicemedia/pdf/housing_MAIN%20FINAL.pdf

- this report measures economic activity stimulated directly by expenditure associated with day-to-day activities of housing organisations (for example providing routine maintenance, house-building and managing rental income), which then flows through the economy to create additional activity in other sectors and industries
- analysis focuses on the financial year 2012/13
- the assessment reflects impact from all day-to-day activities, including those related to both social and non-social housing, and whether such impacts occur within, or outwith, Northern Ireland.

Evidence base

The report uses both quantitative and qualitative evidence, which is drawn from:

- the published financial statements and annual reports of all social housing organisations
- secondary and administrative data held by the Department for Social Development (DSD), the NIHE and the Northern Ireland Federation of Housing Associations (NIFHA); including global accounts, Annual Regulatory Returns (ARR), Annual Accounts Returns (AAR) and Northern Ireland Housing Statistics
- a survey of all social housing organisations managing units within Northern Ireland
- in-depth qualitative work with three case study housing organisations⁶ and key stakeholders such as DSD, the NIFHA and representatives from the construction industry

The purpose of the **survey** was to provide a comprehensive evidence base from which to make region-wide estimates of economic impact. It contained questions on:

- stock: numbers of units managed, net additional units provided, new builds completed, and units in development
- employment: numbers of employees and full time equivalents (FTEs), main workplaces and residences of employees, and staff costs
- expenditure: value, category and regional sourcing
- neighbourhood investment activity: staff costs, financial input, monies levered in and beneficiaries.

The survey was sent out in July 2014, to 25 social housing organisations operating in the Northern Ireland. Twelve organisations completed the survey (48 per cent, which collectively represent around 80 per cent of total turnover in 2012/13).

Unless stated, estimates presented in this report are representative of the known population of social housing organisations. These estimates have been produced by grossing up survey responses received from these 12 responding organisations using weights which take into account turnover and landlord type and size.

The purpose of the **case study work** was to:

- provide more detailed evidence on economic impact and community investment activities undertaken by housing organisations; boxes 1 to 4 provide examples of activity undertaken by case study housing organisations

⁶ Fold Housing Association, the Northern Ireland Housing Executive and Triangle Housing Association.

- test out key assumptions
- understand key challenges facing housing organisations and to explore how they are reacting to the rapidly changing policy landscape.

Estimating economic impact

Impact is assessed through three key economic measures:

- output expenditure
- Gross Value Added
- employment.

Three separate components are used in determining the economic impact of housing organisations:

- **direct impact:** the value to the Northern Ireland economy directly attributable to the activities of social housing organisations operating in the region
- **indirect supplier effects:** this is the ripple effect through the immediate supply chain created by the purchase of goods and services by social housing organisations
- **indirect income-induced effects:** these arise outside the immediate supply chain as a result of expenditure by employees of both social housing organisations and also of other organisations in the immediate supply chain.

1.4. Structure of the report

The remaining sections of this report are organised as follows:

- chapter 2 provides an overview of social housing organisations and considers their three main day-to-day activities: managing social housing, house-building and 'community investment'
- chapter 3 assesses the economic impact of social housing organisations on the economy of Northern Ireland.

Social Housing Organisations in Northern Ireland

2.1. Introduction

This chapter provides an overview of social housing organisations in Northern Ireland, spotlighting the role and function of the Northern Ireland Housing Executive and the housing association sector. Activities associated with three main strands of delivery are summarised: managing social housing, house-building, and 'community investment'⁷ work. Case study examples are provided to illustrate the role and contribution made by housing organisations through these activities.

2.2. An overview of social housing organisations

In 2011, 15.5 per cent of households in Northern Ireland were living in the social rented sector. This included people living in stock managed by the Northern Ireland Housing Executive (NIHE) and housing associations. These organisations represent the focus of this study. This section provides a brief overview of their role, function and size.

The Northern Ireland Housing Executive was established in 1971 to manage public housing previously allocated by local councils and to serve as the strategic housing authority for Northern Ireland. It has more than 3,000 staff and administers a budget of more than £500 million. The NIHE is also the largest social landlord in Northern Ireland, managing over 90,000 dwellings. Its activities as a landlord focus on stock maintenance, tenancy management and community involvement.

The strategic responsibilities of the NIHE include the identification and analysis of housing need and drawing up programmes to meet these needs across the housing system. This includes managing the Social Housing Development Programme (SHDP), through which grant funding is provided to housing associations to build or acquire new social housing. The SHDP is a three year rolling programme of planned social housing construction and provision. The programme is the outcome of analysis of unmet housing need carried out by the NIHE. The size of the programme is determined by the Department for Social Development (DSD), which makes the finance available for new social housing provision. DSD has overall control for social housing policy in Northern Ireland and regulatory powers over NIHE and registered housing associations.

⁷ 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.

Housing associations are private non-profit-making organisations. Although independent, they are regulated by the DSD and commonly receive public funding in order, for example, to build new social housing or to help finance housing improvements. Housing associations in Northern Ireland manage more than 38,000 properties for rent or equity sharing. They vary in size from small community-based organisations managing less than 100 homes in a particular locality, through to larger associations managing more than 5,000 homes across Northern Ireland. Housing associations employ around 3,000 people.

The number of housing associations has gradually reduced over recent years as a result of a series of mergers. At the time of writing, there are 24 registered housing associations in Northern Ireland. This is in contrast to the situation in England, Scotland and Wales, where the number of housing associations has grown rapidly as a result of local authorities transferring stock to newly formed housing associations in a bid to access the funds required to bring stock up to Decent Homes standards. However, the size of the sector in Northern Ireland continues to grow as a result of new developments and the stock transfer of a small amount of NIHE stock requiring major improvements (proposals announced in July 2013 involved the transfer of 2,000 Housing Executive properties over the following three years).

Social housing organisations vary with respect to the numbers of units they manage, the locations they serve, the form of provision they provide (including supported and general needs housing for rent and co-ownership) and the characteristics of their client base. However, a number of **consistent themes are apparent within the aims and objectives of social housing organisations in Northern Ireland**, including:

- developing good quality, new social housing to meet housing need
- offering high quality, responsive services to meet customer needs
- promoting the involvement of tenants and residents in the provision of services
- collaborating successfully with a range of partners, including housing associations, the Housing Executive and other statutory, voluntary and community organisations
- ensuring effective management and maintaining the financial performance and viability of the organisation
- promoting successful, stable and sustainable communities
- being open and transparent employers.

2.3. Day-to-day activities of housing organisations: managing social housing

Managing social housing is a core function of the NIHE and housing associations. This role includes providing and allocating homes, delivering repairs and maintenance, and managing rental income. Table 2.1 shows social housing organisations in Northern Ireland managed almost 137,000 units in 2012/13. More than two-thirds (69 per cent) of these properties were managed by the NIHE. Three organisations (OakleeTrinity, Fold and Helm) were responsible for 45 per cent of all properties managed by housing associations.

Of the almost 137,000 social housing units managed by the NIHE and housing associations:

- 93 per cent were general needs housing
- four per cent were shared ownership
- three per cent were supported housing.

Table 2.1: Number of units managed; end of financial year 2012/13

	Number	Per cent
NIHE	94,601	69
Housing associations	42,297	31
Total	136,898	100

Source: DSD and CRESR survey (2014)

The majority of social housing in Northern Ireland is allocated via a Housing Selection Scheme through which all applications for social housing (NIHE and housing association) are assessed. The Scheme is guided by a set of rules approved by the DSD. The Scheme is managed by NIHE, which assesses applications, awards points for various housing needs and ranks applications on a Common Waiting List. Housing association allocations teams have access to this system and target vacancies to households registered on the Common Waiting List.

Tenancy support aims to improve customer satisfaction, manage rental income and minimise voids. These services are managed through the local offices and outreach work of the NIHE and housing associations. The Housing Executive estimates that almost 350,000 tenants visited a local NIHE office in 2013/14. In the same year, 436,836 repair requests from NIHE tenants were dealt with and 12,039 tenants received energy advice.

Stock management involves cyclical maintenance and improvements to the housing stock. In recent years capital investment in the existing publicly-owned social housing infrastructure has been more limited, with the capital made available to the DSD being directed towards new housing. There has consequently been a reported increase in the build-up of maintenance required in some areas of the NIHE housing stock.⁸ The Housing Executive operates a revenue programme to address standards. In 2012/13 this included: a programme of external cyclical maintenance (8,429 starts); kitchen replacements (5,449 starts); heating installations (4,054 starts); and double glazing (8,856 starts) (see Box 1 for further details).

⁸ see <http://www.dsdni.gov.uk/shrp-sdc-research-paper.pdf>

Box 1: NIHE kitchen replacement programme, Belfast

Overview

The Housing Executive (NIHE) is the largest social landlord in Northern Ireland, managing nearly 90,000 homes and employing more than 3,000 staff, of which 1,500 are employed directly in the delivery of its landlord function. Although not itself a developer of new housing, NIHE invests substantially in the upkeep of its stock. In 2014/15 its total budget for maintenance was £150m, with just over half (£78m) allocated to planned maintenance. This includes external maintenance of 9,000 properties, 5,000 new kitchens, replacement and upgrade of heating in 6,000 homes and installation of double glazing in 9,800 homes.

More specifically NIHE planned to invest £69m in Belfast in 2014/15 across a range of domains, including £40m for planned and response maintenance. One example is the **Brucevale, Vicinage and Downview Kitchen Replacement Scheme** in North Belfast, part of a wider programme of revenue replacement work to a projected 1,500 NIHE homes throughout Belfast in the financial year. Kitchens are replaced on a rolling basis, typically on a 15 year cycle although some in the present scheme were as old as 20 years.

The key beneficiaries of the Brucevale, Vicinage and Downview scheme are, first and foremost, the residents of the 101 properties upgraded. They are now able to enjoy a modern, high quality, well-finished kitchen, replacing what had become tired and outmoded facilities. Residents were included in the design of their kitchen, able to choose elements including the tiles, cupboard doors and worktops. One commented that there had previously been insufficient storage space, with cupboard doors broken and a damp problem on an external wall. All of these issues were rectified. The new kitchen has ample storage and is generally a more manageable space for everyday tasks like cooking and laundry. Residents are also entitled to a means-tested redecoration grant to contribute to the costs of finishing off the kitchen after work is completed, normally between £350 and £750.

Beyond its immediate impacts on tenants, NIHE's maintenance programme can also be considered an investment in the local and wider economy of Northern Ireland economy, from the appointment of contractors to their employees, suppliers, subcontractors and so on. For instance QMAC Construction, based in County Tyrone, were one of the firms contracted to carry out the kitchen replacement scheme. In this instance, the total investment came to over £300,000, or roughly £3,000 per property. Each kitchen took, on average, six days to install, providing employment to fitters, plumbers and electricians, while social clauses were used to give apprenticeship opportunities for local people. Kitchen materials and parts are sourced from within Northern Ireland as standard. The redecoration grants represent a further investment, to a total of around £50,000 for the Brucevale, Vicinage and Downview scheme. In particular, larger grants were given to residents unable to carry out their own decorating work, in turn providing further employment for local tradespeople.

2.4. Day-to-day activities of housing organisations: house-building

Housing associations are responsible for the development of new social and affordable housing. These house-building activities are typically funded through a combination of:

- reinvestment of surpluses
- grant funding, of which the Housing Association Grant (HAG) from the DSD is a main source
- and loan borrowings; however, changes in the terms offered by banks have led housing associations to consider other options such as bond issues.

Data from the DSD Housing Statistics Bulletin show housing associations made 1,120 new building 'starts' in 2012-13; this accounted for 19 per cent of all new housing starts in Northern Ireland. This was lower than 2011/12 (1,221) and almost half the number in 2010/11 (2,104). A fifth of starts in 2012/13 were in Belfast and a sixth were in Derry.

Housing associations completed 1,110 units in 2012/13; 14 per cent of all new housing completions in Northern Ireland. This was similar to the number in 2011/12 (1,124 units) but more than 150 fewer units than in 2010/11. Twenty nine per cent of completed units in 2012/13 were in Belfast.

Our survey of the NIHE and housing associations collected additional information about house-building. The 12 landlords who responded reported completing 557 units in 2012/13. A further 285 units were in also in development. Respondents were asked to state how many units their organisation planned to provide in Northern Ireland in the next two financial years (2013/14 and 2014/15). Responses to this question indicate an additional 965 social housing units are to be provided over this period. Northern Ireland Co-Ownership Housing also planned to increase its stock by 2,100 units.

Box 2: Fold Housing Association: new development

Overview

Fold Housing Association employs some 800 staff and has an annual turnover of £37 million (year ending March 2013). It manages 6,000 properties and an asset value of £360 million. Fold commenced 296 new homes in 2012/13.

Brianswell and Pembroke developments, Belfast

Brianswell and Pembroke are two neighbouring development schemes undertaken by Fold Housing Association in the Poleglass area of West Belfast. Together they provided 99 new homes in an area of acute housing stress, as well as improving the provision of sporting facilities in the area. Both sites are located within the Lisburn City Council area.



While the two developments are separate physically and financially, and were let to different contractors, they share a common background and vision. Initially, Fold expressed interest in acquiring and developing the Pembroke site, a disused Gaelic football pitch that had fallen into disrepair. The Mitchel's Gaelic Athletic Club (GAC), owners of the site, had begun using alternative facilities and lacked the financial capacity to bring the pitch back up to a usable standard. At the same time the nearby Brianswell site – also centred on a disused Gaelic football pitch owned by St John's GAC – was a proposed location for new 3G artificial pitches to be developed by Lisburn City Council, while the land surrounding the existing pitch allowed for further potential housing construction.

Fold took on both sites for residential development. The Brianswell scheme was completed in August 2014 and is fully occupied. It consists of 34 new homes, including 12 three-bed houses, 16 two-bed houses, and six two-bed apartments. The scheme was particularly notable as it increased Fold's stock to 6,000 properties, a landmark celebrated with a community party held in the adjacent Sally Gardens Community Centre. The larger Pembroke scheme is still in progress and is due for completion by summer 2015. It will consist of 65 units: 27 three-bed houses, 29 two-bed houses and nine two-bed apartments.

The Brianswell and Pembroke schemes are providing additional social housing in an area with great need. West Belfast has one of the highest levels of housing stress in Northern Ireland. It is a popular area and most existing residents want to stay in the area. As a result there is a long waiting list and demand outstrips supply. In March 2014 there were 2,674 applicants on the social housing waiting list for West Belfast and 667 in Lisburn Dairy Farm, the two areas from which prospective residents of Brianswell and Pembroke are most likely to be drawn. Of these, 1,969 in West Belfast and 516 in Lisburn were deemed to be in housing stress. Only 362 applicants from West Belfast, and 140 from Lisburn Dairy Farm were allocated social housing in the year to March 2014. The problem of supply is exacerbated by a lack of available land for new residential development.

Impact

Although the two schemes were designed primarily to meet housing need, together they have also acted as **a catalyst to improve the availability of recreational facilities for the community** and its local sports clubs, enabling previously disused space to be brought back into use. On the Brianswell site the land surrounding the existing pitch was used for housing, while the pitch itself will be replaced with a new 3G pitch, again due for completion by summer 2015, to be used by both Mitchel's and St John's GACs. The new facilities will be owned by the local authority but will be handed over to a local trust for management. Conversely, the provision of the new pitch helped make the case for the larger, entirely residential development on the Pembroke site, which was protected by covenant. In combination, then, the two schemes will have turned two unusable sports pitches into a usable one, plus 99 new homes.

A key role played by Fold was in brokering an agreement between the numerous parties involved and ensuring that the development was viable for all concerned: the two clubs and the council of the Ulster Gaelic Athletic Association, the local authority and the Sally Gardens Community Centre. St John's GAC agreed to gift the site of their existing pitch to Lisburn City Council for the new 3G pitch, and to sell the surrounding land to Fold for residential development. Mitchel's GAC sold their site to Fold for housing, and agreed to make a £300,000 contribution towards the construction of the new 3G pitch, to which Fold would also contribute up to £75,000. Sally Gardens contributed land for access between the community facilities and the Brianswell development.

A further important impact of the Brianswell and Pembroke schemes has been the direct contribution that their **construction has made to the Northern Ireland economy**, accounting for a total investment of £3.8m and £7.2m respectively. A major proportion of the total cost was publicly funded via the Housing Association Grant (HAG): £1.5m (41 per cent)



for Brianswell and £3.9m (54 per cent) for Pembroke. The remainder came from Fold through a mixture of private finance and reserves.

Construction contracts were worth £2.9m (Brianswell) and £5.5m (Pembroke) and awarded to well-established building firms based in County Tyrone and County Down. These building firms not only employed building workers during the construction of the two schemes, but secured materials and services from

a range of suppliers and subcontractors, some based in Belfast and Lisburn and all located in Northern Ireland. Both developments also included social clauses: requirements placed on contractors to provide apprenticeships for young people in the local community, allowing them to develop skills and gain experience in the labour market. For example, the Brianswell scheme included three successfully completed apprenticeships, each lasting eight weeks.

2.5. Day-to-day activities of housing organisations: 'community investment' work

In recent years, social landlords have increasingly become involved in a wider range of what might be referred to as 'community investment' activities. The Housing Executive has led a number of specific initiatives designed to promote positive relations between residents on NIHE estates. The Shared Neighbourhood Programme is a £1 million, three year initiative aimed at supporting and encouraging shared neighbourhoods across Northern Ireland, which involves 20,000 households on 50 estates. The Building Relationships in Communities Programme is an initiative designed to encourage greater levels of social integration in social housing. It began in 2010 and is active in over 80 locations across Northern Ireland. It is delivered via a partnership of the Rural Development Council, NIHE and the training consultancy TIDES. The aim is to empower NIHE staff to promote a greater degree of sharing within the segregated social housing market. The programme has received a total of £3.522 million worth of assistance under PEACE III.⁹ The Housing Community Network aims to support communities to be more involved with housing providers, so that they are better informed, can contribute to better decision-making, improve services and standards locally, and develop their own skills and opportunities. The NIHE and DSD-funded Supporting Communities Northern Ireland (SCNI), an independent voluntary organisation, works with community groups and housing providers to achieve meaningful community participation.

Housing associations in Northern Ireland have traditionally had more limited involvement in community investment, place-shaping and regeneration initiatives, compared to the Housing Executive and housing associations in England, Scotland and Wales. However, communities, tenants and their representatives are reported to be expecting and demanding more from social housing landlords, suggesting that they could play a key role in issues such as community regeneration, employability and sustainability.¹⁰ The housing strategy for Northern Ireland (2012-2017)

⁹ See <http://www.seupb.eu/programmes2007-2013/peaceiiiprogramme/overview.aspx>

¹⁰ See <http://www.dsdni.gov.uk/shrp-sdc-research-paper.pdf>

recognises this potential, identifying the role the social housing sector has to play in driving regeneration and sustaining communities as a key theme.¹¹

The DSD's Building Successful Communities initiative aims to deliver on this ambition. The strategic aims of the programme are to work collaboratively with the NIHE, housing associations, and communities to improve housing and infrastructure; improve current housing stock, deliver new social and affordable homes and bring empty homes into use; bring physical, economic and social regeneration to each area; and use housing interventions as the driver to regenerate these areas and start to reverse community decline. Six pilot areas have been selected: five are within Belfast and one is in Ballymena. Regeneration Forums have now been established in each of the pilot areas to take work forward and develop plans with tailor-made economic, physical and social interventions to meet community needs. Membership of Regeneration Forums has been sought from the Housing Executive, community representatives, council officials, housing associations, elected representatives and representatives from education, health and the voluntary and community sectors.

There are also examples of housing associations widening their remit to include community investment activities. Housing associations have secured capital funding to deliver important community resources. For example, Apex Housing Association secured capital funding of £4 million from the Special EU Programmes Body (SEUPB) under the Peace III Programme, and from Atlantic Philanthropies and the DSD to deliver a new community resource known as the Glen Community Complex on the site of an old factory in Belfast. Community services operating from the building include a crèche, youth and after-schools programme, education and computer training, a counselling service, a women's project and a boxing club. Other examples of community activities include social enterprises to increase employment opportunities (see Box 3) and to support people to live independently (see Box 4).

Box 3: Triangle Housing Association supported employment services

Overview

Triangle Housing Association employs 317 staff and has an annual turnover of £9.3 million (year ending March 2014). It provides and manages 679 supported and general needs properties. In addition, Triangle performs a range of housing and employment support functions:

- *Floating support* - for people with complex needs, providing assistance to secure a tenancy and sustain it, and assist with access to benefits and other services
- *Supported living/residential and community services* - personalised housing and care for people with a learning disability and/or complex needs
- *Employment services* - supporting people with a range of disabilities to engage in work activities; including a social enterprise business to aid people's progression into other work.

This case study focuses on Triangle's employment services.

Triangle's Progression to Employment services

Triangle's involvement in employment services dates back to 1997. Its aim is to provide

¹¹ See <http://www.dsdni.gov.uk/housing-strategy-consultation.pdf>

people with learning disabilities with employment training, opportunities and support. In doing so, it provides an alternative to day centre provision for this client group. Financial support comes from the European Social Fund, Northern Health and Social Care Trust and the Department for Employment and Learning. It currently operates in 10 of Northern Ireland's 26 Councils and offers a dual approach – what it refers to as an 'employment continuum'.

Firstly, it operates a **social enterprise business**, known as *Alternative Angles*¹² which engages with people with learning disabilities in order to develop new work-based and social skills, build confidence and enhance their future employment opportunities. The business operates in five locations (Antrim, Ballymena, Coleraine, Cookstown and Newtownabbey) and carries out a range of manufacturing and service activities such as candle making and producing conference packs. Running costs are around £1million a year, funded by grant funding (40% European Social Fund, 35% Health Trust and 25% Department for Employment and Learning). While there is no expectation that the social enterprise will make a profit, it does run on business principles to operate within its budget.

Secondly, Triangle has a **supported employment service** which supports people with learning disabilities into voluntary and paid work in the open labour market. The service's supported employment officers establish work placements with employers, and support both service users and employers to maintain the placement, and where possible, advance to permanent paid employment. About 30 per cent of service users will be earning at the minimum wage level, and usually working less than 16 hours to ensure that welfare benefits can be maintained. Where clients have capacity to work for more than 16 hours, the service aims to move them to more mainstream work programmes.

These two approaches operate in tandem; the social enterprise provides initial skills for people, and prepares them for moving onto the supported employment service. Clients are typically expected to spend no more than two years with the social enterprise.

The service currently employs 22 staff who provide support for around 340 people in voluntary and paid work; around 60 in the social enterprise and the rest in work placements. The service is not limited to Triangle tenants and users are referred by the Health Trust who carry out a multi-disciplinary assessment to determine whether someone has the capacity for some type of work-training. The service is aimed at clients with severe learning disabilities. Those with more moderate learning disabilities can access more mainstream services, such as Steps to Work and Steps to Success. Clients include young people leaving formal education, adults who have some capacity to move on from traditional health service provision towards vocational opportunities.

Impact

A number of impacts can be derived from Triangles Progression to Employment service:

1. The project has successfully supported around 450 people into voluntary and paid employment over the past three years. This has significantly reduced the demand for day centres provided by the Northern Health and Social Care Trust. Triangle suggests that while day centre provision costs around £72 per day per individual, its employment service can support a client for a year with the equivalent of 12 days of this expenditure (around £870 in contribution from the health trust).
2. While the services rely on grant funding (the social enterprise does not generate revenues that meet its running costs), it does have some clear financial impacts:
 - leverage of grant funding from the European Union

¹² <http://www.alternativeangles.org.uk/>

- reduction of public sector costs associated with day centre provision
 - benefits to the local economy through growing the workforce and providing better training and work-based skills
 - providing local business with volunteer opportunities in return for their active participation in a social purpose.
3. Triangle is one of a number of organisations operating similar types of supported employment services. It was an early supporter of the Northern Ireland Union of Supported Employment (NIUSE) that was formed in 2004 – an umbrella organisation representing around 15 organisations that provide vocational training and employment opportunities for people with learning disabilities and from disadvantaged situations. It shares good practice, works with employers to promote employment for people with learning disabilities and it lobbies government to broaden the supported employment model in Northern Ireland. NIUSE is affiliated to the European Union of Supported Employment (EUSE), for which it provides secretariat services. EUSE seeks to promote and develop the Supported Employment model and provides a platform for networking with other organisations and associations at European and worldwide level.
4. In 2007, NIUSE carried out a Social Return on Investment study of 10 organisations operating a supported employment model. The findings suggested that for every £1 invested in supported employment, £6.17 will be returned to the local or national economy over a 5 year period.
5. The supported employment service fits well within Triangle stated mission objective ‘to deliver quality housing and appropriate support to people in need, promoting equality and opportunity for all’,¹³ and being a housing association has a number of key advantages:
- While the Progression to Employment service is a financially autonomous ‘department’ within Triangle (rental revenue is not used as a cross-subsidy), there are benefits derived from being within a larger organisation such as access to HR, financial, legal and premises services.
 - Funders (particularly the ESF and the Northern Health and Social Care Trust) are becoming more demanding, and risk-averse. Therefore, being within a larger and well-established organisation is increasingly beneficial. It means that financial tests can be met, and that staff have the capacity (and skills) to make funding applications – aspects that may act as barriers to funding for smaller, stand-alone organisations.

¹³ http://www.trianglehousing.org.uk/our_vision_mission_values.php

Box 4: Fold Housing Association - Telecare and Telehealth

Overview

Fold Housing Association employs some 800 staff and has an annual turnover of £37 million (year ending March 2013). It manages 6,000 properties and an asset value of £360 million. In addition to its core role as a landlord and developer of social housing, Fold has increasingly embraced opportunities to deliver and facilitate a variety of wider services – from floating support to digital inclusion courses – both to diversify its business model and to meet the needs of its customer base. This includes Fold tenants, but also other social tenants and those living in private accommodation.

A prominent example is the provision of two related services, Telecare and Telehealth. Both are means of supporting residents from a distance, allowing greater independence for vulnerable clients or those with long term conditions, enabling many to remain in their own homes longer than would otherwise be possible, and reducing impacts on health and social care services.

Telecare provides remote support and assistance via telecommunication technology. Typically a user wears a pendant allowing them to alert a 24 hour contact service if they require support or encounter any difficulty, for example experiencing a fall. They are then connected to a trained operator who can provide assistance and, as appropriate, make contact with family members, carers or emergency services. An enhanced form of Telecare uses passive monitoring equipment to monitor usual patterns of behaviour and raise an alert if something unusual happens, for instance not getting out of bed by a certain time.

Meanwhile, **Telehealth** again uses communications technologies to remotely monitor vital signs, such as temperature and blood pressure. It is especially used in the management of long term health conditions, including chronic obstructive pulmonary disease (COPD) and diabetes. If readings are outside predetermined parameters then this alerts the appropriate healthcare professionals.

Fold is a leading provider of both Telecare and Telehealth in Northern Ireland, and is contracted to deliver both services across all five Health and Social Care Trusts in Northern Ireland. These contracts include delivery to approximately 1,300 Telehealth patients and 3,000 enhanced Telecare clients. Fold also provides Telecare to housing associations throughout Northern Ireland – approximately 10,000 clients – and to 9,000 private pay households (3,000 in Northern Ireland and 6,000 in the Republic of Ireland).

Our survey of the NIHE and housing associations in Northern Ireland asked responding housing organisations to indicate:

- their financial contribution to community investment work
- additional monies levered in to fund community investment activities
- numbers of people or homes benefiting from community investment.

Variations in non-response means that adopting grossing factors to estimate community investment across all social housing organisations (NIHE and all housing associations) could produce misleading results. As a consequence, this section is based on unweighted results. Therefore, when interpreting results outlined below it should be noted that actual figures for housing associations are likely to be at least double those shown (given that only half all housing associations responded to our

survey). The NIHE data has been presented separately as it was not possible to split inputs into staff and non-staff costs.

Tables 2.3, 2.4 and 2.5 summarise key measures by broad types of activity. Key points include:

- total input in community investment activities (where input equals the sum of staff cost, direct financial contributions and contributions from other organisations) across all responding social housing organisations for the six categories of activity was £13.382 million in 2012/13
- the largest combined NIHE and housing association input was for 'Poverty and Social Inclusion' projects (£9.253 million). 'Safety and Cohesion' projects had a total input of £2.571 million
- 12,504 people and 7,874 homes were reported to benefit from community investment work by the 11 associations responding to our survey, this included:
 - 6,100 people and 2,500 homes benefiting from 'Safety and Cohesion' projects
 - 2,900 people and 1,547 homes from 'Environment' projects
 - 761 people and 589 homes from 'Poverty and Social Inclusion' projects, which collectively received the largest input.

Table 2.3: Housing association financial inputs to community investment work

	Inputs (£,000)			Total
	Staff cost	Direct Financial	Other organisations	
Poverty and Social Inclusion	3,391	161	5,389	8,941
Employment and Enterprise	476	0	712	1,188
Safety and Cohesion	110	197	0	307
Environment	141	158	0	299
Wellbeing, Health and Support	42	0	0	42
Education and Skills	3	0	0	3
Total	4,164	516	6,101	10,781

Source: CRESR survey (2014)

Table 2.4: Beneficiaries of housing association community investment work

	Beneficiaries (number)	
	People	Homes
Safety and Cohesion	6,100	2,500
Environment	2,900	1,547
Wellbeing, Health and Support	1,400	1,200
Employment and Enterprise	343	1,538
Education and Skills	1,000	500
Poverty and Social Inclusion	761	589
Total	12,504	7,874

Source: CRESR survey (2014)

Table 2.5: NIHE financial input to community investment

	Direct Inputs (£,000)
Safety and Cohesion	2,264
Poverty and Social Inclusion	321
Wellbeing, Health and Support	25
Total	2,601

Source: CRESR survey (2014)

Economic Impact Calculations

3.1. Introduction

This chapter identifies the economic impact of social housing organisations in Northern Ireland on the economy and is structured as follows:

- the first section provides a brief recap of the methods employed
- the second section considers key factors that influence economic impact: income, procurement and composition of expenditure
- the third section examines key components in defining economic impact:
 - expenditure (output)
 - employment
 - Gross Value Added
 - and indirect effects
- a final concluding section provides a summary of overall economic impact.

3.2. Methods employed: a brief recap

Economic Impact for 2012/13 has been assessed for three key economic measures:

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

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

- direct impact: the value to the economy directly attributable to the activities of social housing organisations operating in Northern Ireland: 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 social housing organisations
- indirect income-induced effects: arising outside the immediate supply chain as a result of expenditure by employees of both social housing organisations and of organisations in the immediate supply chain.

3.3. Key factors influencing economic impact: income, procurement and composition of expenditure

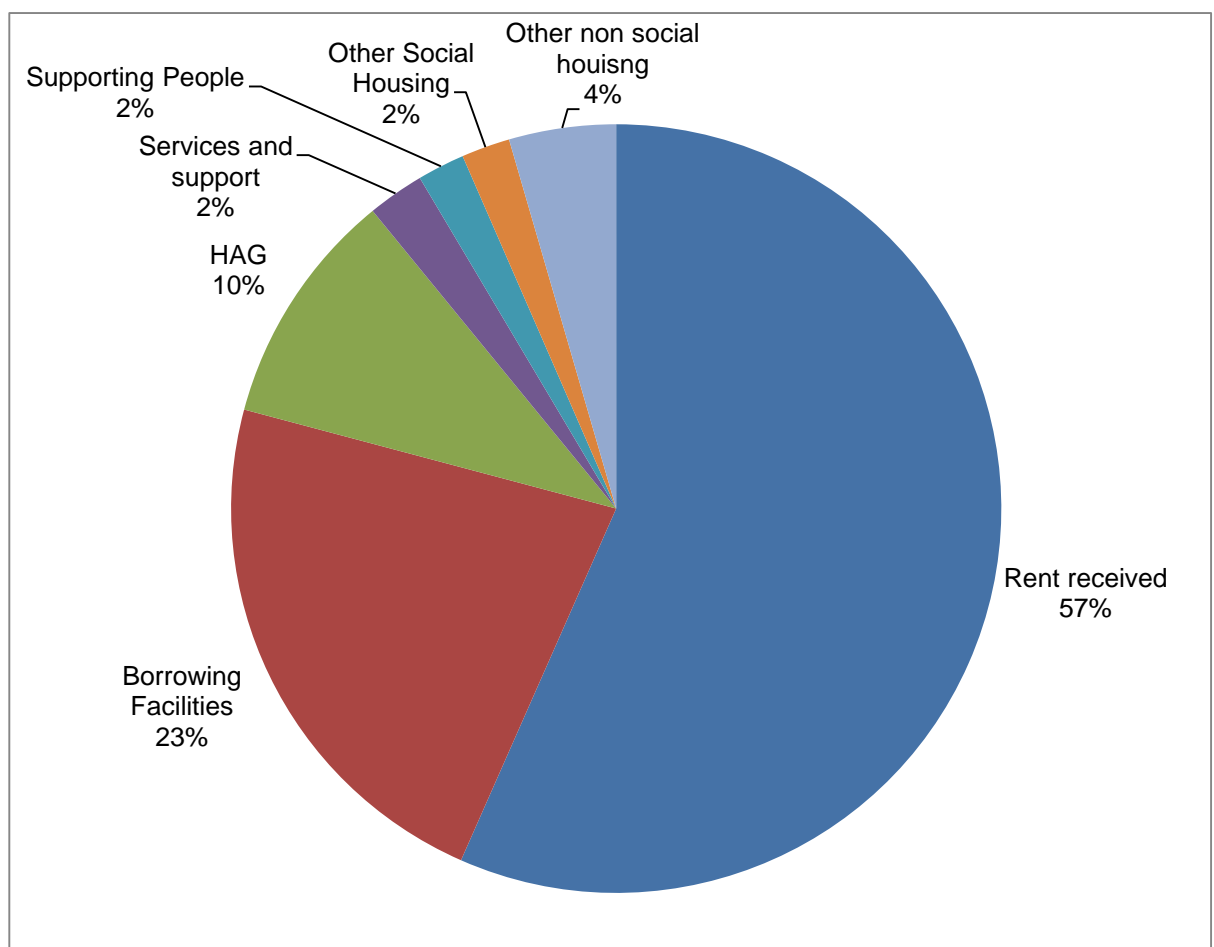
This section addresses three key factors which help determine economic impact:

- income which affects gross expenditure
- procurement policies and practices which impact on the proportion of expenditure remaining within the Northern Ireland economy
- and the composition of expenditure, which affects the magnitude of indirect impacts.

Income

Income¹⁴ in the year 2012/13 was estimated to be £697 million (£540 million excluding borrowing facilities). As is outlined in Figure 3.1, rental income accounts for some 57 per cent of this figure. A further third of income is accounted for by borrowing facilities (23 per cent) and HAG funding (10 per cent).

Figure 3.1: Composition of income, 2012/13



Source: Author estimates

¹⁴ 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.

These values reflect a view suggested by the Northern Ireland Federation of Housing Associations (NIFHA) that many lenders still see Northern Ireland's housing associations as a good safe investment. As a result many, especially larger, associations have been very successful in accessing private finance. Levels of grant funding have also remained above that in the rest of the UK, partly due to the Northern Ireland Assembly's more positive attitude towards social housing. However the NIFHA suggests that grant levels are likely to reduce after the end of the current agreement in 2016.

Non-social housing income is relatively small at £31 million (four per cent). Traditionally social housing organisations have focused on the core social housing activities identified in Chapter 2. However recent trends have seen several organisations seek to diversify their income sources by branching out into non-social housing activities; an example being Fold's Telecare and Telehealth services (Box 4).

Procurement

Current rates of regional sourcing, by category of expenditure, are shown in Table 3.2. This study estimates that 88 per cent of social housing organisation expenditure, excluding bad debt and depreciation, remains within the Northern Ireland economy; including bad debt and depreciation this is 79 per cent.

In part, this high level of local sourcing can be explained by geography and the nature of the economy of Northern Ireland. It is also consistent with the view of the interviewees who perceived supply chains tend to comprise a greater concentration of local, Northern Ireland-based Small and Medium-sized Enterprises (SMEs) relative to the rest of the UK. However, this situation was reported to have changed somewhat in recent years following the launch of the DSD's procurement strategy in 2008. This encouraged housing associations to professionalise their procurement strategies and to procure in groups - such as Accord Procurement - to deliver efficiencies in the system and ensure a greater return on capital investment. On construction projects, for example, the result appears to include a smaller number of large organisations winning prime contracts with housing associations. These then subcontract work to a larger number of self-employed builders.

Social housing organisations have established procurement policies and practices that are specifically designed to enhance local social and economic impact. In particular, requirements to take on a given number of work placements or apprentices depending on the value of the contract.

Composition of expenditure

How social housing organisations spend their money affects economic impact calculations through the magnitude of the indirect effect. Expenditure on construction and major repairs, refurbishment and purchase of housing properties, for example, are associated with a larger multiplier effect. These kinds of activities stimulate a greater ripple effect through the supply chain than does, for instance, expenditure on staff. The estimated output multiplier for Northern Ireland calculated and adopted within this study for construction expenditure is just over one and a half times greater than that for direct staff cost expenditure.¹⁵ Composition of expenditures in 2012/13 is shown in Tables 3.1 and 3.2.

¹⁵ The computed multipliers were 2.5 and 1.6 respectively.

Table 3.1: Gross expenditure by category, 2012/13

	Gross Expenditure	
	£millions	Per cent
Construction of housing properties	159.0	24
Major repairs and maintenance	153.5	23
Direct Labour Costs	90.6	13
Purchase of new housing properties	37.8	6
Finance and business services	17.3	3
Refurbishment of housing properties	14.4	2
Rents and rates	12.2	2
Purchase of other fixed assets	10.1	1
Energy/water for offices/HQ etc.	8.9	1
Transport/post/telecoms etc.	4.1	1
Community / Neighbourhood Investment	3.5	1
Hotels/Distributions	3.1	0
Training services	1.1	0
Consumables paper/office stationery etc.	0.9	0
Land Acquisition ¹⁶	0.1	0
Other	159.3	24
Total	676.0	100

Source: CRESR survey (2014) and author estimate

Table 3.2: Net expenditure by category, 2012/13

	Regional Sourcing	Net expenditure	
	Per cent	£millions	Per cent
Construction of housing properties	100	159.0	30
Major repairs and maintenance	100	153.5	29
Direct Labour Costs	100	90.3	17
Purchase of new housing properties	100	37.8	7
Refurbishment of housing properties	100	14.4	3
Finance and business services	76	13.1	2
Rents and rates	100	12.2	2
Energy/water for offices/HQ etc.	100	8.9	2
Purchase of other fixed assets	81	8.1	2
Transport/post/telecoms etc.	99	4.1	1
Community / Neighbourhood Investment	100	3.5	1
Hotels/Distributions	99	3.1	1
Training services	98	1.1	0
Consumables paper/office stationery etc.	100	0.9	0
Land Acquisition	100	0.1	0
Other	16	26.2	5
Total	79	536.4	100

Source: CRESR survey (2014) and author estimate

¹⁶ Note this excludes the capital cost of the land.

3.4. Defining economic impact

The sections immediately above outline key factors which influence economic impact. This section advances analysis by defining impact through a detailed consideration of expenditure (output), employment, Gross Value Added and indirect effects.

Gross and net expenditure by housing organisations

Gross expenditure is defined here as the total amount of expenditure¹⁷ by social housing organisations regardless of where goods and services purchased were sourced. Grossing up from survey responses, it is estimated that gross expenditure by Northern Ireland's social housing organisations was £676 million in 2012/13. Table 3.1, which presents gross expenditure broken down by category, shows that 'construction of housing properties' (24 per cent), 'major repairs and maintenance' (23 per cent), and 'direct staff costs' (13 per cent) - the wages and salaries paid to staff- together comprise three-fifths of gross expenditure.

In order to establish **net figures**, gross expenditure has been adjusted by deducting leakages in expenditure which do not create an impact on the Northern Ireland economy: expenditure on depreciation and bad debts and also expenditure which goes to businesses not located within Northern Ireland. The last category of leakage has been estimated from regional sourcing questions included in the survey, responses from which were subsequently validated in detailed discussions with case study organisations.

An estimated £536.4 million (79 per cent) of gross expenditure went to suppliers based within Northern Ireland. Table 3.2 provides estimates of how this 'net expenditure' breaks down by category. Key points to note include:

- the largest category of expenditure retained within Northern Ireland was 'construction of housing properties': £159 million which represented 30 per cent of net expenditure
- 'major repairs and maintenance' comprised the second largest category of net expenditure: £153.5 million, 29 per cent of net expenditure
- net expenditure on 'direct staff costs' was £90.3 million, 17 per cent of net expenditure.

Employment

The survey asked housing organisations to report both average monthly numbers of directly employed employees in the financial year 2012/13 and also their full time equivalence (FTE). Follow-up questions provided evidence with regard to how these numbers broke down by location of their main workplace and place of residence. Table 3.3 shows social housing organisations operating within Northern Ireland employed:

- 5,989 employees whose main place of work was within Northern Ireland: 52 per cent of employees were employed by the NIHE and 48 per cent were employed by housing associations; this represents 0.74 per cent of civil employment jobs (employee and self-employment) in Northern Ireland

¹⁷ 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.

- 4,796 FTE employees whose main place of work was within Northern Ireland: 61 per cent of FTE employees were employed by the NIHE and 39 per cent of FTEs were employed by housing associations
- 5,957 employees resided within Northern Ireland: 52 per cent of these employees were employed by the NIHE and 48 per cent were employed by housing associations.

Adopting conservative assumptions on the effective income tax which employees of social housing organisations pay, it is estimated that the 5,957 employees residing in Northern Ireland contributed just under £13 million in income tax receipts to the Treasury in 2012/13.

It is interesting to reflect here on the relative size of this workforce (5,989 employees). According to the 2013 Northern Ireland Census of Employment, this figure is similar to that working in takeaway food shops and mobile food stands (6,044 employee jobs) and just under four times the number working in mining and quarrying (1,553 employee jobs). The number of FTE employees working in social housing organisations in Northern Ireland (4,796) is approximately half the number working in post-primary schooling (9,493 FTEs).¹⁸

Table 3.3: Employment, 2012/13

	All	Organisation NIHE	HAs
Employees			
Total	6,006	3,107	2,899
Workplace in NI	5,989	3,107	2,881
Resident of NI	5,957	3,076	2,881
Full Time Equivalent employees			
Total	4,803	2,902	1,902
Workplace in NI	4,796	2,902	1,894
Resident of NI	4,767	2,873	1,894

Source: CRESR survey (2014) and authors estimate

Gross Value Added

Total expenditure is useful in assessing the contribution of the sector to the economy. However, an alternative measure is Gross Value Added (GVA). This is the additional value that social housing organisations add to their inputs (the goods and services purchased), which contributes to the Northern Ireland economy.

Gross Value Added can be calculated from financial statements by summing total wage costs, pre-tax operating profits and depreciation. It is estimated that social housing organisations in Northern Ireland contributed £245.9 million worth of GVA to the region's economy. This figure amounted to 0.7 per cent of total GVA for the Northern Ireland economy.

¹⁸ Source Department of Education Northern Ireland http://www.deni.gov.uk/index/facts-and-figures-new/32_statistical_publications-indexofstatisticalpublications_pg/32_statistical_publications_pressreleases_pg/32_statistical_publications_pupil_teachers_ratios_pg.htm

Indirect impacts

In addition to those direct impacts outlined immediately above, it is also necessary to capture indirect impact on the economy in Northern Ireland. This comprises additional output, GVA and employment created by indirect suppliers and also indirect income-induced effects (described in section 3.2 above).

Economic multipliers as to the scale of these effects have been estimated from input-output tables.¹⁹ It is estimated that social housing organisations in Northern Ireland indirectly bring about:

- an additional £615.1 million worth of expenditure (output)
- an estimated additional GVA of £214.4 million: additional operating surplus and wages paid
- and an additional 10,640 FTE jobs: social housing organisations indirectly support 2.2 FTE jobs per one directly employed FTE.

3.5. Conclusion: Summarising economic impact across Northern Ireland, by organisation type and by region

Table 3.4 summarises overall economic impact. This study estimates that in 2012/13:

- £536 million of expenditure by social housing organisations went into the Northern Ireland economy, which in turn generated £615 million in the supply chain. Therefore, **the total economic output supported by social housing organisations was £1,152 million** (£1.15 billion).
- The Gross Value Added (GVA) produced directly by social housing organisations was £246 million. In turn, the activities of social housing organisations supported a further £214 million of GVA. Therefore, **a total of £460 million GVA was created for the Northern Ireland economy by the activities of social housing organisations**: 1.4 per cent of the total GVA.
- Social housing organisations directly employed 4,796 FTE jobs in Northern Ireland. In turn, their activities supported a further 10,640 FTEs. Therefore, **a total of 15,436 FTE jobs in Northern Ireland were associated with the activities of social housing organisations**.

¹⁹ Iparraguirre D'Elia, J.L. (2008) Northern Ireland's Input-Output Table. An application of Kronenberg's Derivative Approach. Economic Research Institute of Northern Ireland.

Table 3.4: Summary of economic impact on the Northern Ireland economy, 2012/13

	Direct Impact	Indirect Impact	Total Impact
Output: £millions	536	615	1,152
Gross Value Added: £millions	246	214	460
Employment: (FTEs)	4,796	10,640	15,436

Source: CRESR survey (2014) and authors estimate

Table 3.5: Summary of economic impact on the Northern Ireland economy by type of organisation, 2012/13

	Direct Impact	Indirect Impact	Total Impact
NIHE			
Output: £millions	232	230	462
Gross Value Added: £millions	141	55	195
Employment: (FTEs)	2,902	3,643	6,544
Housing Associations			
Output: £millions	305	385	690
Gross Value Added: £millions	105	160	265
Employment: (FTEs)	1,894	6,997	8,891

Source: CRESR survey (2014) and authors estimate