

A joint strategy for developing the co-operative housing sector

Confederation of Co-operative Housing
The Co-operative Union
UK Co-operative Council
The Co-operative Party

April 2001

1.

Foreword by Pauline Green

Chief Executive Officer, The Co-operative Union

It gives me great pleasure to launch this joint strategy for co-operation in housing. It comes at a unique moment of convergence of people, timing and opportunity, not just for the housing co-operative movement, but for the co-operative movement as a whole. The publication of “The Co-operative Advantage” in January 2001 marked the culmination of the work of the Co-operative Commission, a body established to chart the route towards a successful future for the co-operative movement. This work was supported by Tony Blair, who in the foreword to this report, recognises that the values on which the co-operative movement is built – “values such as community and social responsibility are as relevant today as they have ever been”.

These values are central to co-operation in housing and as such “The Co-operative Advantage” made a specific recommendation that the Government should promote the co-operative model of social housing to local authorities that are considering transferring their housing stock to the private sector.

The Co-operative Union look forward to working in partnership with the Confederation of Co-operative Housing and others on the development of this strategy.



Foreword

2.

Introduction

Introduction

Current government strategies acknowledge that sustainable development can only take place where local communities play a leading role in formulating the vision for their neighbourhoods. Two key elements emerge in these strategies:


- a. the need to build the capacity of local communities and develop empowered communities.
- b. a realisation that this empowerment and well-being is dependent on a range of factors, that includes housing but is not solely dependent on it

Strands relating to the government's vision of community empowerment can be found:

- throughout the work of the Social Exclusion Unit
- in the publication of the government's Neighbourhood Renewal Strategy
- in the development of "best value" and tenant participation compact programmes for local authorities and RSLs
- in the government's Green Paper on Housing published in 2000
- through the publication of the Housing Corporation strategy for resident control – "Communities in Control" in 2000

Not for some time has the co-operative movement had so much to offer the government in achieving its policy objectives. The co-operative movement, with its twin focus on developing successful business enterprises at the same time as developing a social economy, is best placed to react to this new agenda. Substantial work is afoot throughout the co-operative movement to develop its agenda for the new millennium, particularly through the Co-operative Commission. The work of the Co-operative Commission recognises the importance to the UK Co-operative movement of its smaller and comparatively newer sectors – social enterprise, credit unions and housing co-operatives.

This strategy paper outlines a strategy to develop co-operation in housing. The co-operative movement recognises that housing and local communities are fundamental to everyone and therefore need to be key elements of the co-operative family, and there is extensive support within the co-operative movement to develop effective strategies to stimulate co-operation in housing.



However, the housing co-operative movement in the UK is currently only a fragment of what it could potentially be. A key problem is that there has been a long period during which UK housing and regeneration policy has not supported local community empowerment. Current government strategies, in trying to solve the legacy of problems that have built up, are understandably focussed on developing solutions that tackle problems at a wider level at which it might be seen to be inappropriate to develop housing co-operatives. Therefore the focus of this strategy is to develop wider enabling frameworks which will give ordinary people the opportunity to establish housing co-operatives if they want to.

The CCH has already consulted on a policy framework, published as “Tenants Taking Control” in 1999 to which CCH remains committed. This strategy is a means of implementing the elements within that policy framework that are achievable within the foreseeable future and of generally raising the profile of co-operation in housing. Four key points underpin this strategy:

- the co-operative sector will continue to campaign, wherever possible, to make the housing co-operative option available to all people

- there may be a wide range of organisations and structures that operate in similar ways to housing co-operatives, which will also be beneficial to people and communities
- the key defining factors that this strategy depends upon are individual self-help and community empowerment, local participatory democracy, autonomy and membership
- the co-operative movement and this strategy are not about developing ‘top-down’, paternalistic, charitable structures, because by definition such organisations are not about self-help or community empowerment

3.

Guiding principles

Guiding principles

The values which define co-operation, values adopted by co-operative businesses all over the world – “self-help, self-responsibility, democracy, equality, equity and solidarity and the ethical values of honesty, openness, social responsibility, and caring for others” – are fundamental to the task of regenerating our communities.

These values are not unique to the co-operative movement, but whilst some of them may be guiding principles in most regeneration models, they are an intrinsic part of any co-operative's vision and identity. It will only be by uniting these values with effective business management and good practice that communities will be able to regenerate themselves out of continual decline and revenue subsidy and into sustainable self-sufficiency.

Many housing co-ops have been successful models of empowering local people to take decisions over their housing and communities for over 20 years, and their success was acknowledged in 1995 in a report, commissioned by the Department of the Environment and carried out by city accountants Price Waterhouse. The report compared housing co-operatives and other forms of tenant-control housing with similar housing association and local authority developments. The report concluded that “most co-ops outperformed their Local Authority and Housing Association counterparts and provided more effective housing management services with usually better value for money.” Tenant controlled organisations also ‘delivered wider non-quantifiable social and community benefits.’ It is the principles that govern how housing co-ops put their values into practice which are the seeds of their success. Again, some of these principles are common to a range of regeneration initiatives, but they are all intrinsic to the nature of housing co-ops:

- housing co-ops are voluntary organisations, where all people have an equal opportunity to become members, without discrimination
- housing co-ops are democratic member organisations that are controlled by their members. Co-op representatives are democratically accountable to their membership
- housing co-op members contribute equally to and control the finances of their co-op. Any surplus generated is allocated to developing the co-op and supporting other activities decided on by the membership
- housing co-ops are autonomous, independent self-help organisations
- it is intrinsic to housing co-ops that help to build the capacity of their members and the community through formal training and other means of education
- housing co-ops exist to work in partnership with other co-ops and community organisations
- housing co-ops work for the sustainable development of their communities

4.

Opportunities

Key factors that provide substantial current opportunities that this strategy takes advantage of include:

- **Stock transfer** - the potential transfer of 200,000 local authority properties per year, with the government indicating that it would prefer to see transfer happening to community orientated organisations. The CCH has developed a strategy whereby local authorities could potentially transfer to housing co-ops and resident controlled organisations.
- **Communities in Control** - the Housing Corporation, that regulates the Registered Social Landlord (RSL) sector, has recently published their resident-control strategy "Communities in Control". A key part of this programme is the CCH's Housing Corporation grant funded programme to develop best practice in community control for the RSL sector, and to disseminate this programme to RSL tenants, staff and board members.
- **Community Land Trusts** - investigation into a "Community Land Trust" structure, led by the CCH and other organisations, which would enable mutual "common land" structures to be established to benefit both homeowners and tenants. Feasibility studies are due to be carried out in Birmingham, Wessex, Sussex and Lancashire, with a seminar programme planned for Spring 2002 and implementation planned for Summer 2002.
- **Neighbourhood renewal strategies** - government led strategies for neighbourhood renewal
- **Leaseholder co-ops and commonhold** - there are currently 43,000 registered "Resident Management Co-operatives", where leaseholder homeowners, co-operatively own the freehold of their homes. This, and the Government's leasehold reforms may offer potential to strengthen the housing co-op movement.
- **Consumer co-operatives** - the membership of many consumer societies are keen to see the co-operative movement supporting the newer co-operative sectors, with the 2000 Co-operative Congress passing a resolution relating to supporting the development of co-operation in housing

Opportunities

5.

The strategy

The strategy

There are three key objectives of this strategy:

- to unite the various parts of the co-operative movement in one strategy for co-operation in housing and to brief the political wing of the co-operative movement
- to influence the strategies of national, regional and local government bodies and agencies, with regard their housing, social inclusion and urban and rural regeneration policies
- to identify potential opportunities, barriers and practical methods by which the size and sustainability of the housing co-operative sector can be extended

Area	Target	Aims	Target date		
			Short term	Medium term	Long term
Government					
The Co-operative Party	Presentation and discussion on this strategy	To discuss how the co-operative movement's political wing can be effectively and regularly briefed on this strategy, and the best use of parliamentary questions, early day motions, adjournment debates, policy papers and events in parliament	July 2001	Ongoing	
Co-operative movement promotion	Sending regular press releases to Co-operative News, New Sector, retail Societies' members magazines, RCCs' newsletters	To regularly brief the Co-operative movement publicity organs	April 2001	Ongoing	
	Dissemination of information on co-op housing options to Retail Society members	To promote co-op housing options	Ongoing		
Ministerial	Discussion on this strategy	To seek government support for this strategy	Autumn 2001		

	Lobbying on financial and administrative regime for resident controlled housing	To enable tenants to choose the housing co-op option	Ongoing		
DETR	Dialogue on stock transfer guidelines	To include resident controlled housing options in guidelines		2002	
	Neighbourhood Renewal Unit	To discuss local authority community strategies and other programmes		2002	
The Housing Corporation	Review "Communities in Control" strategy	To assess progress			2003
Resident control in the local authority sector					
Tenant Management	Involvement in tenant management review	Continuation of the Right to Manage framework	Current		
	Dialogue with TMOs	Assistance for TMOs on stock transfer issues	Ongoing		
Stock transfer	Dialogue with at least 2 targeted pilot local authorities	To implement CCH proposals on stock transfer		2002	
Resident control in the local authority sector					
Housing co-ops	Review current situation	<ul style="list-style-type: none"> to ensure effective operations of existing housing co-operatives to ensure effective support structures 	Ongoing		
Funding & investment	Development of joint strategy for funding for small RSLs	To create a framework that enables small RSLs to develop properties	Ongoing		
The "leasehold" issue	Introduction of leasing framework for resident controlled unregistered RSLs	Leasing framework to enable the development of housing co-ops through leasehold with larger registered RSLs	Dec 2001		
Resident control in housing associations	Development of best practice for resident control in RSL sector	To develop resident control in the RSL sector			2003
	Instigation of at least 6 pilot RSL resident control programmes	To promote resident control in the RSL sector			2003

Resident control, tenants & homeowners					
RSLs	Dissemination programme	To promote resident control options to RSL tenants, staff and board members			2003
Community Land Trusts	Feasibility study in at least 1 area	To investigate the implementation of a Community Land Trust programme	Feb 2002		
Community Self-Build & Resident Management Companies	Partnership wrking with other appropriate organisations	To investigate how the housing cooperative movement can compliment promotion of other options, such as self-build and resident management		2002	
Development of the CCH					
Administration	Creation of a stable CCH administrative structure	To enable the CCH to implement this strategy in partnership with other organisations	Dec 2001		
Membership	Investigation of links with Scottish and Northern Irish housing co-op movement	To widen the benefits of this strategy to all of the UK		2002	
	Creation of wider membership structures	To bring in further partners to assist in the development of this strategy		2002	
Staffing	Investigation of funding sources to employ staff to be employed through the Co-operative Union	To assist in the implementation of this strategy and dissemination	Dec 2001		
Other co-operative sectors					
Regional Co-op and Mutual Councils	Assist 2 RCCs develop local co-operation in housing strategies	To develop regional approach to developing co-operation in housing		2002	
	2 key consumer society business representatives on the governing bodies of community orientated RSLs	To investigate how business knowledge in the consumer sector can assist in the development of co-operation in housing		2002	



Confederation of Co-operative Housing

The Bond Warehouse
180-182 Fazeley Street, Birmingham B5 5SE

Tel: 0121 685 1019 Fax: 0121 771 4694
e-mail: info@cch-uk.org
www.cch-uk.org

The Confederation of Co-operative Housing Ltd.
is registered in England & Wales as a company limited
by guarantee: Reg No. 3284884