New Deal for Social Housing consultation

1   The Confederation of Co-operative Housing

1.1   With a membership of 180 co-operative and community-led housing organisations who own or manage some 60,000 homes, the Confederation of Co-operative Housing has represented the largest part of the co-operative and community-led housing sector in the UK since 1994.

1.2   Our membership includes:
- fully mutual and other housing co-operatives, most of them registered with the Homes and Communities Agency
- organisations that provide services to housing co-operatives
- mutual housing associations with active memberships consisting of tenants and in some cases employees
- community land trusts and other community led housing organisations.

1.3   The CCH is one of the National Tenant Organisations, alongside TPAS, TAROE Trust and the NFTMO, and has led the development of the A Voice for Tenants Steering Group, currently exploring national representation of tenants with the MHCLG. We produced the DCLG funded "An Investment not a Cost" publication, working with the University of Birmingham, exploring the business benefits of tenant involvement. We have long been an organisation working to support tenant involvement and empowerment.

1.4   The CCH is a leading proponent of all forms of community-led housing. We have worked with Government on the development of the Community Housing Fund and with the Welsh Government since 2012 on their co-operative housing programme. Having worked with numerous co-operative and community-led housing initiatives, including many new start-up schemes, we are pioneering a training and accreditation programme for advisors to community-led housing developments.

1.5 The CCH also works with mutual housing associations, recently launching Mutuality and Accountability in the Housing Association Sector exploring values and mutuality in housing associations.

2 The Green Paper's objectives

2.1 The Prime Minister was right to say that "many people living in England's four million social homes feel ignored, too often treated with a lack of respect by landlords who appear remote, unaccountable and uninterested in meeting their needs". She was also right to say that voices "too often to go unheard".

2.2 The Green Paper's objectives to empower tenants "by giving them greater control over their lives and homes" and to "rebalance the relationship between residents and landlords" are welcome. Many tenants feel powerless in their relationship with their landlords – both individually when they wish to see an issue addressed and collectively if they wish to participate in discussions with the landlord about how their services should be provided.

2.3 Ensuring a rebalance in the power relationship will involve cultural change – seismic cultural change in some landlords - involving long-term dialogue and communication. It will be about building trust. It will be about how residents feel. And most of it will not be measurable.

2.4 In this context, KPIs may play a small role, but sending landlords on a league table chase is likely to be damaging - resulting in landlords not focusing on real outcomes for tenants (**Questions 12 to 14**).

2.5 **Regulation** – the renewed focus on regulation is welcome. The following are problem areas that need to be addressed:

- the lack of assessment of compliance for the consumer standards means that landlords do not consider them important

- there is inconsistency regarding the regulatory protections that some social housing tenants receive dependent on the nature of the landlord. Theoretically local authorities are subject to a democratic mandate – but this may or may not protect the tenants of local authorities. Local authorities not being subject to governance and viability standards for example means that RB Kensington and Chelsea was not subject to checks on its procurement and contractual arrangements. All social housing

tenants should receive the same regulatory protections regardless of their tenure and landlord.

- the Involvement and Empowerment Standard is not being fully complied with by most landlords. If it was being complied with, it would give tenants both an individual and a collective means of engaging with their landlords in ways that would ensure that tenants can ensure that other consumer standards are complied with in ways that tenants want.

2.6 **Tenant voice** – it is welcome that the Green Paper asks about national representation of tenants. The CCH supports the A Voice for Tenants group submission regarding tenant voice. National representation is vital to ensuring that Government considers tenant issues in formulating policy as well as ensuring that tenant voice standards improve locally.

2.7 **Community-led housing and community leadership** – it is welcome that the Green Paper asks for ideas about how to develop community leadership in housing. Proposals relating to this are set out below. The Green Paper also questions the ongoing nature of tenant management. Research has consistently shown that considerable potential beneficial outcomes can stem from tenant management. Proposals about ensuring that tenant management maximises its potential benefits are set out below.

Proposals

A set of proposals have been made below to address the above problems, with references to relevant questions in the Green Paper. We have focused initially on issues relating to the co-operative and community-led housing sectors. Issues relating more broadly to the social housing sector we have referred to at the end of the submission.

3   Regulating community-led housing

3.1 **Questions 29 and 46** - there is no effective regulation of the governance and management of Registered Provider housing co-operatives or other equivalent small Registered Provider organisations. Theoretically the co-operative housing sector pays the regulator for a regulatory service which it does not receive (it is a standing joke in our sector that we are paying for an expensive filing cabinet). With support from the former Tenant Services Authority, the CCH produce non-prescriptive guidance on

governance and management standards in community-led housing organisations which it has no power to enforce.

3.2 **Questions 24-26** and **Question 35** – similarly, there is no effective regulation of governance and management in tenant management organisations, a function theoretically performed by local authority and housing association landlords. Usually there are very limited links between landlords and TMOs providing services, with some TMOs left to their own devices for decades.

3.3 The following measures are proposed:

- A community-led housing regulator be established to regulate and drive up governance and practice in the community-led housing sector – including Registered Provider co-operatives, relevant small housing associations and TMOs. It should be paid for out of the existing fees to the regulator from Registered Provider community-led housing organisations and from an equivalent fee to tenant management organisations. Such a regulator should be set up in conjunction with the existing regulator, but there needs to be clear community-led housing sector leadership (through CCH, NFTMO and other relevant organisations) and buy in to its establishment.

- **Question 45 to 48** - a part of the remit of this new community-led housing regulator should be to explore how disaggregated assets could best be used to lever in funding for new community-led housing developments.

4   Developing community-led housing

4.1 **Question 46** - the CCH has worked with the other national community-led housing organisations, MHCLG, Homes England, Power to Change, Nationwide Foundation and others to develop a national framework to encourage and support the development of community-led housing. The work being done includes:

- the development of a national training and accreditation programme (potentially recognised by the Chartered Institute of Housing) for enablers of community-led housing to ensure consistent and effective advice on the development of schemes.

- development of regional "hubs" where communities, local authorities, housing associations and others can seek advice on the setting up of community-led housing organisations

- development of an online portal with up to date information on how to develop schemes

- development of a promotional campaign for community-led housing.

4.2   There is clearly a growing appetite across the country for the establishment of community-led housing schemes, and the CCH, alongside others, are working to ensure that where there is interest this can be channeled in ways that will lead to viable schemes with the development of new homes. However, the development of community-led homes at scale – especially in the short term – may be dependent on active involvement of parts of the housing association sector who already have development capacity. Work needs to be done to encourage the housing association sector to develop community-led housing schemes and provide them with assistance in how to ensure that schemes become community-led.

4.3   In some associations there will be resistance to supporting community-led approaches due to previous problems with some schemes – largely caused by lack of understanding of how such schemes should work. The community-led housing sector needs to work with the housing association sector to ensure that the beneficial outcomes from community leadership can be derived in ways that will not cause difficulties for association's risk management framework.

4.4   In additional to the work already being done by MHCLG and the community-led housing sector to promote community-led housing, the following are proposed:

- **Question 46** - MHCLG discusses the responses to the question on community-led housing from the mainstream housing sector with the community-led housing sector including the CCH. The answers from the established housing sector may be illustrative in terms of understanding perspectives.

- Consideration be given to linking the CCH to associations who report difficulties in engaging with existing community-led housing organisations. The CCH has considerable experience in

re-establishing community-led housing organisations that have not been set up properly and doing this in ways that fits with the host housing association's risk management framework.

- **Questions 25 and 27** – include consideration of community-led housing options within the Involvement and Empowerment Standard

- **Question 25** - Consideration be given to a new form of tenant management that enables the potential for the beneficial outcomes that can come from tenant management, but which do not place onerous responsibilities, such as staff management, health and safety and data protection, on volunteer tenants. The CCH is working with WATMOS Community Homes – an organisation set up as a parent housing association to 11 TMOs in London and Walsall - to develop a partnership approach to tenant management. Under this model, tenants will have influence and shared decision-making locally, but WATMOS will take responsibility for the more challenging aspects of housing management. This model could be used as a blueprint to encourage housing associations who may be concerned about loss of governance control to explore a form of community-led housing.

5   Tackling stigma

5.1   **Questions 37 to 44** – stigma exists in relation to social housing because social housing is completely separated from other tenures in the UK. Those with the lowest incomes in society are channeled into social housing, and perceptions are fostered by Government and others that other forms of tenure, particularly home ownership, are preferable. Owner occupiers barely ever meet social housing tenants and have no common cause with them.

5.2   For some it may be that social housing could be or is a springboard to home ownership, and methods to help people of low to middle income access forms of home ownership are welcome. However most social housing tenants are perfectly happy living in social housing and for them being told that the tenure they live in is a springboard for home ownership adds to the stigma attached to social housing. For some, **social housing is a better tenure than owner occupation**, and is certainly usually seen as better than private renting. Social housing is usually a safe and secure form of housing. Tenants usually get their repairs done quickly and at no

costs to themselves. Many tenants like living in social housing – and for many it is their only realistic option.

5.3   Tackling stigma relating to social housing is a much broader issue than recognised in *New Deal for Social Housing*. It involves a major rethink of the whole of the UK's national housing strategy and the position of social housing within that.

5.4   The following two proposals are made in order to contribute to tackling stigma in social housing.

6   Rethinking allocations

6.1   **Questions 37 to 44** – some CCH members and tenants have raised that there is a need to rethink social housing allocations systems generally. Clearly with a shortage of supply and with ever increasing needs for ever increasing vulnerable people, it is understandable that the social housing system now only tends to house those in society with the greatest challenges in their lives. However, residualising social housing to those with multiple problems is not conducive to establishing balanced or viable communities, community leadership, or environments which might help those most challenged expand their potential or tackle the stigma associated with social housing.

6.2   It is proposed that the Government initiate a sectoral debate on the future of allocations in social housing with some emphasis given to what would assist in developing sustainable communities and what would result in a wider segment of society having common cause with social housing.

7   A Co-operative Foundation - tackling stigma and increasing supply

7.1   **Questions 37 to 44 and 45 to 48** – based specifically on community land trust developments in British Columbia in Canada[1], and more generally on research into co-operative housing in Canada and Berlin, the CCH is exploring the potential to establish a "Co-operative Foundation" to develop mixed income co-operative housing at scale.

7.2   Features behind what is being explored in the UK include:

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[1]   This research is set out in more detail in a forthcoming CCH report "Learning from the Canadians: Scaling up and change in community-led housing"

- **a large-scale Co-operative Foundation** – set up to develop and support local community-led housing organisations to which homes are leased and who own the Trust and appoint its Board. The aim would be to develop trust through commitment to community-led solutions whilst developing business & political credibility.

- facilitating development of new community-led housing at scale – and a safe haven for existing organisations

- mixed income communities – enabling long term sustainability and common cause between people of differing income levels; stronger communities; in a way that only community-led housing could do

- high spec community facilities – attractive to the market but building inclusive community

- potentially in partnership with local authorities through lease arrangements

- sustainability with either no or minimal subsidy

- affordability in perpetuity.

7.3   Consideration is being given to initiating the proposal through developing one or more community-led housing schemes with perhaps 100 to 200 homes. Current thinking is that a scheme could be developed to a high specification with quality community facilities in a desirable area to attract those prepared to pay market costs with income costs based on a third of the homes developed at market costs (potentially either through rental or some form of equity); a third at intermediate costs; and a third at low income costs. Some outline figures have been fed into a development model which suggest potential viability for such a scheme.

7.4   Initial discussions have taken place with various potential interested parties from the UK housing and community-led housing sectors. Current thinking is that a scheme could potentially be developed using Government loan funding rather than grant funding – potentially from the Community Housing Fund. Work is currently underway to identify a suitable local authority or local authorities

that may be willing to support initial developments (the Cabinet Member for Housing in Birmingham City Council has expressed some interest in the proposal). Various potential stakeholders have agreed to attend an event in December 2018 to explore the proposal and to establish a steering group to take the vision forward.

8 Transfer to mutual community-led housing associations

8.1 **Question 22** – the Green Paper discusses the potential for transfers to mutual community-led housing associations. Indeed, transfers to housing associations that took place up until 2010 led to considerable innovation in relation to involvement and empowerment. This was at least partially because there was a requirement that tenants were balloted on transfer and so those managing the transfer process had to have dialogue with tenants.

8.2 Some of the mutual housing associations that were set up through transfers – ie. where homes were transferred to associations where tenants are members and act as guardians of the association's values – have proved to be particularly at the forefront of the involvement and empowerment debate – several of them being ranked highly in 24 Housing's best landlord lists. Working with several of the mutual associations, the CCH published "Accountability and Mutuality in the Housing Association Sector" in 2017 – discussing the need to consider how values are maintained in the sector and positing mutuality as one means of enshrining values.

8.3 It is proposed that the MHCLG has dialogue with the CCH about mutuality in housing associations with a view to exploring the potential for further mutual community-led housing transfers.

9 Developing national representation of tenants

9.1 **Question 21** - the CCH has been instrumental in producing the submission made by the A Voice for Tenants Steering Group. The CCH fully endorses the AV4T submission regarding:

- the need for and overwhelming support from tenants for national representation of tenants

- the need to carry out comprehensive tenant-led consultation with tenants to work out how to set up AV4T

- **Questions 5 to 11** – ensuring effective complaints systems are developed to enable tenants to individually have a voice locally

- **Questions 12-14; 20; 25-27; 29; 32** – ensuring assessment of compliance with the Involvement and Empowerment Standard in all landlords with the regulator working in partnership with organisations that understand involvement and empowerment such as CCH, TPAS and others. Involvement and empowerment are fundamental to good governance, and poor assessments of involvement and empowerment should impact on a landlord's governance rating. Consumer regulation should not be separated from governance and viability regulation because it is likely that many landlords will not initiate cultural change unless they consider that poor performance in involvement and empowerment will affect their governance ratings.

- **Question 23** – proposals made regarding developing tenant leadership – changing the whole culture of the social housing sector.

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