

Commission **VIEWPOINT**

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CCMH Response to the 'Communities in Control' White Paper

Initial Proposals to Government

The Commission on Co-operative and Mutual Housing (CCMH) has been established to explore how community membership housing organisations can contribute to the country's housing strategy. An independent Commission, CCMH brings *mainstream* housing practitioners together with the co-operative movement to research the benefits of membership based housing, and to make practical proposals based on research and a wide and deep evidence base.

CCMH welcomed the publication of Communities and Local Government's 'Communities in Control: Real People, Real Power' in 2008. We agree with the Rt. Hon Hazel Blears MP that *'people should have the maximum influence, control and ownership over the decisions, forces and agencies which shape their lives'*, and we support the general thrust of the White Paper.

We particularly welcome the White Paper supporting *'the spread of strong, viable, well-managed, financially robust and democratically accountable housing co-operatives'*, and that it called for evidence from CCMH. This VIEWPOINT is an initial response to that call for evidence. In it, we make a number of proposals to initiate discussion with Government about the potential contribution of co-operative and mutual housing organisations to housing strategy.

Community Membership of Housing Organisations

Membership is often the appendix in the body of housing and other organisations - it sits broodingly in the organisation's constitution, no one quite knowing what it's there for. If complications arise, it is considered of no value and the easiest ways are found to circumvent it. However, community membership, where a community owns the organisation, can be what determines whether a community organisation is of the community. It can potentially be the fount of accountability, and what enables the development of community identity and responsibility.



CCMH's initial research, being carried out by the Human City Institute and Birmingham University's Centre for Urban & Regional Studies (CURS), is showing that community membership housing organisations can:

- ▶ *work effectively as housing organisations;*
- ▶ *be sustainable in economic, ecological and social terms;*
- ▶ *produce a wide variety of community benefits, including mutual support networks and individual and community self-responsibility;*
- ▶ *have a positive influence on health, well-being and belonging;*
- ▶ *help to provide motivation and life options for individuals involved;*
- ▶ *be a supportive environment for particular groups of people (e.g. younger or elderly people, black and minority ethnic communities);*
- ▶ *be an important anchor for communities and neighbourhoods;*
- ▶ *have a unique potential to maintain affordable housing supply in the aftermath of the global financial crisis;*
- ▶ *provide an attractive community ownership option as an alternative to middle to low income families who can no longer afford individual home ownership options;*
- ▶ *potentially cross boundaries between people of different incomes.*

Our research is exploring a variety of models of community membership housing organisations, including housing co-operatives, tenant management organisations, community gateway associations, community land trusts, mutual home ownership organisations, and co-housing schemes. The research is illuminating that the general principles and benefits of community membership of housing organisations are not well known, so a specific approach will be needed to implement the White Paper's co-operative housing aspiration.

Proposal 1:

CCMH proposes that a group is set-up within the TSA to support the spread of co-operative housing. We would anticipate that this group would work in parallel with CCMH, and would include representation from the CLG, the HCA and other officers involved in implementing initiatives proposed in the White Paper.

With a remit to create, regenerate and develop communities in England and to ensure their continued well being, the Homes and Communities Agency has an important role to play in developing co-operative and community membership housing organisations.

Proposal 2:

CCMH proposes that the HCA should include co-operative and community membership and ownership or management as part of its quality standards for approval of new housing.

Developing the Co-operative Housing Sector

New co-operative housing could be developed through housing associations and co-ops in the social housing sector, and through private sector organisations. The experience of the co-operative housing sector is that it is necessary to use a structured process, like the process used to develop Redditch Co-operative Homes (mentioned in the White Paper), to successfully develop sustainable housing co-operatives. However, that experience and knowledge is not widely available.

Proposal 3:

CCMH proposes that sustainable co-operative housing development partnerships are encouraged with housing associations, co-ops, and private sector organisations, and that an appropriate system to facilitate and set standards for partnerships is explored.

Appropriate start-up support, including governance and other training and development, for prospective members is critical to the ongoing sustainability of co-operative housing.

Proposal 4:

CCMH proposes that the use of Tenant Empowerment Grant be extended to enable the training and development of the members of new housing co-operatives. This proposal would need to be included in the forthcoming community empowerment legislation.

Developing the Co-operative Housing Framework

There is a need to develop an environment in which co-operative housing can do what it does best - providing high quality services responsive to local needs, whilst building mutual community networks and enhancing well-being.

A frequent issue arising in CCMH's research is that the current regulatory and inspection systems are not appropriate for co-operative and mutual housing. Concerns have been expressed that regulatory systems don't understand community membership and how it could provide a better quality of life for residents.

Co-operative housing organisations share the White Paper's commitment to the strength, financial viability, good management, and democratic accountability, but they suffer from the lack of appropriate regulation and best practice guidance aimed at them. Reflecting the White Paper's commitment to housing co-operatives will require a regulatory and inspection system that values tenant control and community membership.

Proposal 5:

CCMH proposes that the TSA, as part of the development of its regulatory standards, and the Audit Commission, work in partnership with the co-operative housing sector to establish a regulatory and inspection system that is in sympathy with co-operative and community membership housing organisations.

Developing Tenant Management

CCMH supports the work that the Government and its partners have carried out to revise the tenant management framework for local authority tenants. CCMH welcomes the new availability of Tenant Empowerment Grant for housing association tenants to explore tenant management options. We suggest that there is now a need to promote and develop tenant management systems in ways that are appropriate for the housing association sector.

Proposal 6:

CCMH proposes that an appropriate tenant management promotion and development programme is carried out in the housing association sector in partnership with the co-operative and housing association sectors which includes the development of relevant guidance and support material.

Developing Community Gateways

In a short space of time, the four new Community Gateway Associations have made promising starts to establishing themselves as community membership organisations. CURS have particularly found that Preston Community Gateway's pioneering work to engage with people across all tenures in local communities has enabled them to play a vital anchor role and reach out to people who traditionally would have been considered 'hard to reach'. In general, the Gateway model has played a role in assisting the housing association sector to consider how it drives up standards of accountability.

Proposal 7:

CCMH proposes that the Government reviews progress of the Community Gateway model, exploring lessons that can be learnt from the model (particularly in relation to community empowerment cultural change), and explores how the model could be used more widely.

Developing Community Land Trusts

We welcome the CLG publication of a Community Land Trust consultation paper, which CCMH will respond to separately, and that the Housing and Regeneration Bill defined CLTs as community membership organisations.

In the financial world that will exist after the current crisis in global financial markets, CLTs combined with co-operative and community membership forms of housing tenure have a unique potential to help increase supply of affordable housing and draw-in additional institutional investment to meet what is now an acute national challenge. They can do this by creating a permanent supply of affordable intermediate market housing and a seamless tenure transition from rental to ownership.

The land for this will need principally to be sourced from the public sector or through the capture of value by the community by granting change of use to residential consent through the planning system. In some areas, particularly rural areas some private landowners may also be persuaded to make land for affordable housing available if they know that the increased asset value will be locked-in for the benefit of their local community when it is developed for housing. Research into the national pilot projects being carried out by the University of Salford has concluded that, in order to ensure enduring affordability and simplify the process of delivery and funding, new homes developed on land owned by a CLT should be excluded from the enfranchisement provisions of the Leasehold Reform Act 1967.

The Salford University study has also concluded that communities interested in establishing CLTs need access to technical assistance. At present the only funding source for this assistance is through £2million charitable funds made available by the Esme Fairburn Trust, the Tudor Trust and the Carnegie Trust. These funds should, at a minimum, be matched by Government.

We are also aware that there are views that the Commonhold and Leasehold Reform Act 2002 should be amended to enable Commonhold to be used for co-operative and mutual forms of tenure on land owned by a CLT. CCMH will be taking evidence regarding this matter.

Proposal 8:

CCMH proposes that:

- ▶ **the Government exempts homes developed on land owned by a CLT from the enfranchisement provisions of the Leasehold Reform Act 1967. *This proposal would need to be included in the forthcoming community empowerment legislation.***
- ▶ **the Government establishes a CLT technical assistance fund to enable communities wishing to establish a CLT to access technical support.**

Co-operative Housing and Worklessness

Our research is uncovering many examples of how housing co-ops assist individuals' progress from vulnerable circumstances to employment resulting from mutual support, skills developed and motivation provided. Housing co-ops and tenant management organisations are well placed to know what support their residents need to assist them to gain employment (residents of housing co-ops are more likely to be economically active than 'mainstream' social housing tenants, based upon CORE lettings data for the last five years). It may be the case that this local knowledge could be beneficially combined with programmes to maximise opportunities for individuals in social housing to progress their lives through employment, training and other means.

Proposal 9:

CCMH proposes that the DWP explore action research with the co-operative housing sector to use the local knowledge of co-operative housing organisations to facilitate routes into employment.

CCMH welcomes the White Paper's proposals to develop time off work criteria for those volunteering in housing organisations.

Community Membership Housing and Local Authorities

The White Paper's proposal to spread housing co-operatives needs to be linked to other initiatives proposed in the White Paper, particularly in relation to the local authority duty to promote democracy.

Proposal 10:

CCMH proposes that the guidance to the proposed local authority "duty to promote democracy" should include a reference to promoting community membership of housing organisations.

For further information on this VIEWPOINT, please contact CCMH through Nic Bliss on 07947 019287 or nic@cch.coop.

CCMH

Kevin Gulliver (CCMH Secretary)

17 Kestrel Rd/Russells Hall/Dudley/DY1 2JU

T 01384 230849 F 01384 252297 E kevin.gulliver@fiscali.co.uk

W www.ccmh.coop