



**GOOD NEIGHBOURS**  
HOUSING ASSOCIATIONS' ROLE IN NEIGHBOURHOOD GOVERNANCE

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## **Good Neighbours: The Role of Housing Associations in Neighbourhood Governance report**

Copies of the full and summary reports are available at [youngfoundation.org](http://youngfoundation.org)

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### **Please note**

This report reflects the views of the authors only, and does not represent the views of either the members of the virtual advisory group or the Housing Corporation.

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# FOREWORDS

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## THE FUTURE OF HOUSING ASSOCIATIONS AND NEIGHBOURHOOD GOVERNANCE

**Lucy de Groot**

Housing is moving up the political agenda. The Cave Review of social housing regulation published in June addressed issues that politicians increasingly recognise as major public concerns: affordability and access to housing; housing growth; and the role of housing in promoting regeneration, economic prosperity and community cohesion. In short, both central and local government are seeking to maximise the contribution that housing can play in shaping places.

At the same time as housing is moving up the political agenda, most councils have had to re-evaluate their role in relation to social housing and to think more carefully about their wider strategic housing role. With the advent of arms-length management organisations and large scale voluntary transfer, councils have to work with partners to improve outcomes for their communities.

Local authorities are now developing new skills in commissioning, influencing and enabling partners to deliver outcomes that benefit whole communities or neighbourhoods. Likewise, many partners, including housing associations, are accepting their share of the responsibility for the wellbeing of neighbourhoods, rather than just buildings and tenants.

The Cave Review recommends that a new social housing regulator should have the power to require social housing providers to co-operate with councils as a condition of registration. The Young Foundation's research into housing associations' potential role within neighbourhood governance is therefore very timely.

This research contains advice for both housing associations and councils. It concludes that councils need to ensure that housing associations can interact with the local strategic partnership and feed in to the development of

wider community strategies. Housing associations need to engage with neighbourhood management and work with the elected members to pursue community goals.

The research also advises both local authorities and housing associations that they will need to think about how to involve the communities that they serve in any discussions about their neighbourhoods - a message that is strongly echoed by evidence gathered through the IDeA's own strategic housing programme.

The Transforming Neighbourhoods Programme - another strand of work that the IDeA has undertaken with the Young Foundation - has demonstrated that by involving local people in shaping the area they live, local public services can be improved. There is already a wealth of innovative practice in neighbourhood working - the challenge for all of local government is to tap into and learn from the sector's best practice.

I recommend that policy-makers and practitioners from the social housing sector, local and central government read this publication. Hopefully you will be inspired by the innovation in neighbourhood governance that the publication highlights.

*Lucy de Groot is the Executive Director of the Improvement and Development Agency for Local Government (IDeA). To find out more about the IDeA's work on strategic housing visit: [www.idea.gov.uk/housing](http://www.idea.gov.uk/housing)*

## HOUSING ASSOCIATIONS AT NEIGHBOURHOOD LEVEL

**Sarah Webb**

First we had 'new localism', then 'double-devolution' and Local Strategic Partnerships (LSPs) - now everyone is talking about 'place-making' or 'place-shaping' and 'Comprehensive Area Assessments' (CAAs). Whatever we call it there is a consensus around the need to think and act locally as well as (and sometimes instead of) nationally.

Despite this broad agreement around the overall direction of travel towards working at the neighbourhood level we are, however, yet to iron-out all the strategies, the policies, the funding mechanisms and the (charmingly named) 'delivery vehicles' that will make a reality of the place-shaping rhetoric.

This report by the Young Foundation helps us to unpick one of the key elements of this place-shaping agenda - that of neighbourhood governance in general and of the positive role of housing associations in delivering it in particular.

In many neighbourhoods across the country existing housing associations are well-placed to support the delivery of neighbourhood governance in its many formal

and informal forms. Doing so effectively does, however, raise a complex set of issues around such things as, for example, housing association legitimacy and local authority democracy (and the relationship between the two bodies), the rationalisation of housing association stock ownership/management and policies, the culture of housing associations (in particular their willingness to devolve control to residents), the capacity of residents to engage and the skills sets of the housing association to facilitate this way of working.

Effective and genuine partnership working with local authorities is the key to underpinning success - particularly as associations continue to grow in size and complexity. Those who are already making a success of neighbourhood governance have shown their commitment to the communities in which they operate, their willingness to support the local authority's democratic mechanisms and their belief in the importance of neighbourhood empowerment and accountability.

The report provides useful glimpses into a world that could (rather than generally does) exist and is recommended reading of Local Authorities and housing associations alike.

*Sarah Webb is the Deputy Chief Executive of the Chartered Institute of Housing (CIH). To find out more about the CIH's work visit: [www.cih.org](http://www.cih.org)*

# EXECUTIVE SUMMARY

The Young Foundation has been commissioned by the Housing Corporation to investigate the role housing associations can play in neighbourhood governance

1. Neighbourhood governance at the local level consists of a variety of arrangements between agencies and individuals that decide actions, allocate resource and influence wider plans. 'Governance' has been defined as meaning either formal or informal structures and ways of working that enable housing associations to:
  - support residents directly to influence decisions made in the neighbourhood
  - influence other organisations working at the neighbourhood level to ensure residents' and wider community priorities are met.
2. The research found that some housing associations are developing creative and effective initiatives to increase their involvement in neighbourhood governance, but that this is inconsistent with definitions of neighbourhood working and varies between agencies. Although working in partnership at the very local level is widespread, the majority of housing associations are unclear about how they fit within strategic partnerships at the local authority level. Some associations voice high levels of cynicism about Local Strategic Partnerships (LSPs).
3. Many associations appear to be ill-equipped to understand and take advantage of opportunities within the localism agenda, which has been given new impetus by the publication of the 2006 Local Government White Paper *Strong and Prosperous Communities* and subsequent legislation.
4. There is the potential for associations to exploit this policy direction in the best interests of their residents and wider communities. This will demand that they respond strategically, examine their resident involvement, funding arrangements, and way they work in partnership with other agencies, and take a flexible and creative approach to finding solutions and learning from others' experience.
5. The Housing Corporation, and its successor body, government and local authorities should encourage

housing associations to take a wider and more strategic role in neighbourhood governance. This should require housing associations to engage more fully in neighbourhood and LSP structures and plans to ensure synergies between associations' neighbourhood working and LSP Sustainable Communities Strategies

6. Although this study is based on the experience of housing associations, the findings and recommendations are also of relevance to arms-length management organisations (ALMOs) and other agencies that may be in receipt of public subsidy for affordable rented housing in the future.

## BACKGROUND

7. The 2006 Local Government White Paper, *Strong and Prosperous Communities* outlined the government's political commitment to localism and community empowerment. It articulated a new role for local authorities as 'place shapers', led by the LSP. The increased political priority given to community empowerment in Whitehall is reflected in the Housing Corporation's recent outputs, particularly the publication of their Neighbourhoods and Communities Strategy in October 2006.
8. Housing associations are well placed to deliver the community empowerment and 'place shaping' agenda. For some housing associations, the neighbourhood and community empowerment agenda presents an opportunity to grow their businesses and expand. For others it will be less pertinent.
9. The White Paper set out an expectation that all local authorities will improve their community engagement and ability to act as a place shaper. The threat for some housing associations is that they could come into conflict with local authority aspirations and expectations, particularly if views about potential roles at neighbourhood level diverge.
10. Following a scoping stage, four case studies were carried out with housing associations perceived to be leading proponents in the field of neighbourhood working. Ten subsequent interviews were carried out with a more representative range of associations to test the findings from the case studies.

## FINDINGS

11. Five determinants emerged from the case studies as being crucial to understanding housing associations' involvement in neighbourhood governance. These were:
  - stock density history of stock transfer ethos of the founding culture and current board

- demographics of local communities
  - impact of external shocks.
12. The five determinants explain which housing associations are more likely to become involved in neighbourhood working. It is also important to understand what drives senior officers and board members' decision-making about whether, and how, to develop their neighbourhood activities.
  13. Housing association involvement in neighbourhood governance resulted from a combination of three drivers: pressure from local authorities, housing associations' internal pressures and pressure from residents. Of these, 'internal drivers' emerged as being the most important.
  14. 'Internal drivers' are complex and include political factors, regulation, the need to protect investments, ethical foundation, and the social needs of individuals as well as those of the wider needs of community.
  15. Individual housing associations balance these different factors. One of the case studies was cited ethical and social aspirations for their tenants and residents as a prime motivating factor. For others the business case was key. Meeting the needs of the wider community was a specifically highlighted as a driver for only one case study.
  16. Success in neighbourhood governance is associated with three key approaches:
    - combining neighbourhood level partnerships and strategic involvement with the LSP
    - maximising low cost solutions and valuing investment in neighbourhood governance within wider financial and asset management strategies
    - placing value on both formal and informal resident involvement.
  17. The research found many examples of imaginative and effective initiatives to involve residents, and sensitive approaches to the blockages that traditionally make some communities and groups unwilling to participate in neighbourhood governance. In many cases these initiatives were integrated into the formal involvement of residents in the governance of the association or the neighbourhood.
  18. Housing associations take a multitude of different approaches to neighbourhood working and this research found a wealth of creative practice. However, the sheer range of activities labelled as 'neighbourhood working' can cause confusion, and at worst, create conflict with partner agencies.
  19. If housing associations are to avoid accusations of 'spin' and of using the language of neighbourhood working in order to position themselves advantageously for funding, then clarity about what they do and how it fits with other local agencies (particularly local authorities and community organisations) is key. Good relationships at the local level and sensitivity to other agencies' perceptions are also crucial.
  20. Five typologies have been developed to help housing associations consider their own approach to neighbourhood working. They are:
    - the **Leader**: the self-sufficient neighbourhood operator
    - the **Influencer**: the consortium and partnership player
    - the **Networker**: driven by pressing neighbourhood need
    - the **Exemplar**: tangible product approach
    - **Residual landlords**: bricks and mortar only.

## FUTURE SCENARIOS

21. Political pressures over the next five years, against the backdrop of longer-term demographic trends will increase housing associations' focus on neighbourhoods. Housing associations will need to meet the demands of the Housing Corporation and its successor body, as well as those of local and central government. They will also need to satisfy the demands of their tenants and finally, meet the needs of an ever more complex tenant and resident population.
22. Three possible future scenarios were identified:
  - **Reactive ad hoc development**: 'A thousand flowers bloom'. Some resources and money wasted through duplication and inefficiency as the state takes up the financial burden through housing benefits.
  - **A strategic future**: Housing associations increase involvement in neighbourhood working within a stronger LSP framework. The Housing Corporation encourages good practice and innovation balanced with robust risk management.
  - **Local authorities in control**: more effective LSPs drive neighbourhood working but local authorities take on a dominant role. Housing association involvement in neighbourhoods becomes contingent on local authority approval.
23. Of the three scenarios, the most positive is the middle

way, the strategic future. This scenario reflects the most promising elements of the four case studies, involving strategic planning for the neighbourhood through the LSP and local partnership working, whilst maintaining housing associations' creative autonomy, flexibility and potential for innovation.

## POLICY RECOMMENDATIONS

24. This research has identified eight key recommendations, designed to encourage the right balance of strategic control and organisational innovation to facilitate the growth of housing associations' involvement in neighbourhood governance.
25. Housing associations must be **alert**: they should consider the importance of responding to neighbourhood and community concerns within business planning processes and overall financial and asset management strategies.
26. Housing associations must be **prepared**: those who want to expand involvement in neighbourhood governance will need to develop new skills and become accountable for wider issues than many have taken on to date. Accountability and transparency needs to be downwards to residents, and outwards to partner agencies, particularly LSPs.
27. Housing associations should be **realistic - and pass the baton when it's the right thing to do**: those that decide they do not want to develop involvement in neighbourhood governance should ensure that this function is carried out by another organisation or partnership on their behalf.
28. Housing associations must be **co-ordinated**: stock rationalisation should be guided by the best interests of neighbourhoods, ensuring that the best placed associations take a lead role in neighbourhood governance, and that others take supportive roles.
29. Housing associations should be **integrated**: they should be encouraged to participate appropriately in LSPs and to ensure synergies between their neighbourhood working and LSP Sustainable Community Strategies.
30. Housing associations should be **attuned to resident voice**: and develop both formal and informal governance structures and associated ways of working with residents.
31. Housing associations should be **structured**: they should be encouraged to further the development of new vehicles to respond to community voice, including supporting new community and existing parish councils.

32. Housing associations must be **strategic**: to do so they need more support to understand the implications of the central and local government agenda on neighbourhood and community empowerment, and to identify opportunities and potential benefits.

## RECOMMENDATIONS FOR THE HOUSING CORPORATION AND ITS SUCCESSOR BODY

33. The Housing Corporation should raise the *expectations* it has of housing associations' involvement at the neighbourhood level. The roll out of the Neighbourhoods and Communities strategy and development of the Communities Standard for Social Housing should distinguish associations proposing to lead on neighbourhood governance within an area from those without plans to progress with this agenda.
34. Housing associations that wish to lead on neighbourhood governance should be expected to invest in local communities and actively engage with LSP processes.
35. Housing associations that do not plan to lead on neighbourhood governance should make arrangements with other agencies - through partnerships, consortiums or outsourcing - to make sure that their residents are given a strong voice at the very local level.
36. As well as strengthening its expectations of all associations, the Housing Corporation should review whether it wishes to *require* housing associations to increase their involvement within neighbourhoods.
37. This research, particularly the review of what is known about social innovation, also identified an important role for the Housing Corporation in driving innovation at neighbourhood level and promoting awareness of the wider agenda and existing models of good practice.

## RECOMMENDATIONS FOR GOVERNMENT

38. For central government housing associations are a vital local resource with significant potential to underpin implementation of the localisation agenda set out by the 2006 Local Government White Paper *Strong and Prosperous Communities*. Their potential is at both the local authority strategic level and as delivery agents within neighbourhoods.

## RECOMMENDATIONS FOR LOCAL AUTHORITIES AND LOCAL STRATEGIC PARTNERSHIPS

39. In many areas there is potential for housing associations to work more closely with local authorities to deliver

their community empowerment and neighbourhoods strategy, and to contribute resources and assets to this process. Housing associations should become key partners for local authorities in their Sustainable Community Strategies in the same way that they are currently partners in their Housing and Homelessness Strategies.

40. To accelerate this process, local authorities and LSPs should review housing associations' involvement in LSP structures, audit housing associations' existing contribution to neighbourhood governance, and include housing associations within their strategic planning processes at neighbourhood level.
41. The recommendations of this report are relevant to housing associations and other landlords in receipt of public funding to build and manage affordable housing for rent. This will include ALMOs and in the future, some private sector providers.

# INTRODUCTION

Housing associations are a diverse group of agencies providing both housing and a vast range of other services to meet wider neighbourhood needs. They support vulnerable individuals and alleviate the problems of stressed and disadvantaged communities. Since the 1980s, housing associations have played a significant role in providing services on behalf of the state: the housing sector is the only substantial part of the public sector that depends heavily on third sector organisations. Additionally, many housing associations are also expanding into areas where they are operating without public subsidy, providing homes and services at market price and often using this income to subsidise activities that meet other social needs. Recently the number of housing association homes outstripped the number of homes owned by local authorities across the country. Housing associations are amongst the most successful third sector organisations nationally, owning around two million homes in England with assets worth £70 billion<sup>[1]</sup>.

Housing associations include organisations that are very small and locally based and those that operate nationwide. They have different client groups and varying ways of working. The sector includes some of the most entrepreneurial, innovative and competitive social businesses in the country, yet is funded by government to deliver Whitehall's policy and political priorities. Within this context, there is a potential tension between those working at the local level who demand the flexibility to innovate, and the people who allocate resources and plan strategies in town halls and in Westminster. Equally, this relationship has proved that it can spur the development of new solutions to pressing problems.

This report explores what happens when housing associations that grow their businesses to meet social need at the very local level come up against the wider public policy agenda of neighbourhood and community empowerment. Ultimately it asks the question, where should the *balance* be struck between supporting dynamic entrepreneurial activity and the constraints of strategic planning and 'place shaping'?

In the 2006 Local Government White Paper, *Strong and Prosperous Communities*, government outlined its political commitment to localism and community empowerment. It also increased the role of Local Strategic Partnerships (LSPs) as 'place shapers' - strategic alliances of organisations that come together to deliver outcomes for communities.

Housing associations are longstanding providers of housing services at the very local level. Whilst the main emphasis of their activity is the management and development of their own stock, associations are also involved in the full breadth

of issues that affect the communities they house and the neighbourhoods in which they operate. The impact of anti-social behaviour, environmental dereliction and other very localised problems fall as heavily on housing associations as on other local service providers.

In many cases housing associations take the lead on neighbourhood initiatives and community participation. Many have been active in encouraging their residents and wider communities to have a louder voice in local issues. Many have also been active in local partnerships and relationships to drive forward change at the neighbourhood level, as well as on behalf of their own residents. As key local service providers, housing associations are expected by other agencies and crucially by local authorities to be active partners in area based initiatives. There are strong examples of housing associations taking the lead and initiating strategic and local partnerships and relationships to support their work at the very local level. Further, the neighbourhoods agenda represents a business opportunity for housing associations to extend their involvement in neighbourhood services within the existing regulatory framework.

Although there are pockets of excellence where housing associations are actively and creatively supporting and empowering communities, some housing associations have been less willing than others to explore this agenda. This is either because it does not fit their business plans or because they do not consider it to be within their remit.

Following the direction set by the Local Government White Paper as well as their own political trajectories, it is likely that local authorities will increasingly encourage or expect housing associations to become involved in neighbourhood strategies and initiatives. In practice expectations will vary between different authorities, however housing associations everywhere need to be prepared for change in their relationships with local authorities at the neighbourhood level. The report of the Cave Review of social housing regulation in June 2007 has added a new dimension to the issue of this relationship by advocating that the regulator should be able to require social housing providers to engage constructively and co-operate with local authorities<sup>[2]</sup>.

Against this backdrop, the Young Foundation has been commissioned by the Housing Corporation to investigate the role housing associations can play in neighbourhood governance. The project, carried out between September 2006 and March 2007 had four aims:

- to assess the current involvement of housing associations in neighbourhood and community governance structures
- to assess the scope for future development of housing associations' role in this area in light of the government's

<sup>[1]</sup> Housing Corporation (2005) Global Accounts of Housing Associations, available at: <http://www.housingcorp.gov.uk/server/show/contWebDoc.7352>

<sup>[2]</sup> CLG (2007) Every tenant matters: a review of social housing regulation, available at: <http://www.communities.gov.uk/index.asp?id=1511391>

agenda on localism and community empowerment, and the developing agenda at local level

- to develop new tools and initiatives which allow housing associations to build on their current strengths and increase their involvement in neighbourhood activity
- to consider the implications of housing associations' evolving role in this area for government, the Housing Corporation, and in future for Communities England.

This study has focused on the experience of housing associations, however the findings and recommendations are also of relevance to ALMOs and other agencies, including those from the private sector, who may be in receipt of public subsidy for affordable rented housing in the future.

## WHY NEIGHBOURHOOD GOVERNANCE?

The decision to focus this work on neighbourhood governance rather than service provision, has clearly located this project within the current policy debate surrounding empowerment and localism. However, the term 'governance' is vague and does not lend itself to easy analysis. The intention in setting up this project, was to move beyond the relatively well known territory of neighbourhood service provision and multi-agency working to explore how influence is exerted on neighbourhood life by housing associations. This project explored how housing associations influence the neighborhood both through their relationships with other agencies and through their support for tenants and other members of the community.

## GOVERNANCE: A WORKING DEFINITION

'Governance refers to the process whereby elements in society wield power and authority, and influence and enact policies and decisions concerning public life, and economic and social development.

Governance is a broader notion than government, whose principal elements include the constitution, legislature, executive and judiciary. Governance also involves interaction between those formal institutions and those of civil society.

Governance has no automatic normative connotation. However, typical criteria for assessing governance in a particular context might include the degree of legitimacy, representativeness, popular accountability and efficiency with which public affairs are conducted.<sup>[3]</sup>

Initial scoping for this project established four key dimensions of governance for neighbourhoods in England:

- influencing and decision-making over social/economic factors and the public realm
- interaction between formal decision-making and local and central government, local political institutions, local voluntary and community sector and residents
- evolving forms of democratic, very local governance including community as well as existing parish councils
- *and within the above*, the importance of taking account of effectiveness, capacity, accountability, transparency and risk management, whilst focusing on outcomes and values.

In practice, neighbourhood governance at the local level consists of a variety of arrangements between agencies and individuals that decide actions, allocate resources and influence wider plans. This includes both formal and informal structures, within which fall many key elements of local democratic processes.

## FORMAL STRUCTURES

- **Focusing on ongoing democratic processes:** parishes; local authority area working structures; LSPs and sub-committees including Crime and Disorder Reduction Partnerships (CDRPs); and in the future, local scrutiny structures.
- **Focusing on particular initiatives:** regeneration partnerships; New Deal for Communities (NDCs); neighbourhood management; Sure Start/Children's Centres.

<sup>[3]</sup> Global Development Research Centre (1996) Governance a working definition, available at: [www.gdrc.org/u-gov/work-def.html](http://www.gdrc.org/u-gov/work-def.html)

## INFORMAL STRUCTURES

- o **Focusing on ongoing democratic processes:** housing associations' relationships with elected members from different tiers of local government.
- o Focusing on one-off initiatives or relationships: ad hoc relationships between agencies at the local level that can be more or less formalised, and relationships between community groups and agencies including other providers of social rented housing.

To refine the focus of the project, **neighbourhood governance** has been defined to mean either formal or informal structures and ways of working that enable housing associations to:

- o support residents directly to influence decisions made in the neighbourhood
- o influence other organisations working at the neighbourhood level to ensure residents' and wider community priorities are met.

Finally and perhaps most importantly, is the issue of legitimacy. Housing associations will only be able to function within the complex web of neighbourhood relationships if they are seen as legitimate partners by the local authority, other agencies, their residents and the wider community. The relative strength of movements such as Defend Council Housing in some localities demonstrates that this sort of legitimacy cannot always be taken for granted.

## RESEARCH METHOD

This report is based on qualitative research carried out over a six-month period.

### Stage one

An initial scoping exercise included interviews with key stakeholders. In parallel, a literature review explored what was known about housing associations' involvement in neighbourhood government and clarified the focus of the research, resulting in the identification of four case studies for the next stage of the research<sup>[4]</sup>.

### Stage two

The four case studies focused on housing associations that were perceived in the housing sector to be exemplars of neighbourhood working, setting the standard for others to follow. This was established through initial interviews in conjunction with the literature review. Case studies were developed through interviews with housing association officers and representatives of the local authority and other locally based agencies.

### Stage three

From the case studies, a proposition was constructed to explain the circumstances under which housing associations become involved in neighbourhood working

and their motivations for doing so. From this, five different models of partnership working were derived.

The resulting proposition was tested with senior representatives of a further 10 housing associations chosen to provide a cross-section of housing associations involved to varying degrees in neighbourhood governance.

### Stage four

The final phase brought together key stakeholders from the housing sector, local government and representatives of community organisations in a seminar. Participants were invited to give their reactions to the emerging findings and inform the final report.

In total, 54 semi-structured interviews with housing association employees, local authority officers and representatives of other service providers were conducted. In addition, each case study included one focus group with residents regarded as 'resident champions' to capture the views of tenants and residents actively involved in community initiatives.

<sup>[4]</sup> scoping paper available at [www.youngfoundation.org](http://www.youngfoundation.org)



# THE CONTEXT

This chapter sets out the context for the report, particularly focusing on the neighbourhood empowerment policy context; what is already known about housing association involvement at the neighbourhood level; and the local authority approach to neighbourhood working. Finally, it discusses housing associations' potential in the context of what is known about social innovation.

## 1 NEIGHBOURHOOD EMPOWERMENT: THE POLICY CONTEXT

During the last decade there has been increased political focus - both in Whitehall and in local government - on the need to boost opportunities for residents, both as individuals and collectively, to influence what happens in the local areas in which they live.

This focus on localisation is nothing new. There is a substantial and lengthy history in the UK of resident and community activism to tackle a variety of grievances about the state of very local areas or to advocate for neighbourhood improvements.

In many areas strong residents groups have emerged, taking various forms. Some work closely with agencies while others keep their distance. Community organisations have sometimes emerged with the support of local authorities and other public sector agencies (for example, tenants' associations within local authority housing stock). However, frequently groups have grown organically and have themselves been a key driver of increased political interest in this issue.

In recent years this localism agenda has been of increasing interest to both central and local government, as evidenced by the increased priority given to neighbourhood and community empowerment in Whitehall pronouncements and policies. At the same time, there has been a growth in available resources, although much of this has been capital funding for physical renewal targeted tightly at particular geographical areas.

In 2005 the government announced its intention to explore options for increasing neighbourhood involvement in services. In spite of being heavily trailed as strongly devolutionary, the measures in the 2006 Local Government White Paper encouraged, rather than compelled, local authorities to explore options for increasing community empowerment and neighbourhood working. This includes

expansion of many activities where housing associations have been active, including neighbourhood management, asset transfer and tenant management. As implementation plans for the White Paper's proposals crystallise they will provide further stimulus to the activities of local authorities in this area. These plans will include the result of reviews of Tenant Management Organisations (TMOs) and (which may extend their role into neighbourhoods, and suggest transfer of assets to community organisations.) The new Prime Minister, emphasising community empowerment and the importance of housing, may well inject renewed impetus.

The community empowerment elements of the Local Government White Paper were one strand of a larger package which set out proposals to strengthen LSPs and implicitly build the local authority's role as a 'place shaper', driving change across sectors. This more radical policy direction has the potential to fundamentally change the strategic shape of local partnership working, with more focus on the very local neighbourhood levels and heightened expectations of the role that local service delivery agencies, including housing associations, will play in partnership working.

The Young Foundation's Transforming Neighbourhoods programme has worked with 15 local authorities over the past two years. One of the main findings from this work is how the debate and discussion created both in advance and following publication of the White Paper has been among the document's key impacts. The result of this debate has been that, in general, English local authorities now give community empowerment and neighbourhood working a higher billing on their agendas than even two years ago<sup>[5]</sup>.

On a day to day level, the outcomes that local authority members, officers, and community activists seek from neighbourhood working are the creation of more cohesive and robust communities, and that residents are more engaged and empowered in local structures. Neighbourhood working is also promoted as a means to improve services, increasing responsiveness to needs, and to bolster multi-agency working.

The increased political priority given to community empowerment in Whitehall is reflected in the Housing Corporation's recent output, including the publication of their Neighbourhoods and Communities Strategy in October 2006 and the announcement of the intention to revise their residents' involvement policy in December 2006. The Neighbourhoods and Communities Strategy sets out 'the Housing Corporation's strategic vision for neighbourhoods and communities, and the role we see for social housing providers as key partners in delivering this vision'<sup>[6]</sup>.

Recent Housing Corporation guidance setting out housing associations' role in Crime and Disorder Reduction Partnerships (CDRPs) also places obligations on housing

<sup>[5]</sup> Young Foundation (2007 forthcoming) Transforming Neighbourhoods local work analysis

<sup>[6]</sup> Housing Corporation (2006) Neighbourhoods and Communities Strategy, available at: <http://www.housingcorp.gov.uk/server/show/ConWebDoc.8752/changeNav/440>

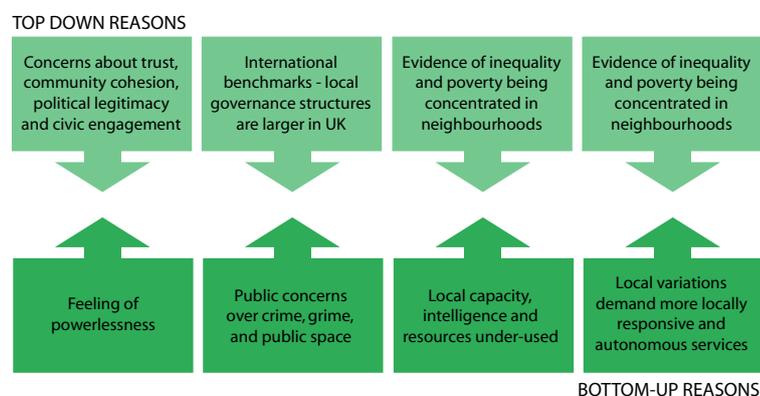
associations to co-operate with LSP structures in response to government imperatives to tackle anti-social behaviour and community safety problems.<sup>[7]</sup> The government's response to the Cave report, published in June 2006, recommended stronger cooperation between housing authorities and local authorities, and is likely to act as a signal of further commitment to this direction.

The overall trajectory of policy is complemented by the Hills report, the most recent headline housing policy report which focused on the need to create genuinely mixed communities<sup>[8]</sup>.

Housing associations are well placed to deliver the community empowerment and 'place shaping' agenda. They have often been key to developing community voice by responding to their tenants' and residents' needs and wishes, and through supporting and developing tenant involvement through a variety of means. For example, housing associations have promoted community involvement by funding tenants' groups, setting up fora, and carrying out individual customer surveys. The National Housing Federation's recent tenant involvement commission set out a wealth of examples of housing associations involving their tenants and residents<sup>[9]</sup>. Housing associations deliver a variety of services on the ground, often in areas of high deprivation, and housing people with multiple and complex needs, as such they are well placed to further community empowerment to both their residents and the wider community.

For some housing associations, the neighbourhood and community empowerment agenda presents an opportunity to both grow their business and to deliver what their residents and local communities want. For others, the community empowerment agenda will be less pertinent. The potential threat, however, is that the agenda could bring associations into conflict with local authority aspirations and expectations, particularly if views about their respective roles at the neighbourhood level fail to coincide. This could happen where local authorities choose to pursue radical options within the neighbourhoods agenda such as nurturing the development of community councils, the new model of the 'urban parish'.

## Figure 1: Why have communities and neighbourhoods risen up the agenda?



## 2 HOUSING ASSOCIATION INVOLVEMENT IN NEIGHBOURHOOD GOVERNANCE: WHAT IS KNOWN?

The starting point for this work was that it is well known that many housing associations have developed a level of excellence in regeneration, community empowerment and resident involvement. Housing associations that are rooted in the experience of different communities have a particular contribution to make in developing neighbourhood working. Many associations maintain close and sensitive relationships with minority groups and faith groups, supporting their role in neighbourhood initiatives.

However housing associations which hold stock across relatively wide geographical areas are potential partners in a number of different neighbourhoods and local authority areas, a potentially challenging position. Taking an active role in every one can be costly, particularly if initiatives focus on very local areas. Fragmented ownership of social rented housing - particularly in very deprived areas with high levels of need - can further increase the burden placed on associations who may manage only a few units in an area, yet are still expected to play a full and active role in the neighbourhood.

Previous studies on housing associations' neighbourhood working show that while some associations have specialised in this field and done excellent work, others have not.<sup>[10]</sup> In focusing in depth on the experience of the four case studies perceived to be exemplars, this study cannot fully assess the constraints and barriers that prevent housing associations from taking on neighbourhood working or from supporting community involvement.

Although this study cannot quantify their impact, the blockages to neighbourhood working should be acknowledged. Housing associations that participated in our study referred to many constraints, ranging from past funding, regulatory issues and unhelpful relationships with local authorities and more recently LSPs, to difficulties

<sup>[7]</sup> Housing Corporation (2007) Housing associations given more powers to tackle crime and disorder, available at: <http://www.housingcorp.gov.uk/server/show/ConWebDoc.10679>

<sup>[8]</sup> Hills J (2007) Ends and Means: The Future Roles of Social Housing in England, CASE report 34, London: London School of Economics

<sup>[9]</sup> National Housing Federation (2006) What Tenants Want: report of the tenant involvement commission, executive summary available at: [http://www.housing.org.uk/Uploads/File/Campaigns/TIC\\_summary.pdf](http://www.housing.org.uk/Uploads/File/Campaigns/TIC_summary.pdf)

<sup>[10]</sup> JRF (1999) Housing association investment in people, available at: <http://www.jrf.org.uk/knowledge/findings/housing/959.asp>

JRF (1996) Residents views of housing association estates, available at: <http://www.jrf.org.uk/knowledge/findings/housing/H198.asp>

JRF (2001) The future of community investment by housing associations, available at: <http://www.jrf.org.uk/knowledge/findings/housing/081.asp>

navigating non-housing funding regimes. The competing pull of different government priorities (particularly the Decent Homes Standard and pressures to reduce development costs in recent years) was also raised. The extent of competition for neighbourhood funding between housing associations, between housing associations and the Third Sector and even between housing associations and local authorities, is significant, often draining resources and sapping energy.

## HOUSING ASSOCIATIONS ARE PROVIDING BROAD SERVICES TO COMMUNITIES

Increasing numbers of housing associations are providing community based services and adopting a wider remit than just 'bricks and mortar' housing. In future there may be further segmentation of the housing association sector, with more associations specialising in meeting housing need, community empowerment or supported housing.

The proportion of housing associations involved in non-social housing activities increased from eight per cent in 2002 to 15 per cent in 2003. Large housing associations, stock transfer associations and BME housing associations are disproportionately represented among these.<sup>[11]</sup>

### One regional example

Between 2003-2008 housing associations in the **North of England** will have:

- created over 7,800 jobs (1,800 in the construction sector)
- spent £105m on projects to encourage employment
- protected 581,000 dwellings through community safety initiatives
- worked with 13,400 young people attending youth crime prevention initiatives including drug misuse
- assisted 28,600 people experiencing financial exclusion
- provided 169,000 child-care places including places in after-school clubs
- offered 460,000 people the opportunity to access community cultural opportunities/facilities.<sup>[12]</sup>

## HOUSING ASSOCIATIONS ARE ACTIVELY INVOLVED IN NEIGHBOURHOOD INITIATIVES

Some housing associations are taking part in radical initiatives to promote neighbourhood working. The extent of this is unknown, but there are strong examples throughout England. Housing associations are:

- looking at new ways of investing assets e.g. Accent have invested £100k in the Adventure Capital Fund
- working with community organisations to create neighbourhood hubs;
- developing new forms of housing governance e.g. Community Gateway model in Preston, Lewisham and Kings Lynn
- exploring new models of ownership such as Community Land Trusts e.g. Home HA is one of several housing association partners in Glendale Gateway Trust, a community land trust in Northumberland
- investing in City Academies e.g. in Sunderland and Manchester.

## HOUSING ASSOCIATIONS ARE PARTNERS IN NEIGHBOURHOOD WORKING INITIATED BY OTHERS

### Comparing the US experience

In the US, **Community Development Corporations** (CDCs) fuse housing and community development action. This differs from the UK experience where housing associations and development trusts have grown up as separate organisations.

CDCs first emerged in the late 1960s. In 1999, 3,600 CDCs built 37,500 units of affordable housing in total. By the end of the 1990s almost all CDCs were involved in affordable housing construction and renovation. Some were also involved with community improvement programmes. Now there are thought to be around 4,600 CDCs, in all states and major cities. In some cases CDCs have expanded beyond a single neighbourhood and in a minority of cases, cover much larger areas

Housing associations are increasingly becoming involved in neighbourhood management. They have taken part in just over half of all Neighbourhood Management Pathfinders and either acted as the lead organisation, managing agent (usually on behalf of a local authority), co-ordinator or key partner.<sup>[13]</sup>

Engagement of housing providers by Neighbourhood Management Pathfinders has been significant. Local authority housing departments, associated ALMOs and housing associations are amongst the most commonly engaged mainstream partners across all Pathfinders.<sup>[14]</sup>

## HOUSING ASSOCIATIONS ARE DEVELOPING AND INITIATING PARTNERSHIP SOLUTIONS

Housing associations have, in some places, taken the initiative to develop neighbourhood partnerships, working closely with other associations, the local authority and

<sup>[11]</sup> Housing Corporation (2006) Up Your Street, available at: <http://www.housingcorp.gov.uk/server/show/ConWebDoc.7642/changeNav/440>

<sup>[12]</sup> Housing Corporation (2006) Northern Light: Housing Associations investing in Neighbourhoods in the North, available at: <http://www.housingcorp.gov.uk/server/show/ConWebDoc.7820>

<sup>[13]</sup> Housing Corporation (2006) Up Your Street, available at: <http://www.housingcorp.gov.uk/server/show/ConWebDoc.7642/changeNav/440>

<sup>[14]</sup> DCLG (2006) Neighbourhood Management Theme Report: Housing, available at: <http://www.sqw.co.uk/nme/reportdownloads.htm>

community groups. Often this has involved a number of housing associations reaching agreement about their respective roles within a particular neighbourhood.

Housing associations have been exploring options for stock rationalisation to deal with the economic and management issues created by scattered and incoherent stock ownership. In Derby, the ALMO Derby Homes, the major landlord for the Wallbrook neighbourhood, has taken on management of around 60 homes owned by another association in the area. The other association did not feel it had the presence required to tackle neighbourhood concerns.

**The LIFE model** used by the Liverpool Strategic Housing Partnership, enables housing associations to play a distinctive role – to either Lead, Influence, Follow or Exit – within the context of a neighbourhood delivery plan. This sets overall targets for reviving the local economy, improving health and education standards, and securing safe and stable neighbourhoods.

The LIFE model underscores the importance of clarity about appropriate roles within strategic and local partnership working, and the importance of this in underpinning collaboration and co-operation between housing associations and key local stakeholders.<sup>[15]</sup>

## HOUSING ASSOCIATIONS ARE REPRESENTED AT STRATEGIC PARTNERSHIP LEVEL

Housing associations are represented on LSPs and other authority-wide partnerships where strategic decision-making sets the frame for neighbourhood working. There is only anecdotal evidence, including Young Foundation work with its partner local authorities<sup>[16]</sup>, about how these relationships are working in practice. It has been reported that:

- associations have found it difficult to engage with LSP structures. This may be less of an issue for stock transfer successor bodies than for other housing associations
- although many LSPs have set up housing theme groups, the effectiveness of these varies greatly in different local authorities. This will be affected by the overall performance of the LSP, believed to be inconsistent in different areas

An example of housing taking the lead in a local authority-wide initiative

**Bolton Community Homes** is a strategic housing partnership bringing together housing associations, community representatives, private landlords and the ALMO Bolton at Home. 'Urban Care and Neighbourhood Centres' have been set up to develop action plans and work with neighbourhood agencies. A percentage of the development costs of new schemes are earmarked for support for arts programmes.

- housing associations, especially smaller ones, sometimes compete with other community organisations (and each other) for representation through Community Empowerment Networks.

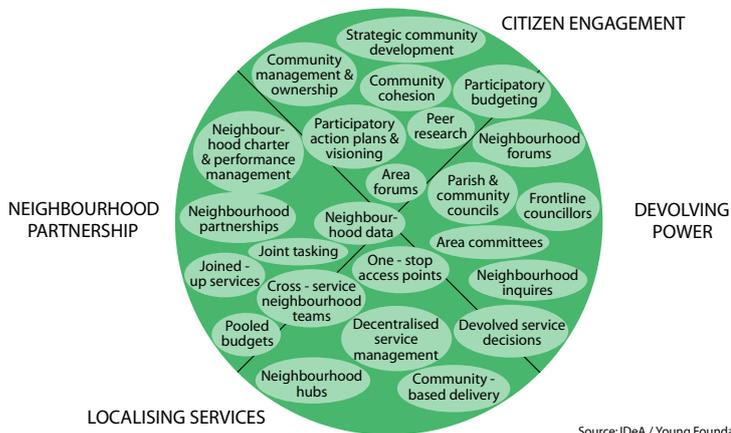
<sup>[15]</sup> Life delivery plan 2005-2007, prepared by PLUS group, June 2005

<sup>[16]</sup> Transforming neighbourhoods local reports, 2006-2007, see <http://www.youngfoundation.org>

<sup>[17]</sup> Paul Hilder (2006) How Local Government Devolves and why, available at: [http://www.youngfoundation.org/work/neighbourhoods/projects/consortiums/transforming\\_neighbourhoods/research](http://www.youngfoundation.org/work/neighbourhoods/projects/consortiums/transforming_neighbourhoods/research)

### 3 COMPARISON WITH THE LOCAL AUTHORITY EXPERIENCE

Figure 2: Local Authorities' different approaches to neighbourhood working & what this looks like in practise?



Housing associations and local authorities respond to different imperatives and have distinct roles, however their drivers for involvement in neighbourhood working are often similar: a genuine wish to empower residents, improve services or improve community cohesion. It is therefore interesting to explore what is known about the ways local authorities work at neighbourhood level.

In 2006 the Young Foundation was commissioned by the LGA and IDeA to develop a typology of approaches for local authorities' devolution and community empowerment work<sup>[17]</sup>. The briefing concluded that not all councils have yet decided to prioritise neighbourhood working or community governance. Those for whom it is important cite three rationales:

- to make services more responsive, effective and efficient
- to engage and strengthen their communities
- to improve local democracy and devolve power.

Some councils focus on just one of these goals while for others, all three are important. A council's rationale largely determines what is done in practice. For example:

- where **service responsiveness** is the priority, decentralising management is more likely
- where the emphasis is on **empowerment** or cohesion, civic participation or community activism and capacity-building tend to be fundamental

- where the main concern is to **deepen democracy or localise power**, we usually see strategies that will centre on community governance.

The three areas are often mutually reinforcing. For example many authorities pioneering neighbourhood management have also begun to develop complementary strategies for devolution or empowerment.

While this analysis of the local authority approach is not directly transferable to the housing association experience, it helps develop a framework in which housing association activity can be understood.

### 4 HOUSING ASSOCIATIONS AS SOCIAL INNOVATORS

As well as their role at the neighbourhood level, the housing association sector is well known for its entrepreneurial and innovative approach to meeting social need. The Young Foundation is carrying out new work to understand and accelerate the development of 'social innovation', new ideas that help to meet social needs.<sup>[18]</sup> Exploring this literature enables some loose hypotheses to be drawn out to illuminate this study. These are relevant to the experience of many other organisations - including local authorities and third sector agencies - working at the very local level.

The existing literature concerning innovation, place, and the involvement of the public and voluntary sectors is not extensive, but does open up some areas of relevance. The evidence suggests that, generally speaking, geographical neighbourhoods are not comprehensively innovative but rather have one innovative speciality<sup>[19]</sup>. When looking specifically at local authorities, the same was found. Local authorities also tend to focus innovation on particular services or issues such as youth services or joining up services across departments.<sup>[20]</sup> One hypothesis is that housing associations, at their best, may be the key innovator in an area, or a vital partner to a local authority service driving forward innovation.

Recent research by the Audit Commission found that a large proportion of local authorities claimed to be involved in innovation, and almost half felt that they were engaged in 'a great deal' of innovation. Much of this innovation was driven through partnerships with private or third sector organisations, suggesting that combining values, experience and perspectives can provide an opportunity for cross-fertilisation of ideas.

When agencies do come together, the result can often be a feeling of creativity or 'buzz'. If this is to be sustained it needs to be embedded in both 'hard' and 'soft' working practices. This could involve frequent stakeholders' meetings to foster partnerships or generate more openness to managed risk taking.<sup>[21]</sup> In the world of technological development, proximity of organisations has also been found to foster

[18] The Young Foundation has published several books on this subject. See: Mulgan, G. (2006) *Social Innovation: what it is, why it matters, how it can be accelerated*, London: Basingstoke Press

[19] Audit Commission (2007) *Seeing the light*, available at: <http://www.audit-commission.gov.uk/reports/NATIONAL-REPORT.asp?CategoryID=&ProdID=687E80A7-C07E-4d2e-9197-D70A9F271463&fromREPORTSANDDATA=NATIONAL-REPORT&area=hped>

[20] Audit Commission (ibid)

[21] Landry C. (2006) *The Art of Making Cities*, London: Earthscan

[22] Brenner T & Greif S (2006) 'The Dependence of Innovativeness on the Local Firm Population - An Empirical Study of German Patents' in *Industry and Innovation*, Vol. 13, No. 1, p. 21-39, March 2006

[23] Greenhalgh T, Robert G, MacFarlane F, Bate P, Kyriakidou O (2004) 'Diffusion of Innovations in Service Organisations: Systematic Review and Recommendations' in *The Millbank Quarterly*, Vol. 82, No. 4, available at <http://www.milbank.org/quarterly/8204feat.html>

[24] Brannan et al. & Hartley (ibid)

knowledge transfer, local concentration of skills and spill-over of ideas<sup>[22]</sup>. It might be the same in other fields, that groups of experts gathered in clusters generate a creative local culture. Another possibility is that housing associations that work closely with other agencies on a day-to-day basis, even sharing physical premises, may find it easier to innovate to solve problems than those that operate separately.

Pressure from central government has also been identified as a key driver for local social innovation, both by focusing attention on priority policy areas and by providing the funds to support this work.<sup>[23]</sup> The literature also underscores that politicians are an important source of pressure to foster improvements in public sector service delivery.<sup>[24]</sup>

The evidence suggests that unlike in the private sector, in the public and third sectors, specific place-based social needs rather than competition are the main pressure to innovate.<sup>[25]</sup> Local authorities that have a record of poor performance are more likely to adopt outside best practise or to innovate.<sup>[26]</sup> This bears some relation to what is known about the housing association experience, particularly their record of working in areas where there is profound deprivation where agencies struggle to cope with multiple and complex needs. Bottom-up demand from service users and communities of place and of interest, is also recognized as an influential driver when it exists.<sup>[27]</sup>

The existing literature also outlined some of the most important sources of innovative ideas and best practise. Brannan et al.'s research surveyed local authorities in England and asked them to rank sources of information about innovative services or approaches that other agencies have designed. The most influential source was identified as their own staff or council members, followed by partnership organisations. Other organisations, informal networks, and best practise guides and schemes were also seen as important, while experts outside of local authorities were considered the least valuable source of information.<sup>[28]</sup> The Government has instituted the 'Beacon Scheme' to facilitate information-sharing about best practise among local authorities. The Beacon Scheme offers staff the opportunity to network with and visit other organisations. In a similar vein the Housing Corporation awarded its first 'Gold Awards' in 2006, recognising associations that have excelled within specific themes.

Finally, the importance of organisational culture is also highlighted. Leadership is vital to build a culture receptive to change, open to risk taking, and that gives staff the freedom to experiment. Commitment to open innovation is also key. Much information and good practise in the public sector is co-produced in partnership by different agencies and individuals. A culture of openness and of partnership working is crucial to encourage innovation across all levels

of organisations.<sup>[29]</sup>

[25] Hartley J (2006) Innovation and improvement in Local Government, available at [http://www.ipeg.org.uk/presentations/bp\\_jean\\_hartley\\_pres.pdf?PHPSESSID=f3f227c19c18b31719e4b0c170ce2489](http://www.ipeg.org.uk/presentations/bp_jean_hartley_pres.pdf?PHPSESSID=f3f227c19c18b31719e4b0c170ce2489)

[27] Audit Commission (ibid)

[29] Greenhalgh et al. (ibid) & Chesbrough H (2005) 'Open Innovation: A New Paradigm for Understanding Industrial Innovation' chapter 1 of Open Innovation: Researching a New Paradigm, available at <http://www.openinnovation.net/Book/NewParadigm/Chapters/01.pdf>

## THE CASE STUDIES

This chapter sets out a description of the four in-depth case studies, chosen as the focus of the first fieldwork stage of the project.



The four case studies were chosen to demonstrate the range of experiences of housing associations that are believed to excel in their neighbourhood working. The intention was to explore the perspectives of housing associations that were seen to be leaders in this field and to help understand their motivations and drivers.

The four associations were chosen to reflect a diverse range of experiences:

- larger organisation operating in different local authority areas
- smaller organisation focusing on a particular geographical area
- experience in an area with a very high BME population
- experience with stock transfer
- London-based vs. rural experiences.

Category		Region	
Locally focused HA with community regeneration brief operating in HMR area(s)	Tees Valley Housing Association	North East	Operates throughout North East, diverse range of activities include community and neighbourhood activities, winner of InBiz awards 2005. Total stock = 3,500 homes
Small housing association working in very diverse area	Poplar HARCA	London	Manage housing transferred from LA in Poplar area of Tower Hamlets, has social, urban and economic regeneration brief and strong governance role for residents. Total stock = 6,400 homes
Larger HA covering several LA areas	Touchstone Housing Association	Midlands	Strong experience in neighbourhood management, area planning and regeneration. Total stock = 12,000 homes
Rural housing association	Penwith Housing Association	South West	Formed after LSVT in 1994, strong community regeneration involvement and interesting work through 'Cornwall Neighbourhoods for Change'. Active in Penwith, Cornwall. Total stock = 3,800 homes

The case studies illustrate four very different approaches to neighbourhood governance:

- Penwith Housing Association** (PHA) illustrates the strengths and pitfalls of outsourcing community engagement to an arms length organisation (CN4C) and the need to ensure that such an organisation is sustainable. PHA's relationships are good at the strategic level. It has effective working relationships with local authority officers and members, and with the LSP. However, outsourced community engagement sometimes means that good strategic relationships do not dovetail with very local neighbourhood involvement.
- Touchstone's** experience demonstrates the potential of strategic-level partnership working, particularly at LSP level, to lever funds and generate partnerships. This has enabled them to build flagship developments to meet social need. However, it also demonstrates that day-to-day resident involvement and very local partnership working need to be integrated with large showcase initiatives.
- Poplar HARCA** demonstrates what can be achieved by a dedicated, highly motivated team operating in a

very small but densely populated area. Poplar HARCA also highlights the tensions experienced when a focused initiative engages with mainstream services at the strategic level, and the need to carefully manage relationships with the local authority.

- Tees Valley's** work shows what can be done by housing associations with a clear neighbourhood focus. As well as managing their own stock, Tees Valley acts as neighbourhood management and community development agents on behalf of other organisations, and has developed strong partnership arrangements at both the strategic and neighbourhood level.

Each case study has been described with reference to the two key dimensions of neighbourhood governance:

- housing associations' role in supporting residents to influence decisions made in the neighbourhood
- housing associations as influencers of other organisations working at the neighbourhood level to ensure residents' and wider community priorities are met.

## CASE STUDY ONE PENWITH HOUSING ASSOCIATION

Penwith Housing Association (PHA) is a stock transfer housing association in Cornwall. It was set up in 1994 to take on 3,000 homes transferred from Penwith District Council. PHA's neighbourhood working involves partnerships with many outside agencies, including Cornwall Neighbourhoods for Change (CN4C), which PHA helped to found. PHA concentrates on housing services but is also involved to varying degrees in many neighbourhood initiatives. It uses a range of methods to engage with residents, and shape the service they offer.

PHA was one of three housing associations that, in conjunction with the Cornwall Tenants Forum, helped set up CN4C in 2001. CN4C is an independent regeneration body which has a mandate to work with tenants, housing associations, and the local authorities to provide a range of services for deprived neighbourhoods. The aim from inception was that the organisation should be resident-driven and estate based.<sup>[30]</sup> Each founder housing association is represented on CN4C's board.

As well as the PHA organisational representative, three PHA tenants sit on the CN4C board, providing a direct, formal link between PHA's resident involvement structures and CN4C. PHA works in partnership with CN4C on some projects. It has also outsourced work to CN4C, including grounds maintenance, gardening schemes and community projects. Despite the close relationship between the two organisations at CN4C's inception, they are now distinct and separate organisations. They have lately worked less closely with each other than in the past.

### Supporting residents to influence neighbourhood decisions

As part of PHA's governance structure, the association has set up and funds a Tenants' Committee. This is supported by PHA's Resident Involvement Officers. The Tenants' Committee is an independently run body that dictates its own election process and has its own constitution. Its sub-groups act as working groups for different service and technical issues. Information from the sub-groups is fed directly back into PHA to determine service priorities.

The Tenants' Committee acts as consultation body for PHA, rather than a body with decision-making powers. On individual estates, residents' associations have often been in existence for several years, some dating back to before the PHA's formation. These associations were originally set up by frustrated residents wishing to tackle serious problems such as drug use and anti-social behaviour on their estates. Some of these residents' associations have since fallen dormant whilst others are still very active. Links between the Tenants' Committee and the residents' associations are an important way that information from residents is fed into PHA.

<sup>[30]</sup> Penwith, Coastline, and Devon and Cornwall Housing Association were three associations that initially set up CN4C and which currently have representatives sitting on CN4C's board.

In addition to the formal board governance structure and residents' associations, PHA has set up a Resident Involvement Register which lists residents who have expressed an interest in the housing association's activities. This information is used to identify tenants who might be willing to become involved in new initiatives. This could include sitting on focus groups, panels, and taking part in surveys. PHA has also set up the Residents Audit Project, a group of tenants who conduct telephone surveys and mystery shopping. All resident auditors are also members of the Tenants' Committee. In addition, PHA conducts a regular customer profiling survey, where residents are asked about service delivery, their individual needs and their ideas for improvements.

Residents of one rural estate formed a residents' association and have successfully tackled many problems related to drug use and anti-social behaviour on their estate. They also managed to raise funds for two playgrounds in the neighbourhood, one for younger children and one with a skate-park for teenagers. PHA helped by leasing the residents' association some strips of land. Although these were not ideal, being close to the road and waterlogged, they were the only unused areas on the estate.

The residents' association raised enough money to drain the land and make the playgrounds safe. However some residents reported that PHA had been reluctant to fully support and back their efforts. This has led to some frustration and apathy. It has also meant residents have initiated many projects on their own, independent of help or support from their landlord.

PHA supports residents' influence in neighbourhood decisions, but in some cases this support was reactive to residents' associations' demands. CN4C is more proactive about neighbourhood-based initiatives. However, partnerships between CN4C, other voluntary groups, housing associations and the district council had at times become strained.

### Influencing other organisations that work at the neighbourhood level

PHA's involvement in neighbourhood governance takes place at both the strategic level and the local level. In some cases this occurs through informal partnerships but in other examples, is more formal such as the Treneere Together Partnership. PHA is also involved in the LSP, West Cornwall Together, of which the PHA representative was at one time chair.

Cornwall has a high concentration of third sector organisations dealing with pockets of severe deprivation. PHA works with a range of organisations on different initiatives. Many of these arrangements involve CN4C.

Cornwall Neighbourhoods 4 Change (CN4C) does not receive long-term financial support from any of its funder organisations, and is dependant on funding from outside agencies for each project. Concerns were voiced that recurrent funding shortfalls compel CN4C to act more ruthlessly in the pursuit of grants than might otherwise be the case. This behaviour created some mistrust and suspicion.

between the PHA and CN4C. This was suggested to overcome tensions resulting from organisational autonomy.

The Treneere Together Partnership scheme demonstrates a successful example of how CN4C and PHA work in partnership together. This partnership was set up to tackle the severe deprivation on the Treneere Estate.<sup>[31]</sup> PHA supplied resources and staff, seconding a member of their staff to manage the partnership and supplying an office on the estate for the partnership to use. In addition, CN4C seconded a member of its staff to work for the partnership as the Neighbourhood Involvement Officer.

A stipulation of Neighbourhood Element funding for the partnership was that it supported a residents' association to guide its organisational focus. The longer term intention was that the residents' association would become sustainable. CN4C were involved in helping to reinvigorate the lapsed residents' association by organising a community event to draw out volunteers. However since this event, many felt CN4C had done little to support or develop the association further. PHA has leased a plot of land to the residents' association in order to build a porta-cabin in which the residents' association can host activities and meetings.

This model, of a separate organisation created by a consortium to focus on particular deprived neighbourhoods, has many strengths, particularly where financial resources are scarce or where a housing association decides to concentrate on improving the fabric of its properties. However in this example of an 'outsourcing' approach, three key weaknesses were identified:

- CN4C's financial instability meant that it needed to constantly fundraise to cover core costs. This created instability and uncertainty and caused some mistrust amongst other agencies
- some confusion arose amongst residents who did not adequately informed about the complex relationship between PHA and CN4C. On occasion PHA residents accused PHA of failing to respond to their needs, when actually these functions had been outsourced to CN4C
- not all residents felt that their voices were listened to by PHA as opinions were sometimes passed to them through CN4C, rather than through face-to-face contact with PHA staff.

Interviewees commented that they would prefer to see a closer and more interdependent relationship develop

<sup>[31]</sup> The three per cent of estates considered to be the most deprived nationally qualified for £1.6 million in Neighbourhood Element money to improve quality of life and service delivery.

## CASE STUDY TWO TOUCHSTONE HOUSING ASSOCIATION

In April 2006 Touchstone, then part of the Keynote Group merged with Prime Focus. The resulting organisation, Midland Heart is now the parent group of four operational business units, Touchstone, Focus, Urban Heart and Focus Futures. All provide housing management services across the Midlands. Each business has retained its own board, and has the freedom to adapt to and reflect local circumstances and needs.

In 1995 the Keynote Group appointed a specialist Regeneration Director. It was a signal from within the organisation of a change in attitude and greater recognition of the importance of regeneration issues in the day-to-day work of the organisation. The mandate for the regeneration officer was clear: to improve residents' quality of life and life chances, as measured against Indices of Deprivation<sup>[32]</sup>.

The building of Coventry Foyer is a good example of the shift in Touchstone's approach to neighbourhood focused projects. Here Touchstone used its influence to convince the local authority and managing partners that they were best placed to develop the Foyer initiative. Where other partners did not have the resources to implement the initiative, Touchstone did and proved its capacity to lead. The successful partnership working that followed illustrates the level at which Touchstone's neighbourhood governance works best - at a formal, strategic partnership level with the LSP, Coventry City Council, and key service providers. Since the merger, Midland Heart's Director has represented the organisation on Coventry's LSP.

### Supporting residents to influence neighbourhood decisions

At neighbourhood level and before the merger, resident involvement and community engagement was the responsibility of housing management staff. Housing Officers oversaw around 400 properties each, often spanning different geographical areas and in some cases, different cities. In addition, the Housing Officer's job description included community engagement and resident involvement.

Touchstone's organisational structure separated the work of the Regeneration Team and housing management staff both physically, with the two teams located in separate buildings, and through a lack of interdepartmental working. Respondents reported that physical separation exacerbated the lack of a coherent strategy to combine the work of the different teams. As a result, the Regeneration team tended to focus on ad-hoc projects developed in partnership with external agencies. These projects were perceived to be opportunistic rather than emerging from a strategic approach. Hopes were voiced that the imminent restructuring of the organisation would address issues

related to fragmentation.

Since the merger, a new management structure has been implemented, in which redefined roles place a much greater emphasis on delivering neighbourhood services and fostering closer relationships with residents. The new Community Investment Strategy is intended to pave the way for intensive interdepartmental working in priority neighbourhoods, using a multidisciplinary approach to deliver services.

At present Touchstone does not have a resident board member<sup>[33]</sup>, a situation currently under review along with their overall approach to resident engagement. Touchstone has a Tenants' Panel that acts as a consultative body, but to date the Panel has enjoyed mixed success and not always been considered reflective of the community it represents. At the time of the study, resident input was largely provided through informal networks, rather than formal governance mechanisms.

Engaging with residents is therefore typically the individual initiative of Touchstone employees. Much of the local-level neighbourhood working was often the result of very ad hoc, informal initiatives, varying from one neighbourhood to the next. The lack of formalised governance structures appeared to be reflected in weaknesses in the organisational focus.

Since its formation in 2000, the focus of the Regeneration Team's work, has been large-scale regeneration projects responding to identified community needs. It was reported that these enabled Touchstone to establish credibility with external partners and the Regeneration Team to do likewise within the organisation. Keynote's agenda began to focus increasingly on more joined up local-level neighbourhood working in 2005, though some respondents noted that Touchstone remained largely reactive rather than proactive at the neighbourhood level.

Interviews with employees of the local authority and local services providers, including the police and the NHS, indicated that Touchstone's commitment to line-manage a project did not necessarily translate into direct benefits for tenants. For example, Touchstone won the contract to manage the support worker for the local NHS Patient and Public Involvement (PPI) forum, for which Touchstone receives a managing fee. This project is not linked to the organisation's objectives and any benefits for tenants come through general improvements to the local health service.

Another example is the Neighbourhood Management Ward Priority Neighbourhoods in Coventry. This is a council-based initiative to improve policing in the 10 most deprived neighbourhoods in Coventry. These neighbourhoods overlap with Touchstone's. When asked if there was much interaction between the council and Touchstone, the response from one interviewee was, *'not as much as we should do. Again this is bringing it back to where our priorities*

[32] DCLG's indices of deprivation, released in 2000, see: <http://www.neighbourhood.gov.uk/page.asp?id=1058>

[33] According to both our interviews and the Touchstone website, see: <http://www.midlandheart.org.uk/Touchstone/AboutUs/TouchstoneBoard.htm>

*lie and what we are actually looking at.*

Instances were also reported of competition between Touchstone and the City Council. Competition occurred both over resources and for customers where similar services were provided by both organisations.

### Influencing other organisations that work at the neighbourhood level

When it comes to big initiatives that involve strategic-level partnership working, Touchstone is well placed, well connected and well resourced to be a leader in the design and implementation of large-scale projects.

However, success at the strategic level as evidenced by the

One of Touchstone's most successful projects has been the redevelopment of the former Broadheath school in the Foleshill area of the city. In 1999 the City Council invited key stakeholders to enter a bidding process with innovative ideas of how best to re-develop the building into a community facility. Touchstone was selected to deliver a project to build 29 family homes, eight flats and eight 'live/work' apartments.

It also included two new community facilities to encourage the participation of local young people in activities and to improve the skills of young entrepreneurs. The youth centre has ICT facilities, a recording studio, multimedia room and a small conference room. The Enterprise Centre also provides business and entrepreneurial support, skills and training for young people.

The scheme, managed by Touchstone, began in 1999 and was completed in 2006 with each part of the project being funded by different sources brokered through various partnerships. The Enterprise Centre was funded by a £567,000 grant from the Regional Development Agency, Advantage West Midlands, whereas the funding for the youth centre came both from the City Council and the Prince's Trust.

Touchstone's Regeneration Team were the driving force behind the project, liaising with partners, funders and the developer. Ongoing management of the housing is Touchstone's responsibility. Youth services are delivered by the City Council, and the Enterprise Centre is managed by an independent trust.

initiative. However some employees feel constricted by interdepartmental communication problems and a general lack of appreciation and understanding for neighbourhood governance. The development of a specialist Resident Involvement Resource and Community Investment Strategy is likely to improve this situation in the future.

Touchstone owns and operates an educational training centre in partnership with Henley College. This offers a range of IT courses, both for its tenants and members of the wider community. Touchstone employs an Outreach Worker who targets Touchstone residents and travels to their homes offering one-to-one IT training. The aim of the project is to assist the transition to a more formal learning environment and encourage residents to take part in more advanced courses at the centre, delivered by tutors from Henley College.

flagship projects is not always mirrored by the same degree of coherence at the very local level.

Touchstone now finds itself at an interesting juncture in its history where changes from the merger could result in much more robust inter-departmental neighbourhood working. Touchstone remains well-connected to the LSP and the Local Authority, particularly at senior level. This strategic-level partnership working has enabled Touchstone to lead on key regeneration projects, such as Broadheath School and the Coventry Foyer. Where local-level partnership working takes place, it is often a result of individual employee

## CASE STUDY THREE POPLAR HARCA

Poplar HARCA was set up in 1997 as the stock transfer vehicle for some of the London borough of Tower Hamlets' most deprived communities. The properties that Poplar HARCA manages in East London are densely located on housing estates. The needs of HARCA tenants and residents and those of the wider community therefore convergent, a factor which is not shared by other housing associations involved in this study.

Poplar HARCA's neighbourhood working falls broadly into three categories:

- strategic neighbourhood working: neighbourhood management schemes run in partnership with the Tower Hamlets Partnership, and largely funded through Neighbourhood Renewal Funding (NRF)
- a formal governance structure for resident volunteers within the organisation, supported by an extensive Resident Empowerment Support Team (REST)
- local resident involvement: a range of informal, local-level activities, classes, social and community events that take place within each estate's community centre and which Poplar HARCA use to engage with their tenants to access information which then shapes their service delivery

### Supporting residents to influence neighbourhood decisions

The striking characteristic of Poplar HARCA is the extent to which a community empowerment ethos drives the organisation's focus. The association's mission is to empower its residents and provide them with greater opportunities to access education, activities and advice. To deliver this it has developed the REST to increase and support resident involvement.

The use of community centres is key to successful relationships with local communities. The centres themselves host a huge variety of activities, services and self-organised group-meetings such as carer-toddler groups, environmental improvement groups and café organisations. Many of these have been set-up and run by residents, with centre staff offering support and advice. This has enabled each community centre to form a network of residents, small community groups, and businesses.

Poplar HARCA also has an extensive formal governance structure. Each estate has its own estate board which all resident volunteers can participate on. The elected estate board chair represents their neighbourhood on an estates panel, which covers all the housing association's properties.

The Bengali women's group 'Mohila' was set up by a Poplar HARCA community centre assistant keen to get more Bengali women involved in community activities and accessing the facilities available to them. The neighbourhood manager secured funding for the group's activities and it began in 2005 as an informal tea and coffee morning. As the group evolved, it began to include cooking sessions, introducing the residents to different cuisines and cooking techniques. New activities and events included a series of healthy lifestyles talks by a visiting NHS outreach worker. A Bengali translator was present for those women who were not fluent in English.

Through talking to the women it became apparent that many did not use public transport and lacked the confidence to do so. The centre assistant met a representative from the DLR (Dockland's Light Railway) at a summer fun day and the ensuing discussion resulted in the group being given free tickets and a guided tour of a station. In turn the group were able to communicate to DLR how they were prevented from using public transport because the leaflets explaining how to use the railway services were only printed in English. As a result, a series of leaflets have been translated into various foreign languages and are now available at DLR stations.

Poplar HARCA's main board at present has seven resident directors and is aiming to increase this number to 10. The Area Director for the housing association felt that the success of Poplar HARCA's resident involvement was due to the significant investment the association has made in its REST team.

Poplar HARCA also carries out a range of less formal activities to engage residents who may for a number of reasons be alienated from more formal structures. Each estate's community centre hosts a wide variety of informal activities ranging from English language classes to coffee mornings, fun days and police surgeries. Residents on the estates are encouraged to suggest and organise their own activities.

Many of Poplar's residents are from BME communities and are not proportionally represented within formal governance structures. Both the association and representatives of community groups recognised this as a challenge and hope that solutions will emerge over time. For many members of the BME community (and for many white residents as well), the traditional structure of boards and formal meetings are unattractive. For others, language barriers or feelings of intimidation are significant barriers to involvement. Poplar HARCA tackled broader participation through extensive outreach work, feeling that the key to success was to build informal relationships with individuals and communities.

### Influencing other organisations that work at the neighbourhood level

Neighbourhood management in the area is a partnership between the Tower Hamlets' LSP, The Tower Hamlets

Partnership, and Poplar HARCA. Until 2001, neighbourhood management was driven by the Poplar Area Neighbourhoods (PAN) partnership, a more informal network of community organisations, educational institutions and London Lee-Side Regeneration Limited.

The PAN partnership neighbourhood arrangements were funded through an SRB 6 initiative. After the inception of the Tower Hamlets Partnership in 2001, and with the advent of NRF funding, the PAN arrangement ended. Tower Hamlets Partnership approached Poplar HARCA to jointly provide neighbourhood managers in two areas. At present, 80 per cent of the neighbourhood managers' salaries come through the Tower Hamlets Partnership with the remainder paid by the housing association.

Two of the neighbourhood managers based in Poplar HARCA neighbourhood centres are employed by HARCA though the majority of their salary costs are funded by Tower Hamlets Partnership. Most interviewees felt this arrangement worked well but with some tensions. Some residents perceived the managers to be part of Poplar HARCA and expected them to work on behalf of HARCA residents rather than serving the wider community. Some respondents also thought it was difficult for neighbourhood managers to form relationships with residents who were not HARCA tenants or leaseholders.

Both Poplar HARCA and the Partnership were willing to work through these points and both felt the arrangements were working satisfactorily.

Poplar HARCA's relationship with the Tower Hamlets Partnership was generally close. Poplar HARCA has strong influence at the strategic level, both because of its successful management of the area and because of the high density of its housing within a small geographical area. Through close relationships to key services providers, local authority members, and councillors, the association is able to influence the provision of services for their residents by other bodies through partnership working, regeneration-led partnerships and local authority area working structures.

However, some tensions exist between Poplar HARCA and the local authority about who controls decision-making at the local strategic level. Tower Hamlet's Local Area Partnerships - the structures devised to promote area-based influence in LSP working - are not co-terminus with the Poplar HARCA area. This situation causes some friction over decision-making remits and resource allocation.

Some respondents also felt that Poplar HARCA's approach to problem solving was not always sustainable. They argued that when problems emerge, the housing association tends to propose new services rather than looking to change and adapt existing arrangements. This leads to dependence on short-term funding and has raised concerns about the availability of future funding and the end of the NRF

funding in particular. In response, Poplar HARCA argues that extra funding is used to reshape service delivery towards a community-focused model. Poplar HARCA provides youth services on behalf of Tower Hamlets Council and cited this as an example of innovative community-focused service delivery.

Poplar HARCA felt that their overall relationship with the Local Authority works successfully. Many of Poplar HARCA's staff originally worked for the authority creating strong lines of communication between the housing association and the council. Tower Hamlets depends strategically on Poplar HARCA's popularity with local communities; against a backdrop of complex and often tense local community politics, it is one of the few landlords that has the potential to achieve positive results in stock transfer ballots.

At the neighbourhood level, Poplar HARCA's commitment to building relationships with other service providers is also strong. This reflects the strong links Poplar HARCA have with their residents and their ability to channel resident concerns to other agencies. For example, close working relationships meant that HARCA and staff from the local Safer Neighbourhoods Policing Team were familiar with each other's working procedures. One respondent commented that these relationships had taken a significant amount of time to develop and it was only now that both sides were able to benefit from the efforts made.

## CASE STUDY FOUR TEES VALLEY HOUSING GROUP

Tees Valley Housing Group, an association that manages homes and activities throughout the north-east, works in partnership with Middlesbrough Council to deliver a neighbourhood management pilot scheme in North Ormesby. The neighbourhood is frequently referred to as a town despite being part of Middlesbrough city; the distinction is created by its relative geographical isolation and its history as home to the local iron-working community.

Tees Valley Housing Group was a more conventional service provider up to the turn of the millennium. However, to reduce tenant turnover and protect property values, Tees Valley decided to concentrate on building neighbourhoods that people wanted to live in. Neighbourhood working both satisfied the social drivers of the organisation and made sound business sense. In 2000 Tees Valley Housing Group instituted a corporate cultural change that included extensive staff training.

### Supporting residents to influence neighbourhood decisions

Resident engagement in the North Ormesby neighbourhood management pilot takes place both formally and informally. Residents are able to attend any of the neighbourhood management pilot's steering group meetings and are free to join the group if they wish to. Many of those residents currently sitting on the steering group are also members of other community groups such as RHINO (Residents Helping to Improve North Ormesby) and the North Ormesby Development Trust. The presence of a neighbourhood manager on the high street means that residents find it easy to report their concerns.

### Influencing other organisations that work at the neighbourhood level

On many previous projects, Tees Valley Housing Group has demonstrated a strong commitment to working with other organisations at the strategic level. For example, Tees Valley contributed to the establishment of a supported housing facility for families with a history of anti-social behaviour. Tees Valley Housing Group is represented on the main board of Middlesbrough Partnership (Middlesbrough's LSP) and is also part of the environmental and economic vitality sub-groups. However, at the time of the research a comprehensive review into the arrangement of the LSP was underway, which might ultimately affect Tees Valley's involvement.

Tees Valley Housing Group's strategic involvement in partnership working is matched by its involvement at the very local level. North Ormesby Neighbourhood Management is one of four Neighbourhood Management pilots set up by Middlesbrough Council in 2004. The other

three pilots are managed by the Council. Funding for the pilots comes from NRF and some initial SRB funding and is secured through March 2008. The funding is limited to salaries and office running costs with a small amount of money available for 'quick win' projects. Through a high level of informal and formal neighbourhood partnership working the North Ormesby pilot has carried out several improvement projects.

The success of the North Ormesby Neighbourhood Management scheme has been monitored since its inception. In 2004, residents responding to a survey appeared to show significantly higher levels of satisfaction with their neighbourhood than respondents surveyed in 2002.

- In 2004, 93 per cent of respondents claimed to like living in the area, up from 66 per cent in 2002
- 56 per cent said they felt safe walking alone after dark, up from 37 per cent in 2002
- 80 per cent considered the streets clean, compared to 34 per cent in 2002 <sup>[34]</sup>

Since the Neighbourhood Management pilot began, average house prices in North Ormesby have risen from around £20,000 to around £80,000, although it is not possible to attribute this solely to the pilot, it is likely to have contributed to the rise.

The high street in the town had five vacant shops in 2002. Today all the properties on the high street are occupied and when properties become vacant, they are more rapidly reoccupied than in the past. <sup>[35]</sup>

Although Tees Valley Housing Group owns almost no properties in North Ormesby, they are currently involved in the redevelopment of part of the town and so expect to own property in the future.

*It made sense to be involved in neighbourhood management if they [TVHA] were to regenerate the area and build houses here, because in regenerating the community they [TVHA] were also protecting their civic investment as well, so the two things go hand-in-hand (David Francis, neighbourhood manager, North Ormesby, 2006)*

Each of Middlesbrough's neighbourhood management pilots are 'branded' as a local endeavour and are not ostensibly linked to either Tees Valley Housing Group or the Council. The pilot is steered by a neighbourhood management task group, which is made up of stakeholders including local traders, residents, council officers and landlords and other housing associations. The group meets every six weeks with the manager and collaboratively decide the future course of action for the pilot. The manager in turn reports progress on agreed activities back to the group.

At the local level, the degree of partnership working is significant. The role of the neighbourhood manager is to facilitate agreements between other service providers

<sup>[34]</sup> ERS (2006) Middlesbrough Neighbourhood Management Pilots Evaluation Report

<sup>[35]</sup> Figures gained from interviews with North Ormesby Neighbourhood Manager and Tenant representatives

and to lever outside funds where available. The following examples reflect successes of positive partnership working in North Ormesby:

- The pilot has led an initiative to fix the gates to alleys running behind some of the housing in North Ormesby. This has helped to reduce high levels of littering and anti-social behaviour. By securing NRF and European Regional Development Fund (ERDF) resources, the manager was able to fit the gates and provide larger bins for the residents.
- The manager also worked with the council to improve the cleaning service they provided. As a result, 80 per cent of residents that responded to a survey in 2004 agreed that the streets were cleaner, as compared to 34 per cent at the time of the pilot's inception.
- In another example, environmental improvements were made to an area of land used by a particular community of travellers, known locally as 'show people'. The pilot worked in partnership with Groundwork South Tees and a local charity to create a landscaped and fenced area for the Show-People complete with pieces of public art designed by local children with help from a local artist.

Four 'youth groups' have been set up to cover different geographical areas of Middlesbrough. Each group includes representatives of local social landlords, police, social services, education providers and the relevant neighbourhood manager. The groups discuss the 15 young people whose behaviour is seen as most problematic for their community. Jointly they develop a plan of action and appoint an individual to oversee its implementation, whether it involves a home visit to the young person's parents or more formal action.

This level of cooperation means that agencies avoid duplication and are able to share what they know of often very complex family situations. Tees Valley Housing Group plays an important role in this intensive partnership working.

The next chapter sets out the analysis of these four case studies, and begins to tease out the implications for other housing associations wishing to increase the effectiveness of their activities and partnerships at the neighbourhood level.

# THE FINDINGS: WHAT DRIVES HOUSING ASSOCIATIONS?

This chapter analyses the evidence from the four intensive case studies alongside additional information gathered from the 10 subsequent interviews with a broader range of housing associations. These findings were then discussed at a stakeholder seminar. associations?

First, we explore the five variables isolated as key determinants in the decisions made by housing associations when considering their approach to neighbourhood working. Then the motivations for neighbourhood working and how they play out in practice are discussed.

## 1 THE UNDERLYING DETERMINANTS

Five variables emerged from the case studies as being crucial determinants of the extent to which housing associations become involved in neighbourhood governance. These variables were discussed with 10 housing associations to explore the experience of a broader range of housing associations, not all of which were known as sector leaders in neighbourhood involvement. The variables were:

- stock density
- history of stock transfer
- ethos of the founding culture and current board
- neighbourhood demographics
- external shocks.

### Variable one: Stock density

This research confirms existing evidence that the geographical concentration of properties has key implications for management of the housing stock and the neighbourhood. Low or scattered stock concentration can make it more costly and difficult to engage in services beyond narrowly defined housing management.

In areas where housing associations own and manage low density homes, and where neighbourhood problems are at a minimum, there will not be the same business case for a housing association to invest in neighbourhood working as in areas of higher deprivation. However this may not

be considered to be a problems if neighbourhoods are flourishing and relatively cohesive. Tensions emerge where scattered stock is located in deprived areas and where there is a need for investment to support community cohesion, for example to bolster efforts to tackle anti-social behaviour.

Conversely, housing associations which manage high density properties are much more likely to choose to invest in wider neighbourhood issues (both strategically and at the very local level).

### Overcoming the barriers

Some associations did however, buck this trend. This study unearthed examples of housing associations managing small numbers of homes in a particular locality which were nevertheless consolidating and developing their involvement at neighbourhood level. These examples were driven by:

- the mission of the housing association
- a recognition and wish to meet neighbourhood needs
- an appreciation of the cost-benefit of improving the greater neighbourhood
- opportunism: taking advantage of openings for external funding or support.

One approach to neighbourhood involvement was the formation of very local 'consortia' with other housing associations in order to pool funds and resources to tackle neighbourhood problems. This is an element of the Housing Corporation's approach to stock rationalisation.

### Variable two: Stock transfer

Cheviot housing association's housing managers spoke to us about the conflict between the needs of their tenants versus the wider community. Where issues like anti-social behaviour arise it makes sense to approach them as whole community issues because they affect everyone living in the area. However the managers report resource limitations. For example, the association would only remove graffiti from their own properties and would seek to work jointly with other agencies to clean-up the wider area.

The history of each individual stock transfer has an impact on the likelihood of the successor landlord's involvement in neighbourhood working. Particular factors may either lead to a greater emphasis on neighbourhood and community involvement or alternatively, may constrain these activities. Some stock transfer associations are now well over 15 years old and have distanced themselves from past expectations and legacies. However for others, the experience of taking over former local authority stock is important.

When transferring stock to housing associations, local authorities may explicitly or implicitly expect the receiving housing association to develop a broad involvement in the community. This expectation could be a result of the ethos of the local authority administration driving the transfer or it may be a more pragmatic attempt to reassure tenants of the benefit of stock transfer and to secure positive votes for future transfers. Additionally, staff transferred to new landlords may bring with them the positive legacy of working across services within a local authority.

Conversely, when transferring stock, local authorities may prefer the new landlord to limit their focus to bricks and mortar and/or stock condition issues. This is particularly likely to be the case when transfer has been motivated by the requirements of the Decent Homes Standard.

### VARIABLE THREE: ETHOS OF THE FOUNDING CULTURE AND CURRENT BOARD

This study found that a housing association's mission had substantial influence over its involvement in neighbourhood working. Enthusiasm for neighbourhood working is often driven by a 'charismatic leader' such as a visionary Chief Executive, and/or board members. In some cases, the ethical founding culture was rooted in past philanthropic legacies or endowments for broader activities which have enabled housing associations to support the cost of neighbourhood working. Endowments could, in turn, be linked to arrangements made on transfer,

Whether a founding objective or a more recent mandate, housing associations that have an organisational mission to alleviate poverty and deprivation tend to view neighbourhood governance as a natural by-product of their mission. As one Chief Executive noted, *'it is as if government is finally catching up to us, rather than we catching up to them'*.

The Peabody Trust is one of the most well known housing associations in London and was formed in 1862 with a specific mission to alleviate poverty. This mission translates into a desire to focus not just on the housing needs of tenants but also on the wellbeing of the wider community.

The trust is now considering new initiatives that focus on the 'Peabody community' - their tenants and residents plus others living in the locality who use their facilities and identify with Peabody estates.

Many housing associations have re-evaluated business plans and mission statements in the last decade, partly in response to political initiatives favouring neighbourhood involvement from central government.

For some housing associations with a traditional 'housing' remit, this change in focus has created the need to invest in employee training programs to underscore the relevance of neighbourhood working for association employees. Housing associations have:

- created training courses
- conducted annual surveys to assess the impact and understanding of neighbourhood working among employees
- in one case, a housing association encouraged employees to volunteer a small portion of their time to work in the community.

In the face of severe deprivation and high tenant unemployment, as early as 1992, Black Country Housing Association decided to concentrate on welfare of the community alongside the management of their properties. A year later the association created a 'community development' department, and began instituting this community-focused ethos through the association. Efforts included revising their business plan and holding events with local community groups and schools.

Housing associations stress the patience and commitment required to create a change in institutional thinking. Promoting neighbourhood working requires a shift away from silo-ed practises towards interdepartmental working, information and resource sharing. In 2000, Tees Valley Housing Group initiated a programme of culture change, following a decision by senior staff to become more neighbourhood-focused. Unable to find a suitable training course, they worked with a consultancy to develop a training programme for all their members of staff. They also encouraged staff to become involved in community and voluntary groups and at times were willing to give them leave from work for such activities. Periodical surveying has revealed that over time staff appreciation of the importance of neighbourhood working has increased, but constant reinforcement has also been necessary.

Similarly, respondents from PLUS Housing Group in Liverpool noted that five years after implementing an extensive learning and educational programme for their employees, only around half of employees embraced the relevance of the neighbourhood approach to their jobs. Changing organisational mind-set is a long-term process that requires continual reinforcement.

Housing associations that have undertaken the shift towards a neighbourhood focus tended to be led by a charismatic figure, either at senior management or board level. The factor of success in driving change over the long term is whether the changes, once initiated, become embedded in the organisation. Instances were found where associations lacked the broad support and infrastructure needed to

underpin long term change. As a result good work collapsed when the leading figure who encouraged change left the organisation.

#### Variable four: the demographics of residents and wider communities

The demographics and circumstances of residents are key in dictating what services are needed in a particular area. Meeting these needs will often require close working with another agency. Consequently, housing associations working in deprived neighbourhoods are more likely than others to work in partnership with other organisations.

Westlea housing association has worked with residents to learn more about the demographics and priorities of their tenants. In turn this has affected the way in which the association works with partners such as the police, youth services and the PCT. Information gathered through surveys has a powerful effect on the way that services are shaped at a local level.

Many communities are becoming increasingly diverse. The reality of modern migration patterns means that an increasing number of nationalities, ethnicities and faiths are moving into new areas, challenging the existing relationship patterns among existing communities.

The study found examples where changing demographics resulted in new and increased tensions between groups within the community, creating neighbourhood instability. If these problems are not managed, either by communities themselves or by local agencies, they can lead to increased tenant turnover and exacerbate deprivation. Sensitive community engagement is the key to mitigating tensions and is a prerequisite for developing plans to stabilise fragile communities.

#### Variable five: external shocks

External factors may unexpectedly change a housing association's focus, particularly if the impact forces a re-evaluation of business models. For example, the collapse of the housing market in the 1990s in the North of England and parts of the Midlands compelled many housing associations to re-assess their mission and business plans.

Other sudden changes may generate new social needs and threaten community cohesion, For example the arrival of significant numbers of people from different backgrounds in a particular neighbourhood may demand a swift response from landlords. Riots and uprisings, natural disasters or the collapse of particular industries can also force local agencies to consider their overall strategies.

## 2 WHAT DRIVES HOUSING ASSOCIATIONS DECISION-MAKING?

The five determinants explain the types of housing associations that are more likely to become involved in neighbourhood working. However, in addition to analysing the key underlying factors, it is important to understand what drives senior officers and board members' decision-making about whether and how to develop their neighbourhood activities.

Drivers for involvement in neighbourhood working were explored within case studies and subsequent interviews. The key reported drivers for a housing association's involvement can be condensed into three areas:

- pressure from the local authority
- housing associations' internal drivers: pressures from private finance and the Housing Corporation
- pressure from residents.

The ten housing associations interviewed in the second stage of the research were asked to place themselves on a diagram (see figure 3) to reflect their own experience of the interactions and balance between these three factors. The four case studies (represented by letters) have also been added to this diagram, reflecting answers received during interviews with member of their staff.

This diagram shows that housing associations engage in neighbourhood working more in response to internal pressures to maintain their business than to external pressures. The majority of the housing associations interviewed publicly suggest that their neighbourhood initiatives are developed in response to tenants' wishes. However, the diagram shows that fewer than half of the housing associations involved in this project considered residents to be primary drivers of their neighbourhood activity. Analysis of the interviews confirms that resident input often drives the organisational focus and motivation of housing associations less than publicity would suggest.

It is also interesting to note that whilst local authority drivers are important, they are just one of several competing pulls on housing associations. Interviewed housing associations did not report an increase in demand for neighbourhood working from their partner local authorities. Neither were they expecting this to increase with the roll out of the policy direction set by the Local Government White Paper.

One London-based housing association's Chief Executive was asked what motivated their involvement in neighbourhood governance. The answer was clear; it was an entirely business-orientated approach. Involvement at local level reduced anti-social behaviour and protected property values.

## Understanding internal drivers

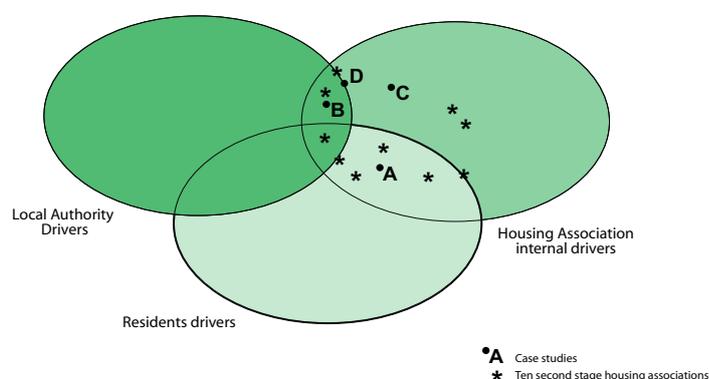
The factors that drive housing associations' involvement at the neighbourhood level are largely *internal* and represent a fairly complex mix. For example, internal factors may dictate that a housing association's involvement in neighbourhood governance is business-driven. A healthy neighbourhood experiences lower tenant turn-over and higher property values, protecting an association's assets and protecting loan repayments. From this perspective, a direct business outcome provides the critical impetus for a housing association's involvement in broader community services. It simply makes 'good business sense'. Internal drivers may alternatively stem from ethical and social motivations. Although alert to the costs and benefits of engaging in neighbourhood governance, a housing association's involvement can grow out of a fundamental mission to provide residents not only with quality homes, but a good-quality neighbourhood to live in. For these associations, business benefits are not the primary driver for providing neighbourhood and community based services.

Further analysis of the 'housing association internal driver' category shown in figure 4 reflects a complex mix of factors driving individual housing associations. These include:

- **Political factors** including influence from central, regional or local government. In the future political pull may also involve parish level government, or greater influence from local councillors.
- **Regulation**, mainly by the Housing Corporation.
- The **business case** for increasing involvement in neighbourhood governance, particularly in areas where new developments or regeneration are planned or where management fees are available for organisations that oversee neighbourhood activities.
- **Protecting investment** may include pressure from private finance to protect the value of the associations' assets or reduce tenant turn-over. In the face of pressing need, such as the collapse of the housing market, this may heavily influence the association to look at neighbourhood involvement.
- **Ethical foundation**, a mission that goes beyond 'bricks and mortar'.
- **Meeting the social needs** of their residents as individuals.
- Meeting the **community** needs of their own residents and the wider neighbourhood community.

For individual housing associations, the balance between these different factors is key. Our case studies, which were chosen on the basis of their leadership in neighbourhood

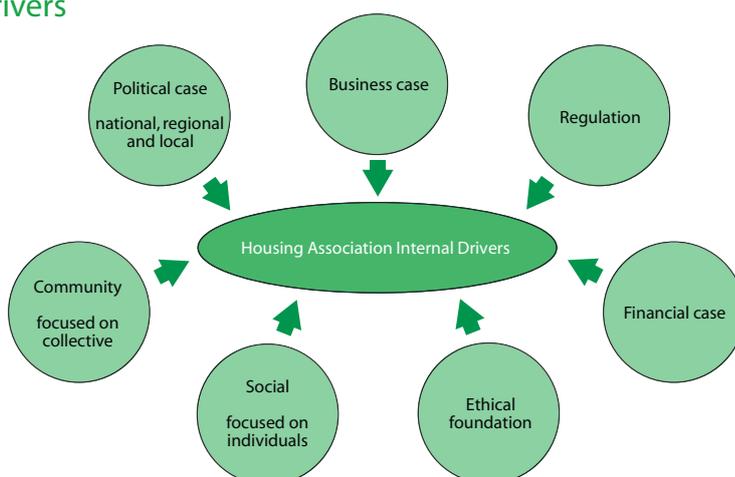
**Figure 3: Where do housing associations position themselves? We asked what drives involvement in neighbourhood working**



working, illustrate the diversity of motivations driving organisations towards neighbourhood involvement. Each association experienced a unique balance of these different factors. For one association, the motivation from ethical and social drivers was strongest. For two of our case studies, in contrast, the business case was critical, though this did not exclude the desire to meet community needs.

This analysis has implications for policy if government or regulatory bodies wish to encourage housing associations to undertake more effective engagement at the neighbourhood level, Policy is likely to be most successful if it targets the internal drivers pushing housing association activity rather than relying on resident voice or the efforts of local authorities implementing the Local Government White Paper.

**Figure 4: Factors shaping housing association internal drivers**



# THE FINDINGS: KEY ISSUES FOR NEIGHBOURHOOD GOVERNANCE

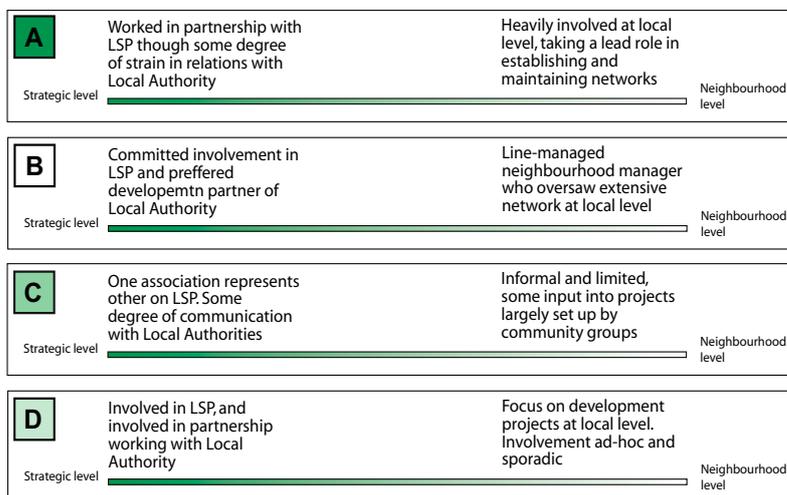
This chapter focuses on three key issues for housing associations wishing to increase their involvement in neighbourhood governance: partnership working, funding and resident involvement. Much work has been undertaken on these topics in other research and good practice publications, and whilst this study does not intend to duplicate what has been reported elsewhere, this chapter discusses the aspects that facilitate understanding of housing associations' role in neighbourhood governance.

## 1 PARTNERSHIP WORKING

It is not surprising that partnership emerged as an important component of neighbourhood governance. Partnerships allow housing associations to influence other service providers and thereby enable residents to influence decisions taken by agencies in the neighbourhood.

Our case studies suggest that the degree to which housing associations work in partnership with the local authority, the LSP, other housing associations and service providers has a significant impact on the success of their neighbourhood initiatives. Partnerships are an important component of neighbourhood governance, allowing housing associations to influence other service providers and enabling residents to influence decisions taken about their neighbourhood. The research also indicates that housing associations' role at this level is most effective when strategic and very local-level partnership operate in tandem.

**Figure 5: Degree of partnership working in formal governance structures**



Some associations had boosted neighbourhood-level partnerships by providing in-kind support to residents and community initiatives and by using their assets creatively. This might include wholesale asset transfer of an entire building or piece of land, incrementally reducing costs by leasing land or buildings cheaply, or by subsidising the costs of neighbourhood services. Housing associations are increasingly viewing asset transfer as part of their overall financial viability and financial capacity as Housing Corporation regulation encourages associations to value their investment in sustainable neighbourhoods and communities<sup>[36]</sup>. This process has also been boosted by the publication of the Quirk review on asset transfer.<sup>[37]</sup>

Following our case-study interviews we constructed a model of partnership working to interpret how each of the examined housing associations worked at both the strategic level and at the very local level (see figure 5).

This model was discussed with the 10 additional housing associations to test our emerging findings. Representatives from those housing associations made it clear that while both ends of our spectrum were relevant, there also existed considerable scope for partnership working between these two points, such as when working with the local authority officers and councillors on ad hoc initiatives. Similarly, cooperation on other services with community organisations or with parish-level local government where it exists, is not captured by the model. Consequently, we looked again at our model and refined it, (see figure 6)<sup>[38]</sup>.

The size of each box in this diagram represents the importance placed on it by interview respondents. Different colours represent the different housing associations that formed our case studies. We asked the same questions about partnership working to the 10 subsequent housing associations and their responses are reflected in figure 7<sup>[39]</sup>.

All housing associations, case studies and second stage interviews, worked closely in partnership at the very local level and were involved significantly in a variety of partnership initiatives sitting outside or underneath formal LSP structures. The key difference between the experience of the case studies - chosen as exemplars of neighbourhood working - and the more representative cross-section of 10 second stage interviews, is the degree of involvement in the LSP board or LSP theme/sub groups. Case study associations were significantly more involved in the LSP than the broader sample, suggesting that while neighbourhood-level partnerships are key to neighbourhood working, it is strategic involvement at LSP level that drives neighbourhood working to a higher level.

## Local Strategic Partnerships

Interview respondents discussed many issues that arose regarding involvement on LSPs. Different housing associations had widely varied opinions of the relevance and effectiveness of LSPs. Some were heavily involved, sensing that the LSP allowed them the scope to be engaged in strategic problem solving. For example, the Chief Executives of Westlea and Black Country housing associations chaired the LSP in their area.

Other associations did not find LSPs to be useful or constructive but considered them a drain on staff resources, characterising LSPs as a 'waste of time' and 'difficult', and suggesting that housing associations are represented on LSPs only because 'they have to be'. This was particularly true of the second stage interviews.

Inclusion on an LSP is by discretionary invitation of the LSP. There were cases where housing associations would have become more involved had the opportunities existed. Some housing associations actively lobby to be involved in LSPs, one respondent made the off-hand comment that simply buying a large plot of land in an area would gain the association a seat on the LSP. The most significant factor in determining whether or not a housing association was interested in involvement with an LSP and vice-versa appeared to be the number of properties the association owned in that area, an indicator of whether it was seen to be a significant local player.

Accent Group has over 20,000 properties in over 40 local authority areas. Where they have a high numbers of homes - over 1,000 - they are interested in being involved with the LSP and will actively seek to participate. Where they have a smaller number of properties, they do not become involved in LSP meetings and see their sphere of interest as being at the local level rather than the strategic.

For some housing associations covering many cities or a large geographical area, senior level involvement with all the associated LSPs was not feasible. These associations tended to target the areas that were seen to be of greatest strategic importance, generally areas where they had most property or were engaged in most property development.

In some cases housing associations are represented on an LSP at sub-group level, usually within a housing or environmental thematic group. This option can be less demanding of very senior officer's time. Some sub-groups of LSPs are local regeneration or area partnerships, linking LSP actions with very local neighbourhood working.

Another approach that associations sometimes employ is to form a consortium, which then selects one association to represent all the consortium members at LSP meetings, disseminating information back to the other associations.

Figure 6: How the case study housing associations work in partnership

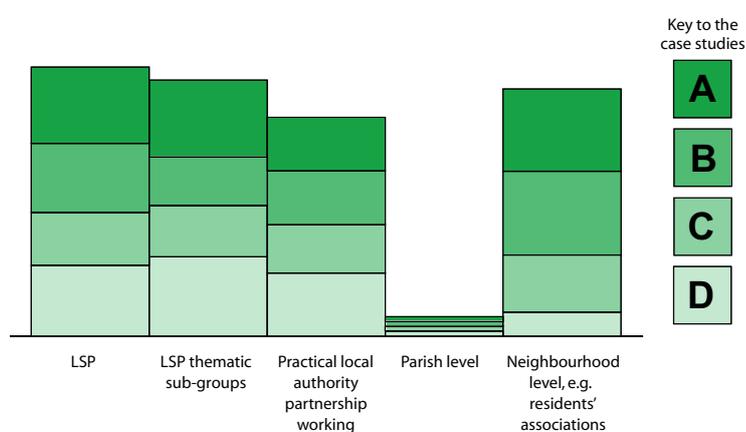
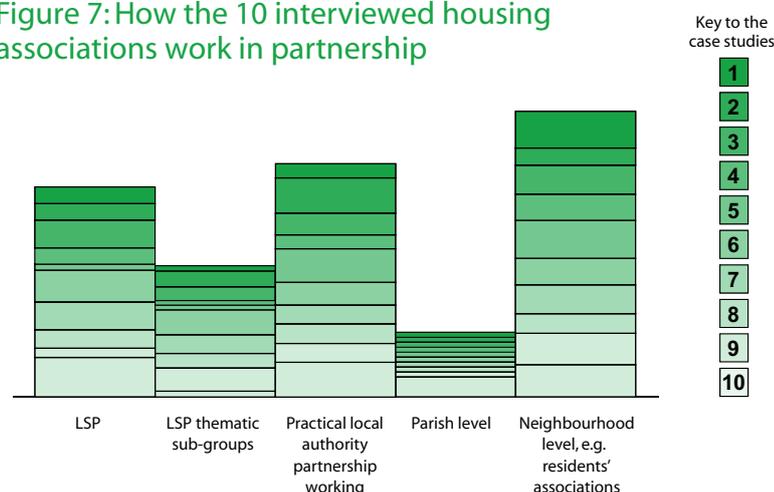


Figure 7: How the 10 interviewed housing associations work in partnership



Cheviot Housing Association spans 14 Local Authority areas, but only represented on LSP boards where it has a significant concentration of stock. In other areas it maintains links with the LSP through housing sub-groups or by working with other housing associations, ensuring one representative feeds information back to others.

Similarly, some housing associations are represented at the LSP through the Community Empowerment Network (CEN), as one of many voluntary and community organisations in the area.

### Less formal partnerships with local authorities

Less formal partnerships are many and varied, sometimes closely tied into the LSP and sometimes entirely separate. Some respondents characterised these types of relationships as being more critical to the success of neighbourhood governance than partnerships at the strategic level.

Relationships with local authorities, including both officers

<sup>36</sup> Housing Corporation (2007) Revision of Housing Corporation Assessments: consultation paper; available at: <http://www.housingcorp.gov.uk/server/show/ConWebDoc.10499>

<sup>37</sup> CLG (2007) Making assets work: The Quirk Review, available at: <http://www.communities.gov.uk/index.asp?id=1510515>

<sup>38</sup> This model represents an interpretation of the importance each housing association placed on various levels of partnership working, based on interview analysis

<sup>39</sup> Similarly this model represents an interpretation of the interview responses to questions about the importance of different levels of partnership working

and elected members, differed between the housing associations involved in our research. Some felt that working relationships were extremely productive and had been successfully enhanced through personal relationships. Similar patterns emerged with health providers, the police and other neighbourhood agencies. Organisational culture was often important, particularly the degree to which the housing function of the local authority welcomed joint working with housing associations and the extent to which local authorities were adept at cross service and multi-agency working.

A representative of PLUS housing in Liverpool characterised neighbourhood governance as working with the roots of a tree rather than just the trunk and leaves. An example of working with the 'roots' would be involvement of councillors, though this often represented a shift in their working relationships with the local authority.

Examples were also given where poor relationships with local authority staff obstructed otherwise successful projects. In one illustrative case, a local authority-run youth service had expressed particular hostility towards the housing association and was believed to be discouraging young people living in housing association homes from using their services, undermining broader partnership arrangements.

### Very localised partnership working

All the 10 housing associations we spoke to and three of our four case studies reported that they were heavily involved in very local partnership working with other local agencies. This included relationships with local development trusts, voluntary and community groups and residents' associations. In many instances this involved housing associations contributing small resources to community groups for example, leasing them unused land to erect a small cabin for meetings and social events. These small contributions helped improve partnership working and trust at relatively low cost to the housing association.

Such relationships often (but not always) exist independently from those at strategic level, and many respondents felt them to be more relevant to the success of service delivery and improvement than partnerships at LSP level.

Penwith Housing Association often provided office space or land to community partnerships and residents' associations. In the example of the Treneere Together Partnership, the association allowed the use of one of their properties for the partnership's office. In addition, the association leased land to several residents' associations to install a small porta-cabin which they used for community activities.

### Parishes

The majority of housing associations interviewed did not operate in areas where there were parish councils. However, the one that did was strongly engaged with local parish councils.

If the parish level of very local government is to grow in accordance with the Government White Paper, the emergence of new 'community councils' in urban areas will enhance the importance of this very local democratic structure for housing associations' working at the local level.

## 2 RESIDENT INVOLVEMENT

Many studies have been carried out on the ways in which social landlords involve their tenants and residents in decision-making. There is no intention to reiterate those findings here. However, it was strongly apparent during the course of the research that those housing associations that formally and informally integrate resident views into their governance structures appear to have the greatest success in tackling neighbourhood concerns. In many associations, alternative means of canvassing residents' opinions, including surveys and tenants panels, ran in parallel to resident involvement in governance.

Focus groups were carried out within each case study with resident activists, most of whom had extensive experience with their landlord's participation and consultation processes and structures. Participants expressed very clearly that they expected their landlords to act on their behalf when working in partnership with other agencies, and to assume an active role in neighbourhood services beyond the housing associations' core business.

'When tenants were asked whether their landlords should be involved in specified neighbourhood activities, the top priority mentioned by half of respondents was that their landlord should be directly involved in helping tenants in the neighbourhood to get better services from the local council followed by helping tenants to secure local environmental improvements (43 per cent), becoming involved in reducing crime (40 per cent) and providing community facilities such as nurseries and youth clubs (35 per cent).'<sup>[40]</sup>

Our case studies highlighted many different approaches to formal resident involvement through which residents shaped the identity and the organisational focus of the association. Some of these governance structures and processes included estate boards, tenant panels, tenant advisory committees, and thematic committees.

Associations with highly dispersed, pepper-potted properties sometimes relied on city or area-wide resident panels to obtain information about the larger community.

<sup>[40]</sup> Housing Corporation (2005) Up Your Street, available at: <http://www.housingcorp.gov.uk/server/show/ConWebDoc.7642/changeNav/440>

Their fragmented stock and tenant base made it difficult for them to maintain area-based formal structures.

The following diagrams represent four different approaches to community involvement found in our case studies.

There were some cases where formal structures were effective in reaching the wider community. The North Ormesby Neighbourhood Management Pilot steering group included participants from other community groups who took part both as interested individuals and as representatives of their other organisations. These arrangements appeared to work successfully as it enabled information sharing between different groups.

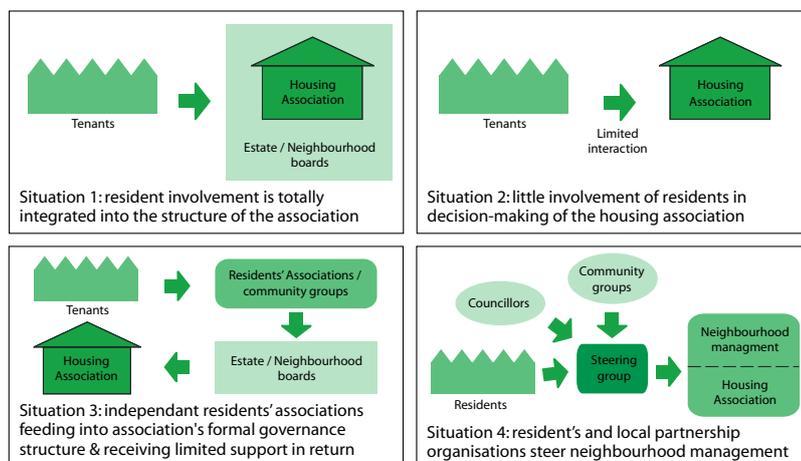
However, involvement in formal governance structures, such as board or tenant panel participation does not appeal to everyone nor is it appropriate for all. For some, a traditional formal governance structure may appear unwelcoming and/or inaccessible. Other forms of informal, non-traditional engagement are an invaluable way for housing associations to access resident input.

Some of the informal activities used to engage 'hard-to-reach' residents included coffee-chats, sewing, cooking, meetings about parenting, youth engagement through art and music, and sports activities. These activities introduce residents to the housing association and allow them to get to know the staff. The aim is to create trust between residents and landlord. Informal engagement can lead to formal participation in governance structures once residents become comfortable with and engaged in activities that directly impact their lives. However, this does not always occur and informal engagement in its own right can be a valuable source of knowledge for a housing association.

Finally, informal governance also encompasses the networks that residents participating in formal governance structures use to access information about the community. These are often hard to pinpoint, as there are no set guidelines about *how* these informal networks are created and used. One housing association tried to capitalise on local assets by appointing tenant representatives and gave them responsibility for residents' input on an alley-gating scheme. The tenant representative was responsible for distributing leaflets, knocking on doors, and acting as the main contact for residents with questions and concerns. This information was then channelled from the tenant representative back to the housing association.

With a high BME resident population, Ashram Housing Association in Birmingham has decided that formal processes of resident involvement could be enhanced by new approaches. They have concentrated their efforts on engaging with Asian women in their community through initiatives like participatory design of new housing developments. In time they hope that this will lead to more formal involvement from their tenants and enable them to learn about and understand their tenants' needs.

**Figure 8: Models of resident involvement found in the case studies**



The findings from the case studies, confirmed by subsequent interviews, reveal that the housing associations most successful in their involvement in neighbourhood governance were those that invested in and gave legitimacy to both formal and informal resident involvement. They tended to see the two approaches as complementary, rather than as alternatives.

### 3 FINANCING NEIGHBOURHOOD WORKING: COST VERSUS INVESTMENT

Cost is critical for many housing associations considering involvement in neighbourhood governance. Significant expenses and opportunity costs may be incurred as executive members of staff spend considerable time at partnership meetings and funds are channelled towards the salaries of community-based staff such as neighbourhood managers. At the same time, much of the work explored in this research is relatively low cost and can be achieved by refocusing existing resources including staff time.

#### Low-cost activities

In general, housing associations preferred to absorb the day-to-day costs of partnership working at the neighbourhood level over the larger costs of bigger initiatives. Associations were cognisant of the amount of time spent by senior managers to bolster relationships necessary for neighbourhood working, but the cost involved was not considered prohibitive.

Many of the activities needed to improve engagement with residents and other services are not stand-alone activities but tasks that are often subsumed in the day-to-day work of housing and regeneration officers. These include developing good relationships and understandings with local service providers. Whilst there is a cost to these activities, it is relatively low. Other examples of low-cost

initiatives that helped underpin housing associations' involvement in neighbourhood governance include the staff training and development offered by Tees Valley, and PHA's decisions to lease residents associations' small plots of vacant land for community facilities.

### Higher-cost initiatives

Housing associations fund their neighbourhood activities through a combination of external funding and through their own core budgets.

#### External funding

The majority of the projects we encountered in our case studies were supported through Neighbourhood Renewal or European Union resources. Specific funding for different initiatives, such as Learning and Skills Councils for training, Connexions for youth services or non-housing local authority budgets, was also common.

When offered the prospect of external funding, housing associations were willing to act as an initiator or leader on a project, but were less willing to contribute funding from their own budgets. This preference was sometimes explained by a wish to avoid using tenants' rents to subsidise facilities for the wider community. External funding tends to negate this to override this concern as it is provided on the condition that it is used for the wider community.

Future funding for many initiatives is currently uncertain beyond 2008. Many associations were apprehensive that there will be less central government money available after this date and that some projects may not have the means to continue. Uncertainties about overall levels of public spending in the next five years fuelled these concerns.

One housing association we spoke to had been involved in an externally funded neighbourhood warden scheme, which was seen as successful by the local community. The funding ended and the association decided to consult residents to see if they would be willing to pay an extra fee as part of their rent to continue with the warden service. The residents voted against the fee and as a result, the warden scheme ended.

Housing associations in our interviews cited examples of projects that closed when external funding had ended. Residents in North Ormesby expressed hope that Tees Valley Housing Group would step in after 2008 and continue funding the neighbourhood management pilot.

Housing associations varied in the degree of confidence with which they view the end of NRF funding in particular. Some assume that other funding sources will continue to support their community-based work while others are clearly nervous. This uncertainty about funding causes unease amongst front-line staff and resident activists.

After 2008, all local authorities will be expected to include regeneration-related funding within their LAA (Local Area Agreement) shared funding pots, a practice which is already in place in some areas but not yet widespread. This means that funding sources that are currently controlled by the local authority will become subject to the LSP decision-making processes and in order to access funds, housing associations will need to align themselves with LSP structures.

#### Using core budgets

Our research suggested three sets of circumstances where housing associations are more likely to invest in neighbourhood working from their core budgets:

- associations with a clear organisational mission to provide services for the wider community may view neighbourhood activities as core to their mandate, and therefore seek to invest surpluses or any investment income from past endowments in related activities.
- associations that operate in particularly stressed areas may also invest core funding in neighbourhood working in order to protect their assets and income streams.
- associations that generate surpluses from market activities (such as market-rent developments or development for outright ownership) may also choose to invest their surpluses in neighbourhood working.

The Housing Corporation is engaged in research to investigate increasing efficiencies in the supply of new affordable homes and explore ways to stretch the financial capacity of housing associations. This research suggests that housing associations could potentially increase their investment in a range of service provision and encourages associations to think broadly.

*'Financial and development strategies and wider asset management strategies should be closely aligned. Both boards and executive teams should ensure that the comparative priorities of investing in new supply, existing stock and wider community services, have been fully debated.'*<sup>[41]</sup>

The Housing Corporation's recommendation enables housing associations to consider community and neighbourhood provision on the same footing as their core housing activities.

Despite this, our study found relatively high levels of conservatism about funding neighbourhood activity, due in part to the perception of neighbourhood activity as something that should be externally funded, and in part to larger anxieties about the future of neighbourhood-focused subsidy and overall levels of public sector spending.

<sup>[41]</sup> Housing Corporation (2007) *Unlocking the door, delivering more homes from the comprehensive spending review 2007*, available at: <http://www.housingcorp.gov.uk/server/show/ConWebDoc.9937/changeNav/431>



## THE IMPLICATIONS FOR HOUSING ASSOCIATIONS

This chapter sets out the practical implications of this research for housing associations, exploring how housing associations understand their activities and going on to describe a typology of approaches that aims to support housing associations wishing to develop their involvement in the neighbourhood.

### FIVE TYPOLOGIES TO UNDERSTAND HOUSING ASSOCIATIONS' ACTIVITIES

Individual housing associations show great diversity in their history, density of housing stock, urban or rural location, characteristics and needs of their residents, funding streams and relationships with other agencies. The wide variation of characteristics and circumstances means that no one model can be proposed as guidance for housing associations seeking to increase their involvement in neighbourhood governance. A series of typologies informed by the four case studies and subsequent interviews has therefore been devised to guide housing associations in different circumstances.

Like any typology, this is by nature crude; the aim is to create a useful tool to enable agencies to work better at the local level and to respond more effectively to community voice.

#### Stage one: developing a list of activities

In order to develop typologies, it was first necessary to create a list of activities that housing associations were involved in within the broad area of 'neighbourhood governance'. This list was developed in line with the definition of neighbourhood governance used throughout this report:

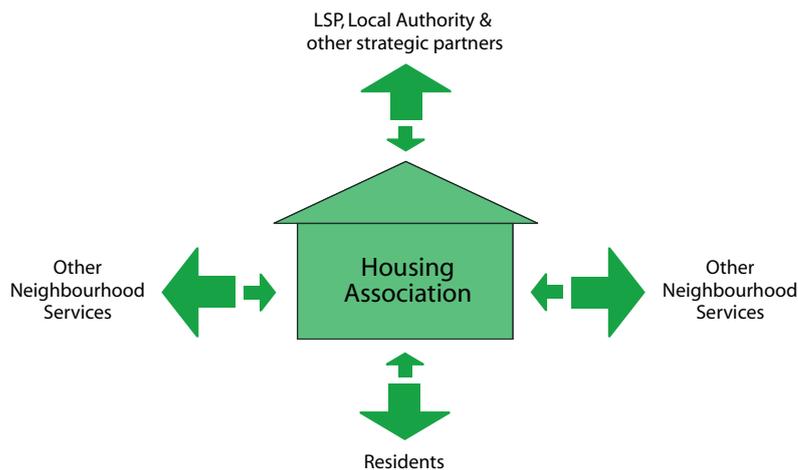
- how housing associations support residents directly to

influence decisions made in the neighbourhood

- the ways in which housing associations influence other organisations working at the neighbourhood level to ensure residents' and wider community priorities are met.

During this process, a wealth of creative, innovative, focused and committed practice was unearthed.

Figure 9: Relationships at the neighbourhood level



The iN business for neighbourhoods website cites the following as examples of how housing associations are creating successful neighbourhoods:

- a foot on the housing ladder - shared ownership is a great solution in areas where house prices are too high
- better job prospects - through apprenticeships, training and commitments to employ local people
- independence for older people - from giving people support at home when they want it, to fully-equipped care homes if they become infirm
- better health services - partners in creating new GP facilities
- better youth services - school holiday activities and giving young people a stake in their community
- new businesses in your area - support for social enterprises and the economic benefits they bring
- local pride - champions for your neighbourhood!

Increasing potential involvement in neighbourhood governance: tools and tactics for housing associations and their outcomes.

#### 1 Increasing resident involvement

- Through tenant surveys and consultation with individual tenants.
- Collectively, by recognizing and supporting tenants' associations and neighbourhood groups.
- Increasing residents' involvement in formal governance initiatives.
- Working incrementally with residents who face barriers to accessing mainstream participation and involvement structures

Outcomes:

- Greater understanding of the issues affecting the neighbourhood: Working with residents breaks away from 'them and us' mentalities and helps to manage expectations.
- Legitimacy for housing associations increases in the eyes of local authority and other services as the organisation becomes a more confident and effective voice for resident views.

#### 2 Developing new initiatives that meet neighbourhood need

- Developing a variety of schemes and initiatives for particular groups or particular geographical areas in line with housing association business plans.
- Securing funding for and developing one-off solutions particular vexatious neighbourhood problems (revenue or capital).
- Working as part of a consortia of associations at neighbourhood level, either taking on lead or minor partner roles.

Outcomes

- Associations are enabled to tailor their services to the needs of their residents and also to protect their assets in the face of pressing neighbourhood issues.
- Legitimacy in eyes of residents is underpinned by demonstrating that an association can deliver to neighbourhood concerns.

#### 3 Improving housing association's relationships with non-housing services

- Involvement in or initiation of neighbourhood management (light touch and intensive).
- Involvement in or initiation of regeneration partnerships.
- Working as part of the LSP, including sub-groups and theme groups.

CONTINUED

<sup>[42]</sup> See: [www.youngfoundation.org](http://www.youngfoundation.org)

<sup>[43]</sup> National Housing Federation iN business website, (March 2007) <http://www.inbiz.org/aboutin/backgroundandpurpose.php>.

#### Outcomes

- Trust and positive working relationships built with other service providers.
- Voice given to residents' concerns informing housing associations' efforts to influence other organisations.

#### 4 Working closely with local authorities at the neighbourhood level

- Sitting on LSP executive decision-making boards (or as part of theme/sub- groups).
- Variety of formal and ad hoc partnership working arrangements, concentrating on improving mainstream response to neighbourhood issues.
- Working together to create one-off separately funded initiatives to resolve particular problems.

#### Outcomes:

- Increased influence over strategic-level decision-making that drives resource allocation and service provision at neighbourhood level.
- Increased legitimacy in the eyes of residents and other services.

#### 5 Arms length operating companies

- Can be formally separate or constitutionally linked to parent or parents.
- Endowed with funding or otherwise underwritten financially.
- Joint ventures with big community organisations or development trusts.

#### Outcomes

- Residents' concerns progressed and empowerment increased.
- Increase in funding opportunities for neighbourhood working.

#### 6 Transferring assets and surpluses to communities

- Transfer of unused buildings.
- Creating Community land trusts.
- Renting land or facilities at cost or with subsidy.
- Investing in initiatives that reduce residents' costs, e.g. local power.
- Reinvest surpluses by supporting community organisations.
- Setting up a community anchor organisation.

#### Outcomes:

- Community groups supported and empowered, relationship of trust built, and resident involvement increased.

## Stage two: the LINER typology

Each of the four case studies presents a unique set of circumstances and organisational responses. The five typologies are informed by the four case studies but also take into account the findings from the broader set of interviews. The five typologies are:

- *the **LEADER** - self-sufficient neighbourhood operator*
- *the **INFUENCER** - consortium and partnership player*
- *the **NETWORKER** - driven by pressing neighbourhood need<sup>[44]</sup>*
- *the **EXEMPLAR** - tangible product approach*
- ***RESIDUAL** landlords - bricks and mortar only*

The following table outlines how the determinants of housing associations' involvement at the neighbourhood level, outlined earlier in this report, relate to each of the LINER typologies.

<sup>[44]</sup> For example, a chronic need might be the decline of the local fishing industry which occurs gradually but with significant social implications. An urgent need might be a sudden, very local collapse of the housing market

	VARIABLES				
	Density of housing	Number of Local Authorities covered	History of stock transfer	Founding mission of association	Demographics of resident population
<b>The Leader</b> <i>Self sufficient neighbourhood operator</i>	Appropriate for high density. Service offered more expensive and intense. Association provides focus for the community.	More appropriate for associations over one or few authorities, as neighbourhood working is intense and requires high levels of staffing commitment.	History of stock-transfer may result in need to concentrate on more traditional landlord activities. Alternately association may have been given regeneration driver as part of transfer agreement.	Most appropriate for those organisations that see their social mission as intrinsic to their work.	Most relevant for diverse areas, focus on reaching out to the community has most scope for varying forms of engagement.
<b>The Influencer</b> <i>Consortium and partnership player</i>	Appropriate for low to medium, where individual association attention is too costly.	Of less importance. Consortium can form arms length entity able to work in numerous locations and build local partnerships on project-by-project basis. Strategic relationships less important, but strong links to local community groups and local authorities required.	Leaves association free to concentrate on core housing issues, which may be vital to meet decent homes standards after transfer.	Less relevant as arms length agency can tackle issue of deprivation on behalf of others. Typical scenario may be association that recognises relevance of neighbourhood work but does not have the resources to tackle it independently.	Of less importance, nature of semi-independent organisations allows it to tackle local residents' need on project-by-project basis.
<b>The Networker</b> <i>Driven by pressing neighbourhood need</i>	Medium to high. Neighbourhood management is a service run for business reasons, to improve the value of the stock and lower tenant turnover.	More appropriate for associations over one or few authorities, as approach relies on strong relationships with other agencies and high level of partnership.	Less relevant. Business case can be made whether or not there is a history of stock transfer.	Requires organisational culture that recognises the business benefits of working in the community. May require organisation-wide training so that all employees understand the motivation to work in this way.	Provision of neighbourhood management allow staff to build a relationship with communities and reach out to diverse groups.
<b>The Exemplar</b> <i>Tangible product approach</i>	Appropriate for both high and low density. Where low density can give the association a high profile and avoid issues of defining a neighbourhood that does not have a high proportion of tenants.	Of less importance. Strategic approach can build long-term partnerships on project-by-project basis, though those projects individually require high degree of strategic partnership working and involve high degree of staff commitment.	Less relevant. Large scale regeneration projects can co-exist with traditional landlord activities.	Of less importance. Staff working on with projects may be selected on basis of understanding of neighbourhood ethos.	Levels of community involvement can vary greatly according to the specifics of the project involved.
<b>Residual landlords</b> <i>Bricks and Mortar</i>	Most likely approach where housing is low density, or in areas where few social problems exist.	Number of local authorities less relevant. Housing association may be engaged with local authority as part of housing strategy but not working closely with authority or LSP.	Less relevant.	Either associations without a strong founding mission, or those who view their priority as housing management.	Most likely to be pursued in areas where housing need is very high, or stable communities where social issues are less pressing.

### i) The LEADER: self-sufficient neighbourhood operator

This typology typically includes housing associations with high density housing portfolios, often housing complex tenant groups and sometimes spanning several local authorities.

These associations will often be strongly involved at LSP level and use formal and informal strategies to involve residents in governance.

#### Empowering residents to influence decisions

As well as mainstream community development and resident involvement, the diverse urban populations housed by LEADER associations will demand sensitive approaches.

The resident involvement strategy of the housing association should include the use of non-traditional and informal ways to access resident input, as formal governance structures may not resonate with the majority of tenants. This will include dialogue with groups within the community who represent the views of tenants but do not feel comfortable engaging with more traditional structures.

#### Increasing involvement in neighbourhood partnerships

There is a clear case for appropriate LSP involvement, as relationships with different agencies at both local and strategic level will be important for core business. This could include involvement in theme groups or LSP sub-groups, not necessarily a relationship at LSP executive level.

LEADER housing associations have the financial weight and local profile to help support the development of neighbourhood working through different means. This could include working with local partnerships, parishes and community councils or alongside community organisations.

### ii) The INFLUENCER: consortium and partnership player

Many housing associations with small numbers of properties or pepper-potted stock, may be hindered in their neighbourhood involvement by financial pressures or by their low-profile among other local agencies.

Housing associations in this situation are well placed to form a 'consortium' with other local associations, enabling them to be represented on the LSP and to pool resources to manage neighbourhood issues. Associations can also 'outsource' neighbourhood working to an arms-length charitable or social enterprise, or enter into joint ventures with large community organisations or development trusts.

#### Empowering residents to influence decisions

Neighbourhood working for all housing associations is dependant on the legitimacy given to resident involvement; however resident empowerment practice varies greatly between smaller housing associations. It is an area in which many excel, especially those rooted in serving a particular community or needs group. However for some associations, it can be very demanding and resource intensive.

Larger housing associations that own smaller numbers of properties in specific areas may face resource constraints to neighbourhood involvement. For them, the options of partnership, consortium or outsourcing may be ideal approaches to empower their residents to influence neighbourhood life.

#### Increasing involvement in neighbourhood partnerships

Associations in this position are best placed to form a 'consortium' with other neighbouring housing associations, enabling smaller associations to be represented on the LSP and relevant LSP sub-groups.

Consortiums can take a variety of approaches, from agreeing on one lead 'management' partner who manages the stock on behalf of others, to arrangements where each manages their own stock while one housing association agrees to lead on partnership arrangements. Whatever the precise arrangements, consortium partners can pool resources, share information about a neighbourhood and its residents, and co-fund projects.

Instead of forming a consortium, a housing association could outsource its neighbourhood working to an arms-length charitable or social enterprise, or seek joint ventures with large community organisations and/or development trusts. However, these solutions can raise complex issues over VAT liabilities.

### iii) The NETWORKER: driven by pressing neighbourhood need

In some situations, the case for neighbourhood involvement by a housing association may be driven by particular pressing neighbourhood circumstances. For example, in areas where house prices have collapsed or tenant turnover is high, investing in neighbourhood stability and improvement may have a significant impact on the value of a housing association's assets.

Such needs are usually community-wide and the association will have to look beyond their own residents and engage fully with the wider community to mitigate the crisis. High levels of formal partnership working are needed particularly at strategic level, as solutions to problems are likely to be complex and require input from many players.

### Empowering residents to influence decisions

Securing residents' cooperation to increase the legitimacy of their neighbourhood activities is key for housing associations trying to take robust action to address pressing neighbourhood problems.

### Increasing involvement in neighbourhood partnerships

Substantial involvement in the LSP will be essential to access the level of resources needed to address pressing neighbourhood issues. Forming key regeneration partnerships or close working relationships with the local authority, other service providers and community groups, will be needed to drive forward activity.

In these cases, associations may wish to rationalise their stock by transfer of management to another association, in effect exiting the area. Alternatively, an association may enter into an arrangement with another association with greater presence in the area, to take on neighbourhood working on their behalf. The decision about neighbourhood involvement is therefore a key element to decisions about an association's overall approach to stock rationalisation.

#### iv) The EXEMPLAR: tangible product approach

Many larger housing associations are drawn to a 'tangible product' approach, showcasing neighbourhood working through the development of large projects. This might take the form of a new capital asset such as a youth centre or training provision. Securing residents' cooperation in planning, developing and making best use of showcase facilities will be important to ensure that such developments meet need and are well used.

Substantial involvement in the LSP will be essential to ensure synergies with other key initiatives and to lever in additional funding.

### Empowering residents to influence decisions

Securing residents' cooperation in planning, implementing and making best use of showcase facilities will be key to making sure that developments genuinely meet the needs they are designed to and prove popular with local communities.

### Increasing involvement in neighbourhood partnerships

Substantial involvement in the LSP will be essential to ensure synergies with other key strategies for involvement, particularly if associations are planning asset transfer or investment of surpluses. In some cases, associations may lead development, but in others the lead is likely to come from local government or other key public sector agencies.

#### v) RESIDUAL landlords - bricks and mortar only

Housing associations may decide that neighbourhood working is not their core business because their mission is to focus on housing need, or on specialist provision. Some associations may wish to progress neighbourhood working in limited areas, but others may manage too few properties to justify the cost.

### Self assessment questions

Housing associations wishing to strengthen their involvement in neighbourhood governance need to consider four dimensions of involvement: decision input, actions, scope of neighbourhood, and the degree of partnership formality. The questions below have been devised to enable associations to assess their own practice and aspirations within these areas, and thereby develop a better understanding of how they may wish to develop their broader involvement at the neighbourhood level.

Q1. To what degree are outside bodies (e.g. local authority, other service providers, residents groups) able to influence the housing association's decision-making process? On a spectrum from *inform* to *involve*.

Q2. At what level does the housing association focus its actions? On the actual house or houses, the neighbourhood, the community at large or local authority-wide? On a spectrum from *housing* through *neighbourhood* and *community* to *local authority wide*.

Q3. How does the housing association conceptualise 'the neighbourhood'? As just tenants, residents, local community or as the wider community? On a spectrum from *tenants/residents only* to *wider community*.

Q4. To what degree does the housing association use formal or informal partnerships to influence issues at the neighbourhood level? On a spectrum from *formal* to *informal*.

The following figure represents where our five identified typologies fall on the above-mentioned scales:

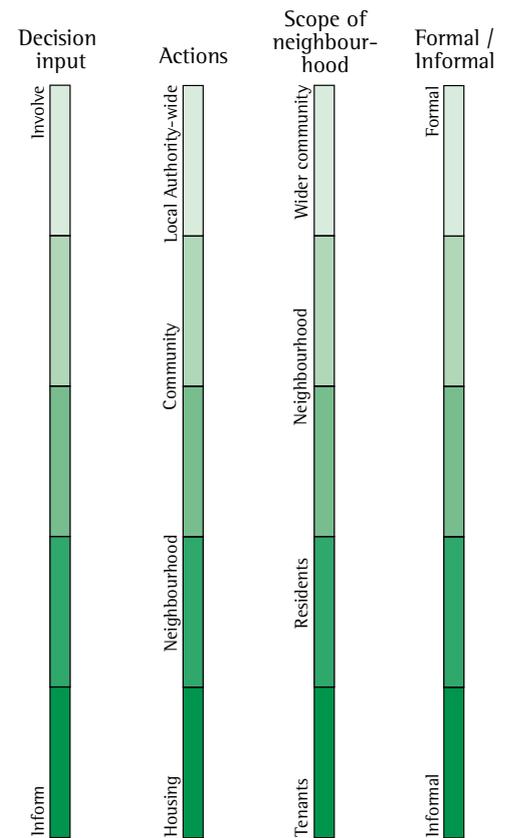
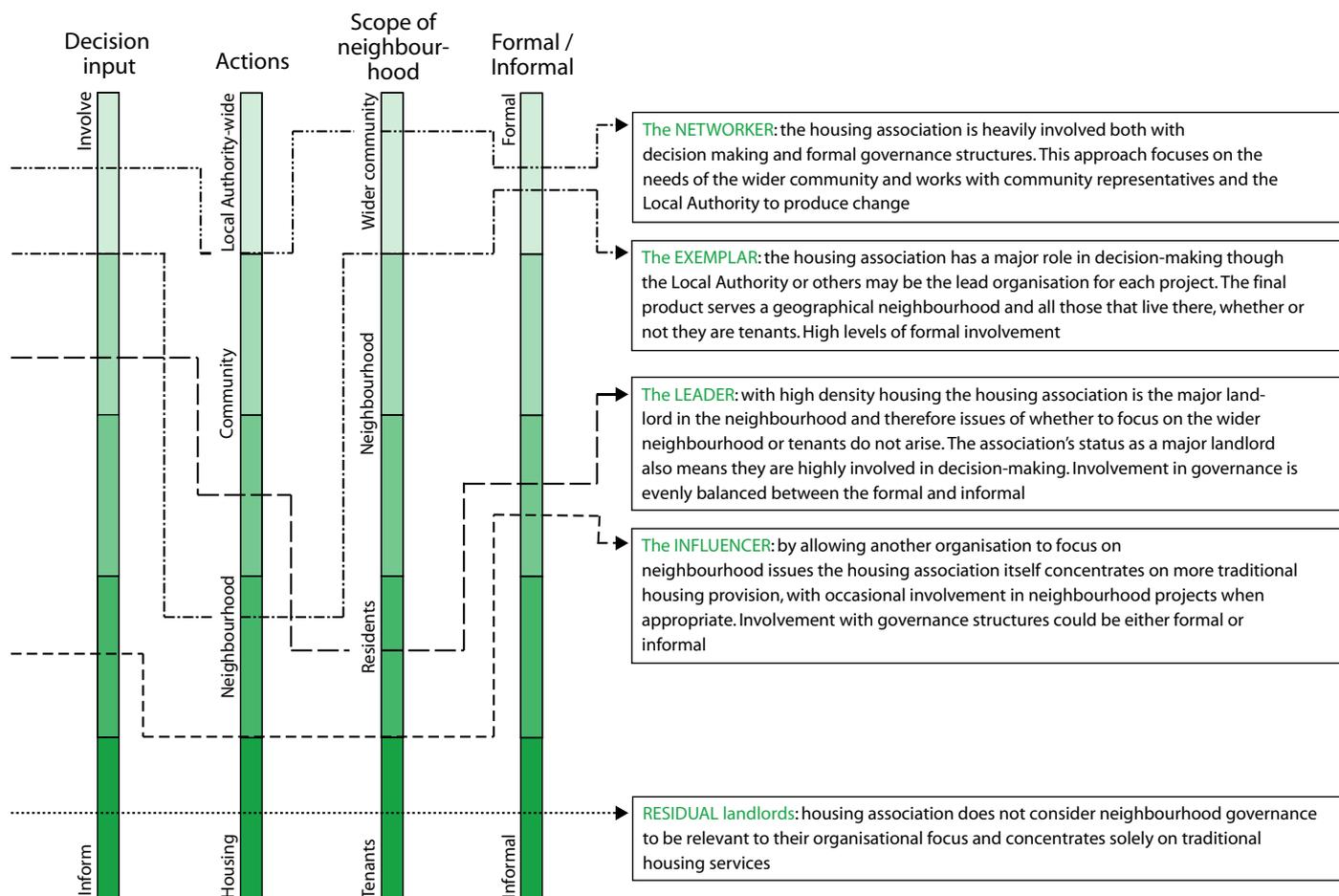


Figure 10: Developing a typology to guide housing association activities



## THE FUTURE?

This chapter briefly explores the factors, primarily political and demographic, that are likely to influence housing association activity at the neighbourhood level, and the possible scenarios that may emerge.

### THE TRENDS

Housing associations in the next five to fifteen years will be profoundly affected by demographic trends, characterised by increases in the numbers of new migrants, increasing diversity amongst many deprived communities, and increasing numbers of people wishing to live alone. Disparities between the most disadvantaged and the most affluent are likely to continue to grow.

Over the next **five years**, the key influences on housing association activity are likely to be generated by the political and policy-making process. Some of these influences may revolve around:

#### The 'localisation' agenda

- Increased interest in localism and community empowerment.
- Twin aims of improving services particularly in deprived areas, and renewing local engagement and activism.
- Push to transfer asset ownership from the public sector to community organisations.
- Improved information flows to residents to enable greater involvement in decision-making.
- More opportunities for communities to become involved in problem-solving.

#### Challenges in provision of housing to meet need

- Twin and sometimes contradictory pressures to meet housing need and maintain sustainable communities.
- Momentum to rationalise stock, increase efficiency, and secure economies of scale through mergers and creation of larger associations has the potential to *generate tension with the choice and empowerment agenda*.
- Need to demonstrate good use of reserves and surpluses.

Need to protect existing assets: including housing and community assets

- Promoting the economic and social wellbeing of neighbourhoods.
- Ensuring that assets do not leak out of deprived areas.
- Pressure from local authorities and Treasury to lever maximum value from existing assets.

#### Debates about future roles for affordable housing

- Potential for social housing for rent to become the tenure of last resort and possible loss of security of tenure.
- Contradictory pressures pushing housing associations into a greater role in housing markets with increased blurring of tenures from growth of shared equity.
- Need for housing associations to provide a broader service to tackle wider social needs of their residents, including unemployment,
- Possible redefinition of the 'social housing product' to include a broader involvement in sustainable communities.

Over the next **ten to fifteen years**, demographic changes are likely to become crucial to housing association activity. Key factors are likely to include<sup>[45]</sup>:

- increasing numbers of households and more varied household types
- a more diverse society with, for example, more elderly and disabled people, a greater number of ethnic groups and wider disparities in household wealth
- persistence of unemployment, concentrated within particular geographical areas and particular groups within the population
- continued technological development and global economic change which will exacerbate the difference in life chances facing those at each end of the spectrum of educational attainment.

Over the same period, environmental sustainability will also become a key issue as housing associations are obligated to:

- meet government requirements such as making sure the all new builds are zero-carbon by 2016 and improving the environmental rating of existing stock
- deal with the impacts of more extreme weather
- respond to growing environmental pressures from local authorities and other funders and residents, ranging from land use to pollution.

<sup>[45]</sup> ODPM (2006) All our futures: the challenges for local governance in 2015, available at: <http://www.communities.gov.uk/index.asp?id=1165323>

Against the backdrop of longer-term demographic trends, political pressures over the next five years will increase housing associations' focus on neighbourhoods. Housing associations will need to meet the demands of the Housing Corporation and its successor body, as well as those of local and central government. They will also need to satisfy the demands of their tenants and meet the needs of an ever more complex tenant and resident population.

## FUTURE SCENARIOS

It is likely that housing associations will become increasingly diverse in the medium-term with sector segmentation emerging along different lines:

- by client group (including focus on special needs)
- by geography (whether there is a majority or minority landlord in an area)
- by circumstances (levels of housing need and supply in an area)
- by specialism (for example involvement in a broader remit such as education)

The impact of stock rationalisation is difficult to predict, but it is likely that in the future more housing associations will separate ownership from management. This agenda is likely to lead to more mergers and group structures.

Placing our research findings in context of what is known about future trends, three possible scenarios emerge:

## Figure 11: Future scenarios

**Reactive ad-hoc development:** a thousand flowers bloom at local level. Significant amount of money wasted through duplication and inefficiency. State takes up financial burden through housing benefit.

**A strategic future:** housing associations encouraged to increase involvement in neighbourhood working within stronger LSP framework to ensure synergies with other neighbourhood strategies. Within strong risk management framework, Housing Corporation and its successor body, encourages good practise and innovation. Office of the Third Sector gives housing associations strong role at local level in VCS improvement.

**Local Authorities in control:** more effective future LSPs drive neighbourhood working, but local authorities take dominant role in this. Housing associations involvement in neighbourhood outside services for own tenants becomes contingent on local authority approval.

Of the three scenarios, this study suggests that the most positive is the middle way, the strategic future. This scenario reflects the most promising elements of the four case studies, integrating strategic planning for the neighbourhood through the LSP and local partnership working, whilst maintaining housing associations' creative autonomy, flexibility and potential for innovation.

Both of the remaining scenarios represent plausible realities with the potential to emerge nationally and within individual local authority areas. If housing associations continue a fragmented approach to neighbourhood governance, the result may be duplication of efforts and conflict with local authority activities in neighbourhoods. However, if local authorities become over-zealous and controlling of the democratic processes in neighbourhoods, the third scenario may emerge, limiting the ability of housing associations to act creatively to meet need.

# CONCLUSIONS AND POLICY RECOMMENDATIONS

This chapter sets out the policy implications of this research for housing associations, local authorities, for government and for the Housing Corporation and its successor body.

Future demographic and social trends will push housing association activity towards a greater focus on people within place: the management of communities as well as residents and of neighbourhoods as well as housing. These developments, fuelled by increasing socio-economic polarisation within this country and the impact of globalisation at the very local level, are mirrored by the overall direction of public policy.

Although the detailed policy landscape underpinning housing association activity at the neighbourhood level is in flux, the overall direction is clear. It includes an increasing focus on localism, on the role of the public sector as a 'place shaper', and on the development of community empowerment. The June 2007 report of the Cave Review has further focused attention on the relationship between housing associations and local authorities.

In the future, the new organisation taking over the role of the Housing Corporation will have a wider remit than the Corporation, opening the possibility for housing association activity to be reframed within a wider regeneration agenda.

This research looked at housing associations' involvement in neighbourhood governance primarily through the lens of housing associations that were seen to successfully drive neighbourhood working. It therefore did not explore the barriers that many housing associations face in expanding involvement. Neither does the research fully capture the perspectives of local authorities and Third Sector agencies, which have occasionally reported frustration with their housing association partners.

If the housing association movement is to continue to build on its strengths in neighbourhood governance, it is important that it is not constrained by new regulation and guidance. The right balance needs to be struck between maintaining the potential for rapid response and flexibility, and meaningful engagement with neighbourhood planning and strategy development.

The recommendations of this report are relevant to housing associations and other landlords receiving funding to build and manage affordable rented housing with public subsidy. This will include ALMOs and in the future, some private sector providers.

Encouraging housing association (and other social housing landlords) involvement in neighbourhood governance demands:

- support for residents to influence directly decisions made in the neighbourhood
- influence with other organisations working at the neighbourhood level to ensure residents' and wider community priorities are met.

## HEADLINE RECOMMENDATIONS

This research has identified eight key recommendations, designed to encourage an appropriate balance of strategic control and organisational innovation to facilitate the growth of housing associations' involvement in neighbourhood governance.

1. Housing associations should be alert: they should consider the importance of their response to neighbourhood and community concerns within business planning processes and overall financial and asset management strategies.
2. Housing associations must be prepared: those that want to expand involvement in neighbourhood governance will need to develop new skills and become accountable for wider issues than many have taken on to date. Accountability and transparency needs to be extended downwards to residents, and outwards to partner agencies, particularly LSPs.
3. Housing associations should be realistic - and pass the baton when it's the right thing to do: those that decide that they do not want to develop involvement in neighbourhood governance should ensure that this function is carried out by another organisation or partnership on their behalf.
4. Housing associations must be co-ordinated: stock rationalisation should be guided by the best interests of neighbourhoods, ensuring that the best-placed associations take a lead role within neighbourhood governance and that others take secondary roles.
5. Housing associations should be integrated: they should be encouraged to participate appropriately in LSPs and to ensure synergies between their neighbourhood

working and LSP Community Strategies.

6. Housing associations should be attuned to resident voice: they need to develop both formal and informal governance structures and associated ways of working with residents.
7. Housing associations should be structured: they should be encouraged to take forward the development of new vehicles to respond to community voice, including supporting new community and existing parish councils.
8. Housing associations have to be strategic: to do so they need more support to understand the implications of the central and local government agenda on neighbourhood and community empowerment, where the opportunities are and how they could benefit.

## RECOMMENDATIONS FOR THE HOUSING CORPORATION AND COMMUNITIES ENGLAND

The central question for the Housing Corporation, or any future regulator, is the extent to which it wishes to require, encourage, or incentivise increased housing association involvement in neighbourhood working.

1. The Housing Corporation should heighten the *expectations* it has of housing association involvement at the neighbourhood level. The vehicle for this is the roll out of the Neighbourhoods and Communities strategy, particularly the development of the Communities Standard for Social Housing. This should distinguish those associations whose key focus is on neighbourhoods from those that do not plan to progress this agenda.

Housing associations that *propose to lead* on neighbourhood governance should be expected to:

- actively engage with the LSP, including participating in LSP sub-groups
- spend a portion of surpluses or reserves on neighbourhood activities and where possible, transfer assets such as buildings, or through subsidy to community groups. Transfers must be balanced with the demands of housing need and stock condition.

Housing associations that *do not propose to lead* on neighbourhood governance should be expected to:

- enter into consortium or partnership arrangements that ensure that their residents are given a strong voice within their neighbourhoods
- consider how their assets and surpluses could be

used to support the working of these partnerships or consortiums.

2. The Housing Corporation should review whether it wishes to *require* housing associations to increase their involvement within neighbourhoods. There are several options for taking this forward. These include:
  - strengthening the Housing Corporation's Regulatory Code and Guidance. Existing obligations to work with local authorities could be expanded to encompass the new local authority best value duty to involve; with guidance specifying housing associations' responsibility to consider LSP's Sustainable Community Strategies, as well as regional and local housing strategies.
  - working with government and the Audit Commission to strengthen the requirements within the Audit Commission's key lines of enquiry to ensure housing associations take a strategic approach to neighbourhood governance. This is compatible with the emerging Comprehensive Area Assessment framework which is likely to bring together the work of different Inspectorates with a new focus on place and citizen perspective.
  - exploring how this could be integrated with the recommendations of the Cave Review, to require social housing providers to engage constructively and co-operate with local authorities, as a condition of registration.

This research, particularly the review of what is known about social innovation, also identified an important role for the Housing Corporation in driving innovation at neighbourhood level and promoting awareness of the wider agenda and existing models of good practice.

## RECOMMENDATIONS FOR GOVERNMENT

For central government, housing associations are a vital local resource with significant potential to underpin implementation of the localisation agenda set out by the 2006 Local Government White Paper, *Strong and Prosperous Communities*. Their potential is at both the local authority strategic level and as delivery agents within neighbourhoods.

1. At the *strategic level*, housing associations should be encouraged to contribute resources, experience and influence to taking forward the community empowerment agenda, through:
  - strengthening guidance to LSPs on the involvement of housing associations in 'place shaping'

Tools and tactics for increasing housing association involvement at neighbourhood level: the menu of options

#### 1 Increasing involvement with services

- Neighbourhood management (light touch and intensive)
- Regeneration partnerships
- LSP sub groups/theme groups
- Developing neighbourhood agreements and community charters

#### 2 Improving housing associations' relationships with local authorities and LSPs on neighbourhood working

- Improved housing association representation on LSPs at appropriate levels - including sub and theme groups
- Better partnership working between housing associations and local authorities, concentrating on improving existing systems of service provision rather than creating multiple competing services
- Improving relationships with elected members, including through overview and scrutiny.

#### 3 Arms length operating companies

- Still linked to parent association through board membership and operating protocols
- Endowed with funding, or underwritten financially through other ways
- Possibility for joint ventures with big community organisations or development trust.

#### 4 Transferring assets and surpluses to communities

- Supporting community organisations with expertise
- Unused buildings offered for wholesale transfer or for rent
- Community land trusts
- Reinvest surpluses by supporting community organisations

- 
- incentivising housing association involvement by placing expectations on their performance within neighbourhood governance in the new local authority performance framework (setting the parameters for the Audit Commission's different Inspectorates)
- including housing associations within new Area Scrutiny Structures set out in the White Paper.

ii) Local authorities should be encouraged to work with housing associations to use housing associations' potential as delivery agents of neighbourhood working, including:

- delivering more neighbourhood management initiatives, including low-cost, low-intensity schemes;

- acting as brokers of community charters or neighbourhood agreements;
- bolstering local authority-led neighbourhood working by contributing assets;
- acting as 'community anchors' by supporting community groups with assets and expertise.

Housing associations have also been highlighted by the Office of the Third Sector as positive examples of third sector organisations working entrepreneurially and dynamically to provide services on behalf of and complementary to the public sector. This recognition is valuable in itself, and the sector should be encouraged and nurtured within the wider policy context of the third sector.

## RECOMMENDATIONS FOR LOCAL AUTHORITIES AND LOCAL STRATEGIC PARTNERSHIPS

Local authorities have developed strong relationships with housing associations as partners in meeting housing need and housing demand, and as providers of housing and services for vulnerable individuals. However, in many areas there is potential for housing associations to work more closely with local authorities to deliver their community empowerment and neighbourhoods strategies while contributing resources and assets to the process. Housing associations should become key partners for local authorities in their Sustainable Community Strategies in the same way as they currently collaborate on Housing and Homelessness Strategies.

The possible inclusion of housing associations within new Area Scrutiny Structures the implementation of the 'community call for action', the strengthened role of elected members at the neighbourhood level and the pooling of funding within Local Area Agreements will all generate a need for housing associations to become more involved in local authority strategic planning within neighbourhoods and communities. In those areas where housing association involvement within neighbourhood governance dovetails with LSP approaches this is unlikely to create tensions. However, where housing association involvement conflicts with LSP approaches, a step change may be required.

To accelerate this process, local authorities and LSPs should:

- review housing associations' involvement in LSP structures, including thematic, area and other sub-groups
- audit housing associations' existing contributions to neighbourhood governance

- include housing associations within their strategic planning processes at neighbourhood level, including those that are part of the development of the Sustainable Community Strategy and Local Area Agreement.

## IMPLICATIONS FOR TENANTS AND RESIDENTS

Housing association residents want their landlord to provide high-quality services that meet their needs. Although the majority of residents may not be prepared to become committed activists, a significant proportion are keen to influence the way in which their landlord operates and become involved in wider neighbourhood issues.

Residents should be able to expect that their landlord represents their concerns to agencies that shape the wider neighbourhood, and that those who wish to be active in the wider neighbourhood will have access to broader participation. This can be achieved either directly by the housing association or through partnership between the association and another agency.

## CONCLUSIONS

This research has shown the rich experience of housing association activity within neighbourhoods, using tools and assets to support community empowerment, leading creative strategic partnerships and building valuable community facilities. However, it has also been found that this activity often fails to align with the work of other agencies and associations are assuming vastly different roles under the broad label of neighbourhood and community working. Furthermore, many very local agencies are suspicious of the motivations behind housing association involvement, and relationships with local strategic planning, particularly through LSPs, are often weak and scattershot.

Neighbourhood governance, as opposed to neighbourhood management or service provision, implies an involvement with the broader community and engagement with the formal and informal web of relationships and networks that influence changes at the very local level. If housing associations are to become more involved at neighbourhood level, they need to ensure that they fully understand and advocate in favour of residents' views and needs. Further, associations must build strong relationships with other services working at both the neighbourhood and the strategic level.

The direction of central and local government policy and practice, and the imperatives of demographic trends, will push housing associations into fuller engagement with local neighbourhoods. In the next few years, housing associations need to be prepared for local government and local strategic alliances of agencies to increase demand to address neighbourhood concerns. This demand will centre on services and practice, and require the development of an

# APPENDICES

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internal culture that frees up staff to develop relationships, respond flexibly and take risks. Such an approach will enable housing associations to be both responsive partners and proactive social innovators, driving the development of neighbourhood governance and building on associations' strong tradition of flair and creativity at the very local level.

<sup>[46]</sup> see [www.youngfoundation.org.uk/work/neighbourhoods](http://www.youngfoundation.org.uk/work/neighbourhoods) for more information about the Young Foundation's neighbourhood programmes

## APPENDIX 1: RESEARCH METHODS

### Stage 1

The initial scoping phase included interviews with key stakeholders and a literature review. Interviews were conducted with representatives from:

- the Local Government Association
- two officials from the Department of Communities and Local Government (from the division that at the time led on housing policy, and the then Neighbourhood Renewal Unit)
- the National Housing Federation
- the Development Trusts Association
- the Housing Associations Charitable Trust
- the Housing Corporation.

The literature review explored what was known about the involvement of housing associations in neighbourhood governance, and from this developed a scoping paper refining the focus of the research, setting out initial questions, and suggesting four case studies. The scoping paper also incorporated the learning from the Young Foundation's Transforming Neighbourhoods Programme, which included in-depth work in 15 local authority areas on neighbourhood working and community empowerment<sup>[46]</sup>.

### Stage two

Case studies were carried out with Poplar HARCA in East London; Touchstone Housing Association in Coventry; Penwith Housing Association in Cornwall; and Tees Valley Housing Group in Middlesbrough. The variables considered in the selection of the four case studies were:

- the size of the housing association
- characteristics of housing association residents, particularly ethnic diversity
- location: region and rural versus urban setting
- housing density: a housing association with a high density of properties, located in a concentrated geographical location versus those with scattered and/or 'pepper-plotted' stock
- stock transfer: housing associations created through stock transfer in the 1990s.

A total of 52 semi-structured interviews were conducted.

For each case study the following individuals were interviewed:

- three housing association staff
- one local authority member
- two other service providers
- two community groups

In addition, one focus group was carried out with residents for each case study.

Two comprehensive visits to each case study were conducted, including one follow-up visit to carry out the focus group.

Members of staff from the four housing associations recommended individuals for the focus group based on their status as 'resident champions'—residents who volunteered their time to sit on tenants' committees and/or resident boards or otherwise contribute to the organisational focus of the housing association.

In three of the four case studies, between three and five residents participated in the focus group. In one case study, five people confirmed attendance, but on the day, only one person showed up. Given prior input, both from the interviews and the three previously conducted resident focus groups, it was decided that enough information had been gathered and therefore it was not necessary to re-schedule the focus group.

### Stage three

In the third stage of research, the researchers met with representatives of 10 additional housing associations against which the variables and proposition developed from the case study evidence were tested. Six out of the 10 semi-structured interviews were conducted with the Chief Executives of the housing associations. The remaining four interviews were carried out with the Director of Social Operations, the Managing Director, the Housing Manager and the Executive Director of Strategy, respectively.

In both the selection of the four case studies and the additional 10 housing associations, the variables considered remained constant. However, with the selection of the 10 housing associations, it was important to include housing associations that had little or no prior work in neighbourhood governance.

### Stage four

The final phase brought together leaders in housing, local government, and representatives from community organisations to participate in a stakeholder seminar. Here,

the research team presenting and sought reaction to and input about their emerging findings. The information gathered from the stakeholder meeting helped to inform the final draft of this report.

## APPENDIX 2 THE CASE STUDIES

### Penwith Housing Association

Penwith Housing Association (PHA) was founded in 1994 as a voluntary stock transfer from the local authority and is governed by a board of management comprising of tenants, councillors, and independent members of the community. PHA is a member of the Devon and Cornwall Housing Group.

Currently PHA's stock consists of 6,000 homes, including around 2,000 properties managed by the Devon and Cornwall Housing Association (DCHA). PHA has invested over £30 million in bringing tenants homes up to the Decent Homes Standard in addition to involving customers in service improvements and developing partnerships with PHA's Tenants Committee and residents' associations.

In the course of our case study we spoke to the following individuals from PHA, partner organisations and the community:

- Kerrier District Council community regeneration officer
- Head of Places, Cornwall Neighbourhoods 4 Change (CN4C)
- Neighbourhood coordinator, CN4C
- Project director, Penwith Children's Centre (formerly the Sure Start Centre)
- Treneere neighbourhood manager (seconded from his prior position as Penwith Housing association area manager for PHA)
- Resident association representative, Treneere Estate
- Service development manager, Penwith Housing Association
- Residents' association representative, Roscadghill Estate
- Lone parent advisor, Job Centre Plus
- Focus group of 'resident champions'

In 1994, around 3,000 properties were transferred through stock transfer from Penwith District Council to PHA. In addition PHA acquired another 3,000 homes, bringing the

total number of properties managed by the association to 6,000. A small percentage of properties were later sold in the right-to-buy scheme. 75 per cent of PHA properties are situated in Penzance, Hayle, Newlyn, and St. Ives, mostly on estates located close to one another. The other 25 per cent of the properties are low-density properties scattered throughout Cornwall generally, and Penwith in particular.

As recently as June 2006, PHA underwent a partnership merger in which housing associations across the South West, formed Cornwall and Devon Housing Association.

### Touchstone

Touchstone, originally founded in 1965 as the Coventry Churches Housing Association, operates more than 12,000 properties in Coventry, Wolverhampton, Leicester, and Stoke-on-Trent. It became known as Touchstone following the 1994 merger between Coventry Churches Housing Association and Normid Housing Association. In April 2006 Touchstone was involved in a further merger between Focus and Keynote Group (its parent organisation) and became part of Midland Heart. Each business within the Midland Heart organisation has retained its own board and has the freedom to adapt to and reflect local circumstances.

For the purpose of this research project it was decided that the case study would take place in Coventry rather than all the cities across which Touchstone operates, as it was felt interviews across several geographical locations would not provide enough in-depth information about Touchstone's involvement in local governance structures.

In the course of our investigations we spoke to the following individuals from Touchstone, partner organisations and the community:

- Touchstone regeneration manager
- Touchstone regeneration officer
- Touchstone regeneration programme manager
- PPI Forum support worker, North Warwickshire, (employed by Touchstone)
- Community centre manager, Hillfields
- Coventry City Council, area services officer
- Watch operation manager (local development NGO)
- Member of local Neighbourhood Policing Team
- IT project outreach worker for Midland Heart
- Residents' group member

- Focus group of 'resident champions'

Touchstone's housing stock is mixed and was not the result of local authority stock transfer. Touchstone's homes provide specialist services for homeless people, people with disabilities, elderly people, and retirement housing. In addition, Touchstone has a general needs portfolio that consists of flats for singles, couples, and homes of varying sizes for families. These might be purpose-built bungalows or low rise flats. The majority of Touchstone housing in Coventry is located in Hillsfields and Foleshill which are also the two most deprived wards in Coventry. Both areas have a high BME population. Touchstone also owns many 'pepper-potted' properties—low density, highly dispersed properties.

### Poplar HARCA

Poplar HARCA (Housing and Regeneration Community Association) was created in 1997 specifically as a housing and regeneration company. It now manages 7,310 homes within the Poplar area of East London, all acquired through stock-transfer from Tower Hamlets Local Authority between 1997 and 2006. Another 942 properties will be transferred this year following another successful 'housing choice' ballot at the end of 2006.

The properties consist mainly of apartment blocks of between three and eight stories. They are situated on nine estates, Aberfeldy, Bow Bridge, Coventry Cross, Burdett, Devons, Lansbury, Leopold, Lincoln and Teviot. In addition to this the association has seven community centres also located on these estates. In the case of Bow Bridge, Poplar HARCA works in partnership with the Bromley-by-Bow community centres which were already in existence.

The association was one of the first to receive properties through stock-transfer in the late 1990s. The local authority developed a successful bid for funding from the Department of the Environment's 'Estates Renewal Challenge Fund' on the condition of stock-transfer. The original funding allocation came to £50 million, though in total the housing association actually received £69 million in three rounds. In turn this enabled Poplar HARCA to raise another £96 million from private investment.

Poplar HARCA was the first housing association in the UK to have a tenant-led board, with up to ten seats for tenants, two for local councillors and six for independents, (though at Poplar HARCA's inception these proportions were five, five and five). Below the main board, each estate has an area board made of resident volunteers which deal with local issues specific to each community. Representatives of these boards take part in the joint estate panel which covers issues relating to all the estates. There is a similar panel for lease holders.

In the course of our investigations we spoke to the following

individuals from Poplar HARCA, partner organisations and the community:

- Poplar HARCA area director
- Poplar HARCA resident director, also Estate Area Board chair and chair of Local Area Partnership steering

### Abbreviations

ALMO	Arms Length Management Organisation
ASB	Anti-Social Behaviour
BME	Black and Minority Ethnic
ERDF	European Regional Development Fund
LAA	Local Area Agreement
LSP	Local Strategic Partnership
NDC	New Deal for Communities
NRF	Neighbourhood Renewal Fund
PCT	Primary Care Trust (NHS)
SRB	Single Regeneration Budget
TMO	Tenant Management Organisation

Relevant to the four case studies:

CN4C - Cornwall Neighbourhoods for Change

DLR - Dockland's Light Railway (public transport system in East London)

LAP - Local Area Partnership (Tower Hamlets Local Authority)

Middlesbrough Partnership - Middlesbrough's LSP

PAN - Poplar Area Neighbourhood Partnership (Poplar)

PHA - Penwith Housing Association

PPI - Patient and Public Involvement

REST - Resident Empowerment Support Team (Poplar HARCA)

Tower Hamlets Partnership - Tower Hamlets' LSP

West Cornwall Together - West Cornwall's LSP

group

- Poplar HARCA community centre administrative assistant
- Tower Hamlets Partnership and Poplar HARCA neighbourhood director, Lincoln Estate
- Tower Hamlets Partnership and Poplar HARCA neighbourhood director, Aberfeldy Estate
- Tower Hamlets Partnership, local management director

### **The Young Foundation**

The Young Foundation is a centre for social innovation based in East London - combining practical projects, the creation of new enterprises, research and publishing.

Our main goal is to speed up society's ability to respond to changing needs through innovating and replicating new methods and models. Our work program has three strands - Launchpad, Local Projects and Research - all of which complement each other in the shared goal of finding practical initiatives to meet unmet needs.

### **The Housing Corporation**

The Housing Corporation is the Government agency responsible for investing in new affordable homes and regulating over 1,500 housing associations across England. Its biggest ever investment programme of £3.9 billion for 2006-08 will fund 84,000 homes; 49,000 of these will be for affordable rent, and 35,000 will be for affordable sale through the Government's new HomeBuy initiative, helping people to get a foot on the property ladder.

