

Tenant management, cooperatives, and public housing

Craig Johnston and Jen Lumsden

June 2004



Tenant management, cooperatives, and public housing

By Craig Johnston and Jen Lumsden

18 June 2004

© Association to Resource Cooperative Housing Incorporated 2004

Association to Resource Cooperative Housing
94 Oxford Street, Darlinghurst NSW 2010
www.arch.asn.au

This collection was edited by Craig Johnston. Part A was written by Jen Lumsden. Part B and Part C were written by Craig Johnston.

Craig Johnston's work on this project was done through a consultancy contract between the Association to Resource Cooperative Housing and Shelter NSW.

Thanks to the tenants who participated in the consultative sessions, to other key informants, and to Karine Shellshear for feedback on drafts.

Any opinions expressed in these reports are those of the individual authors and do not necessarily reflect the views of the Association to Resource Cooperative Housing or Shelter NSW.

Contents

Part A Tenant management in public housing estates	1
A1. Introduction.....	2
A2. Findings	3
A2.1 Interstate agencies	3
A2.2 Case study of Riverwood.....	8
A2.3 NSW Department of Housing	13
A2.4 Tenant Support Network.....	15
A3. A possible model.....	16
A3.1 Features	16
A3.2 Inhibitors to good practice	21
A4. Conclusion	22
Part A references.....	24
Part B Tenant cooperatives and regeneration of public housing estates	26
B1. Introduction.....	27
B2. Findings	27
B2.1 England	27
B2.2 Scotland.....	33
B2.3 Wales.....	35
B2.4 Canada.....	36
B2.5 USA	38
B2.6 New Zealand.....	39
B3. Discussion	40
Part B references.....	41
Part B glossary.....	44
Attachment B1: Setting up your TMO.....	45
Attachment B2: Tenant participation law in Scotland.....	46
Part C Tenant self-management and public housing: ladders and levers.....	49
C1. Introduction.....	50
C2. Background	50
C3. Comments from co-op and public housing tenants	55
C4. Directions.....	57
Part C references.....	60
Attachment C1: Questions paper	61
Attachment C2: Barriers to community self-help.....	64
Attachment C3: Stages in forming a housing cooperative.....	66



Part A
Tenant management in public housing estates

Jen Lumsden

A1. Introduction

This report is about the potential for tenant management of public housing dwellings in estates undergoing regeneration. It addresses output 2 of Project 10 in ARCH's 2003-2004 business plan: *identify models of innovation and good practice* – specifically from some other states.

The report is based on research which had three stages of enquiry:

- interviews with a select number of state/territory housing authorities and peak community housing and housing cooperative organizations in other states;
- consideration of Riverwood as a case study, using consultation with public housing tenants, the coordinator of the community renewal program (an initiative of the NSW Department of Housing), and the program facilitator of the Riverwood Community Centre;
- interviews with Department of Housing (DOH) Community Regeneration Unit, Office of Community Housing, and Coffs Harbour office, to determine options for developing housing cooperatives on public housing estates.

The focus of the research was to explore the potential for tenant management in public housing estates, assess the applicability of a cooperative model of tenant management and identify model for good practice in tenant management.

For the purpose of this project 'tenant management' refers to tenants being involved in decision-making in the management of their housing or in areas impacting on their environment that have been operationalized. Consultation with tenants and tenant participation are key aspects to tenant involvement, but are not tenant management (Berry and Smith 2002).

One model for tenant management of social housing is that currently used in the cooperative housing sub-program of the community housing program in New South Wales – the nonprofit rental housing cooperatives have tenancy and property management of dwellings typically leased from the Department of Housing through the Office of Community Housing. This cooperative model is an incorporated body that manages all key aspects of organizational and housing management. The responsibilities of the board of governance include tenant management, property management and financial management, as well as maintaining accountabilities to government. There are variations on the model; for example, a cooperative may outsource any aspect of its operations; however the cooperative, through the board maintains control and decision-making, acting as employer to the contractor.

This research sought to consider issues around extending that model to the public housing system. It also sought to consider another model, whereby a tenant management cooperative would assume *some but not all* of the tenancy or management functions, i.e. a partial management model similar to the tenant management organizations in Britain.

A2. Findings

Respondents were asked 5 questions:

- Are there any examples in your state of public housing tenants developing tenant management initiatives?
- What in your opinion are key conditions that promote and sustain tenant management?
- What are the inhibitors to tenant management?
- Are there particular models of innovation and good practice?
- From your experience under what conditions would public housing tenants become interested in a cooperative model of tenant management?

This section summarizes responses from informants from state peak organizations in the eastern states, people involved with the Riverwood estate, and the NSW Department of Housing.

A2.1 Interstate agencies

South Australian Community Housing Council

The South Australian Community Housing Council (SACHC) is the peak community housing organization for housing cooperatives (75) and housing associations (40). Ciaran Synnott is the Executive Officer.

Between 1970 and 1980 the state government borrowed extensively to fund the development of public housing. As a result, South Australia now has 15% of the national public and community housing dwellings, with only 7% of the national population. There is no growth capacity. The current South Australian Government policy is to reduce the number of public housing dwellings from 64,000 to 32,000 dwellings by 2020. This is occurring through the sale and transfer of dwellings to associations and cooperatives. The Urban Renewal Program aims to reduce the concentration of public housing dwellings in a local government area to 15% of the total housing stock where there are currently high levels of 30-45%.

Are there any examples in your state of public housing tenants developing tenant management initiatives?

There are very few tenant management initiatives in public housing, apart from some small gardening programs and regional consultative policy forums.

The urban renewal program involves tenant and community consultation with limited employment and training options.

What are key conditions that promote and sustain tenant management?

- Training, development and support. These roles no longer rest with SACHC, but with the SA Housing Trust (a government body) and the change has resulted in reduced outcomes for consumers.

- Early intervention services that are readily available and not provided by the regulatory body
- Strong resilient group dynamics using consensus decision-making combined with common sense

What are the inhibitors to tenant management?

- Changing demographics of public housing tenants means that there are increasing numbers of tenants with high and complex needs and reduced capacity to manage their housing.
- The high burn-out rate common amongst cooperative members.
- Compliance is complex, demanding and often intrusive for example where cooperative members make decisions about other tenants.
- Recent increases in public housing rent means that all social housing tenants are on the same level of rent providing no recognition of the unpaid work of cooperative members who manage their housing. In some instances cooperatives pay more because they outsource bookkeeping services.
- Unclear benefits or motivations for tenant management. There is a need to re-examine the relevance of the cooperative model and the notion of tenant management to include for example more focus on environmental or skill development benefits.

Are there particular models of innovation and good practice?

- Some cooperatives contract out services especially financial management.
- Cooperatives swap responsibilities for example members of one cooperative will conduct property inspections for another cooperative and reciprocate, to maintain the privacy of members and preserve the independence of inspections.
- The SACHC is exploring a regional housing model, perhaps using a secondary cooperative or housing association to reduce costs, share resources and the onerous workload.

From your experience under what conditions would public housing tenants become interested in a cooperative model of tenant management?

There is some interest in the cooperative model, but the capacity and willingness to resource tenant management is often limited.

The viability of this model depends on simplifying the compliance requirements (meetings, managing allocations and privacy, etc.) and adequate resourcing.

Community Equity Housing (Victoria)

Community Equity Housing Ltd is the program manager and resourcing organization for 114 cooperatives managing 1,540 dwellings in Victoria. John McInerney is the Managing Director.

Nonprofit rental cooperatives form 25% of the community housing sector in Victoria.

Are there any examples in your state of public housing tenants developing tenant management initiatives?

There are very few examples in Victoria of tenant management in public housing estates. The Government is proposing urban renewal in estates but this will involve consultation only, not decision-making. There are a small number of community development workers employed on estates as part of community building. There is concern by Government to balance tenant participation and risk management.

A recent report advocating public housing tenants transferring to housing associations received small but strong opposition, and has now been abandoned except on a case by case basis, for example in small regional towns.

Kensington Management Association was created from an existing public housing estate of 200 properties in the inner city that was sold to a private developer. 'The developer got a good deal', building 600 units and returning 200 to government for social housing to be managed by the Association. Stage 1 is complete and ready for marketing.

What are key conditions that promote and sustain tenant management?

- An aesthetic physical environment where tenants feel proud to live there, they enjoy some equity or at the least security of tenure and this contributes to other social benefits for example inviting friends over and sharing responsibility for looking after common space.
- Tenancy agreements that reflect trust in the tenants unlike the current government Agreement that states tenants will not put pictures on the wall and will not fix cars on the driveways.
- Social contact of workers on the estate such as cleaners give a lived-in feel to the area especially important to older tenants. For example, the government recently reduced cleaners working in high rise estates so now there appears to be no one around with the ensuing effect of the estate feeling less secure, less friendly and tenants more isolated.

What are the inhibitors to tenant management?

The major inhibitor is inadequate resources committed by government to support tenant management. There is some concern by government that tenant management might result in tenants making self-interested decisions, for example, installing air conditioning instead of replacing the guttering.

Are there particular models of innovation and good practice?

The Rental Leasing Housing Cooperative with 40-50 households employs a worker to manage the cooperative. The main disadvantage is the capacity for the misuse of power by the worker.

From your experience under what conditions would public housing tenants become interested in a cooperative model of tenant management?

- Not making the task of management too onerous on tenants.
- Providing quality resourcing including a service to support tenants in specific tasks such as attending the Tenancy Tribunal.
- Ensuring separation of landlord tasks, for example, management of rent arrears, from tenants.

Community Housing Ltd (Victoria)

Steve Bevington is the Chief Executive Officer of Community Housing Limited (CHL). CHL provides and manages 600 housing units to low income tenants including a mix of transitional housing, housing for tenants with intellectual or psychiatric disability, and the remaining 10% are generic housing. All tenants must be eligible for public housing. There is no tenant management and 90% of tenants have formal support agreements.

Are there any examples in your state of public housing tenants developing tenant management initiatives?

There is very little tenant management on public housing estates.

What are key conditions that promote and sustain tenant management?

There needs to be significant momentum where tenant management would be seen to be better than the current service. This would require high-level tenant dissatisfaction in the government provided service for example on repairs and maintenance and inflexible transfers. The creation of social benefits such as increased sense of community may be a by-product but would not be a primary motivator.

What are the inhibitors to tenant management?

- Complexity, ‘tenant management is very difficult’.
- Absence of the strength of character to make hard decisions sometimes about other tenants.
- Inadequate mechanisms to reduce corruption for example a strong framework for support and governance monitoring with the power to act.
- Demanding workload of tenant management is related to each of the above inhibitors and weakens the long-term capacity to manage. ‘After time tenants often get tired of managing.’

Are there particular models of innovation and good practice?

The Common Equity Rental Cooperative Program (CERC) uses a combination of public and private money to build dwellings. Groups undergo thorough training. (See notes on CEH Ltd, the program manager for the CERCs, on page 4.) The impetus for CERCs was to increase tenant participation and local control and reduce remoteness of the managing body. The CHL provides some executive functions and resourcing for CERCs. The CERC model has proven longevity after 20 years, with few, if any, disbanded cooperatives.

From your experience under what conditions would public housing tenants become interested in a cooperative model of tenant management?

Public housing tenants would be very interested to manage repairs and maintenance, style and standard of housing and allocations. Would government be interested? Government has concern over the capacity of tenant management models to maintain equity in allocations and effectiveness in other areas of management. A large group of tenants would need to be interested to work for change not just a few and with clear tangible benefits for tenants. Compliance requirements and workload would need to be simplified.

An ideal model would be the CERC model with executive functions elsewhere, like with CEH Ltd that retains governance responsibilities with tenants on the board.

Queensland Community Housing Coalition

The Queensland Community Housing Coalition is the peak organization for housing associations and housing cooperatives. The Executive Director is Mike Myers.

Are there any examples in your state of public housing tenants developing tenant management initiatives?

There is a group of tenants in the Inala area, who in response to the sell-off of cheap public housing to developers are interested in developing a housing association with tenant management as a core value. The Butterfly Housing Association is incorporated and recently received funding from the state government's Casino and Clubs Grant Scheme to conduct a feasibility study into suitable models for a tenant-managed housing association. Otherwise, there are very few tenant management initiatives.

What are the key conditions that promote and sustain tenant management?

- The rights-based approach to the access of public housing. It is a right of citizens to have access to quality housing. The pervading value placed on public housing by both the public and government is that public housing is a privilege not a right.
- Development of alternative models; for example, the Canadian model allows for a mixture of tenants including those not eligible for public housing and different ownership options.

What are the inhibitors of tenant management?

- Bureaucracies that are self interested and where there is limited challenging of bureaucracies.
- Lack of political will to empower tenants in the use of public services.
- Residualized welfare system, that is, those who are increasingly using public housing are experiencing more complex and high level needs with reduced capacity to manage. The increasing vulnerability of tenants who would be required to manage complex tenant management systems is laden with complications.
- Lack of interest and motivation by tenants.
- Lack of imagination in alternative models.

Are there particular models of innovation and good practice?

The Butterfly Housing Association. (See page 7.) Butterfly have a range of people and skills on the management committee including tenants, TAFE teacher in community development, a university professor of urban design, a person employed in the financial services, and a Tenants Union employee.

From your experience under what conditions would public housing tenants become interested in a cooperative model of tenant management?

- Tenants' motivation to manage their housing would be fuelled by dissatisfaction with the current housing management by government and an attitude that 'we can do better'.
- Concern over the future of public housing and fears that government may privatize public housing.

A2.2 Case study of Riverwood

The community renewal program in Riverwood was chosen for a case study due to the significant level of progress made in tenant participation on the estate. This enabled the identification of strengths of the program, areas for potential future development and to determine issues of relevance in assessing the applicability of a tenant management organization in a public housing estate.

Background

Riverwood is a middle-ring Sydney suburb with good local shopping, services and public transport. The estate was developed between 1950 and the 1970s. There are a total of 1,217 dwellings, 54% are one, two and three bedroom units, 22% are bed-sit units and 7% are houses and townhouses. In 1997 the Community Renewal Project, an initiative of the Department of Housing, commenced, with the major problems on the estate being poor dwelling and site amenity and poor community reputation including crime activity. The catalyst for the community renewal program in Riverwood was the nature of disadvantage with high number of tenants with complex needs living in close proximity. There were a large numbers of tenants requesting to move out of the estate and dwellings were difficult to fill with the numbers of refusals increasing.

Consultations were held with the Coordinator of the Community Renewal project, tenant delegates of the Estate Advisory Board (EAB), and the Program Facilitator at Riverwood Community Centre.

Community Renewal Coordinator

The Community Renewal Coordinator is John Perry.

Are there any examples of public housing tenants developing tenant management initiatives?

Refurbishment of internal and external areas

On commencement of the Community Renewal Project addressing the poor site and poor dwelling amenity was the priority, and while this is ongoing there has been significant progress to date.

There is strong anecdotal evidence that there is effective tenant participation through consultation with tenants on the proposed changes. Examples include designs that were developed by tenants, accepted by architects and tradesmen and implemented. In some instances tenants were very tentative about presenting the designs or ideas for designs and often accompanied with self defeating remarks like, 'I'm only the tenant but would this work?'

There was a high level of satisfaction with the process of refurbishment by tenants on the Estates Advisory Board rating the level of satisfaction between 8 and 10 (with 10 being very high).

Estate Advisory Board

The estate is divided into five precincts. Each precinct elects two delegates as representatives for the EAB that meets monthly and aims to disseminate information and discuss issues of concern on the estate with relevant stakeholders. Stakeholders include the local police, Riverwood Community Centre (RCC), local Department of Housing, the Community Development Officer (funded under the Housing Communities Assistance Scheme), and Canterbury Council. Tenants can inform the relevant delegates of any concerns on the estate, who will then raise the issue at the EAB.

While the EAB works well in sharing information there is no real decision-making.

- Peace Park was a community project where tenants designed and constructed a park in the middle of the estate to include a multicultural mosaic wall, a barbecue and children's play area.
- Recycling project: There was a problem caused by the untidiness of bins, odious rubbish and bins were left uncollected for days. Council initiated a working group of tenants as a pilot to launch a new system intended for the whole local government area. Council policy was changed to allow one bin per household as advocated by tenants.
- A bin audit was conducted by the recycling working group resulting in a group of women patrolling the estate on collection days to check on the collection process, damage to bins and follow up tenants who were contaminating rubbish or not collecting bins promptly. The results have improved the physical appearance of the estate, with more tenants changing their behaviour regarding garbage collection. The working group and EAB feel that they have influenced the behaviour of others by their own role modelling.

- A tenant employment program is auspiced by the RCC, with two projects. The lawn care project employs young single men living in bed-sit units to mow the lawns in the common areas on the estate. Significantly this group are usually a 'hard to reach' group. The waste management project employs tenants to clean the stairwells and outside areas in response to identified need.

What are the areas of decision-making tenants are involved in?

Consultation and varying degrees of decision-making has occurred in the:

- refurbishment of units and external areas
- waste management working group
- recycling working group and the
- tenant employment program

What are key conditions that promote and sustain tenant management?

There needs to be a strong sense of the issues or needs for tenants to create impetus for change. Good support and training are critical to sustain tenant participation and management.

What are the inhibitors to tenant management?

The Department appears reluctant at times to embrace tenant participation, expressing caution about giving responsibility to tenants.

Motivation to volunteer comes from a sense community responsibility or a need in the community. But, in reality, most involvement is based on an issue such as garbage, refurbishment or safety and not on any interest in tenant management.

Are there any future developments to expand tenant management?

'I would like to increase the influencing capacity of tenants to a greater number of tenants and increase their decision-making and self determination.'

Decision-making has not really occurred though tenant participation is developing. 'I would like to see the local Department of Housing team include tenant representatives in planning decisions in a non-tokenistic way but this does need to be driven by tenants.'

From your experience under what conditions would public housing tenants become interested in a cooperative model of tenant management?

At the moment tenant participation is mostly driven by issues not by dissatisfaction with current management of the Department, there needs to be stronger driving by tenants to be interested in tenant management.

Some delegates are looking more systemically at problems for example by asking, 'where is the system breaking down?,' rather than fixing each problem as it happens.

Focus group of tenants

The focus group consisted of 9 tenants, with the length of tenancies on the estate ranging from 7 years to 27 years.

In the period predating the community renewal program (1996-1997) the estate had a negative reputation, was renowned for crime, drugs, isolation and lack of privacy.

What do you like about living here?

- increased sense of pride in the area,
- more privacy through designs with gardens,
- more clothes-lines
- improved streetscape.
- isolation is reduced, greater sense of ownership
- more connected with others and services, e.g. schools, RCC and churches
- security of tenure
- safety, crime rate is now lowest in Canterbury local government area
- the garden, 'it feels like home'
- more involvement and support with other tenants
- cultural harmony (60% of tenants are Arabic)
- common area is attractive, functional and private with less damage and graffiti

How are tenants involved?

The EAB (see above, page 9).

Area meetings. Each area has their own tenant meetings chaired by delegates (attendance rates are low between 5-14) and held bimonthly. The role of the area meeting is to provide information to tenants and discuss issues to be taken to the EAB. One reason speculated for poor attendance at area meetings is the perception of inadequate action taken on issues by the EAB.

Tenant Association: monthly meeting to discuss issues such as traffic flow and transport needs for a better bus service

Riverwood Community Centre: is the 'hub of delivering improvement on the estate' including programs, activities, support and transport services to hospital and shops.

How would you rate the process of refurbishment?

Tenants rated the process of consultation between 8 and 10 (on a scale of 1-10, with 10 being very happy). There were comments on the quality of work being sometimes haphazard with regards to tradesmen but the rating was about the consultation and participation in the process.

What would you like to see happen in the future?

- Relationship with the Department of Housing is 'tested at times'. The delegates have requested several times for the DOH team leader to attend meetings with no

resulting action. This is in contrast to the previous team leader who took interest in attending EAB meetings and working with the tenants.

- Repairs and maintenance were reported as being poorly managed with work not done at all or completed inadequately. For example one couple have had water leaking into the bathroom from the upstairs unit for 12 months, with no resolving action, despite frequently reported through the relevant channels and to the EAB. The ceiling light was removed as a safety precaution and tenants have installed a wall light.
- More attention to the needs of young people on the estate for example leadership training. Only a small number of young people attend RCC. Others feel excluded.
- A statewide tenant peak body needs to be established to lobby the Department to improve tenant services.
- EAB meetings are chaired by RCC staff; however, tenants would like to be asked to chair meetings.
- Tenants feel their involvement is tokenistic and the Department is not serious about working with them, demonstrated by the lack of attendance and contact by the team leader.
- There are considerable number of volunteer hours that tenants contribute to the estate, yet despite 'voluntary work being rewarding there is not even minimal recognition (by the Department)'.

Riverwood Community Centre

The Program Facilitator at the Riverwood Community Centre is Greta Vallance.

The RCC provides a range of programs and services to people living in Riverwood with a focus on estate tenants. The Centre auspices the tenant employment program and the Housing Communities Assistance Program and resources the EAB.

The role of EAB is primarily information sharing and works well at that level but decision-making at the EAB is minimal and tokenistic. When the RCC formulated the EAB Rules delegates were not included to chair meetings, RCC staff act as chair.

Tenants have demanding and full lives and it is doubtful whether there would be interest by tenants in tenant management initiatives.

Cultural issues on the estate

It was stated that Arabic tenants are used to going to authorities to report problems. They are not familiar with going to a meeting of peers to talk about the problem and then have nothing happen. They come to a meeting once and the subsequent inaction to their problem results in them not coming again. While this is a characteristic of the Arabic community other cultures might experience similar response to the perception of inaction, inhibiting tenant participation.

Other cultural issues include the perception of power between tenants that can lead to conflict for example:

- tenants compare what other tenants have that they do not have for example tenants with garden units or delegates on the EAB.
- RCC has attempted to employ a tenant-supervisor on the lawn care program but two attempts have failed because of the perception that the supervisor is favoured.

When introducing tenant management initiatives, therefore, on an estate, consideration should be given to the perception of advantage to some tenants and not others.

A2.3 NSW Department of Housing

Office of Community Housing

The informant was Lynne Ready, Acting Executive Director.

Ms Ready expressed support for developing a cooperative model of tenant management on housing estates as a growth strategy for the cooperative sector given the current government funding constraints on new developments.

- A secondary cooperative that manages nominated housing functions, for example financial management on behalf of the cooperative board, is a useful model to develop on estates.
- Any resourcing for the development of the cooperative model on housing estates will require management of existing resources by ARCH; however small additional funding may be available from the Office of Community Housing(OCH).
- The accreditation process is a tool to demonstrate effective management of all community housing models and has a comparatively low completion rate among housing cooperatives. In assessing the applicability of a cooperative model established on public housing estates, the capacity to demonstrate effective management must be clearly articulated through the Accreditation system or the performance framework.
- ARCH needs to develop a sector development plan to outline how the housing cooperative sector will develop/grow.

Key issues

Resources. The resourcing requirements to develop tenant management on public housing estates needs to be fully costed and it is likely that managing existing ARCH resources to develop this strategy (see page 18) will not be realistic.

Effective management practices. Accreditation of housing cooperatives and concern over effective management practices of a new strategy to develop cooperatives will require realistic and clear accountability and effective management processes in place prior to start-up and well supported and resourced.

Sector development. ARCH and OCH to work together to develop a plan to address growth of the sector with tenant management in public housing estates presenting as a strategy.

Community Regeneration Unit

The informants were Michelle Roberson, Helen Tighe, and Lynne Ready (previously with the Unit).

The Community Regeneration Unit aims to build stronger communities on housing estates by implementing programs to promote tenant involvement including community greening, estate advisory boards and building community capacity.

The Unit is currently reviewing progress and planning future directions to extend tenant involvement on estates by identifying good practice models.

As a result of several community-renewal projects a number of strong tenant groups have emerged that might be suitable for developing further tenant capacity through tenant management.

There was interest expressed in developing a model of tenant management on estates, as a strategy for building community-capacity. A possible model was discussed with the following characteristics:

- targeting a small number of tenants who are interested in developing tenant management and live in close proximity;
- developing a partnership between the tenants, the Department of Housing and other possible partners, for example, OCH, ARCH and a secondary cooperative, to ease concerns of the tenants about moving from a system they are familiar with to the tenant-managed model;
- a staged withdrawal of the Department.

The secondary cooperative would:

- provide training and establish initial management systems and processes;
- undertake management tasks on behalf of the cooperative;
- support and mentor tenants in management tasks for example annual returns and implementing policies for example tenant selection and allocation;
- provide strategies to address tenant concerns such as:
 - no diminution of security of tenure,
 - adequate support in forming and managing the tenant management organization, and
 - tenant-managed dwellings are in reasonable condition prior to transfer to them, including any outstanding repairs and maintenance completed.

Coffs Harbour office

The informant was Pauline McKenzie, the Manager Business Development, for the Department of Housing, Coffs Harbour.

In the DOH northern region there are nine community renewal projects in the towns of Taree, Kempsey, Casino, Inverell, Tamworth and Moree. In some towns there has been the sale of dwellings to tenants.

Are there any examples in your area of public housing tenants developing tenant management initiatives?

No, tenant participation is being developed but not tenant management, the lack of intensive support means that tenant management has not developed. An interest in building social capital is an impetus for developing tenant management. The future aim would be for tenants to determine the areas of tenant management they will undertake.

What are key conditions that promote and sustain tenant management?

- intense resourcing is required, especially in the initial stages from a body other than the Department
- strong capacity of tenants to deal with conflict
- committed individuals
- housing to be of good standard when transferred to tenant management initiatives
- support from a community organization
- a shift in attitude of tenants to move to a more cooperative working relationship with the Department, where previously there may have been distance, conflict or just inexperience in working cooperatively

What are the inhibitors to tenant management?

- potential heightened divisions in the community causing conflict and break down of initiatives and stress for tenants
- resource intensive demands especially initially and at key points
- managing potential power misuse and poor perception of tenant management by other tenants
- inexperience and poor skills in working cooperatively

From your experience under what conditions would public housing tenants become interested in a cooperative model of tenant management?

There have been very few comments from tenants and many tenants would find the prospect of tenant management daunting. Tenant management is viable however, under the right circumstances.

A2.4 Tenant Support Network

The Tenant Support Network aims to provide advocacy on behalf of and information to public housing tenants and are exploring developing a peak tenant body to provide a voice to social housing tenants. The informant was its convener, Garry Mallard.

Key issues

Tenant participation is generally tokenistic with a low level of interest by tenants.

There is poor communication between the Department of Housing and tenants with regard to transfer of tenancies to the community housing sector. This gives rise to an environment where rumours develop creating concerns for tenants.

Very few tenants have much knowledge of community housing and those that do are sceptical over security of tenure, standard of dwellings, rent increases and gradual loss of public housing.

Repairs and maintenance is a continuing area of dissatisfaction for tenants. However, some tenants are interested in managing maintenance and repairs though the complexity and convoluted administrative processes are inhibiting.

A3. A possible model

The research indicates that there is scope for exploring a model of tenant management of public housing that draws on the advantages of the current tenant-managed housing cooperatives and applies cooperative principles, without expecting tenants to have the same involvement as housing cooperative tenants do in that sector.

This section outlines a possible model for tenant management cooperatives in the public housing system, and identifies some inhibitors to good practice that would need to be addressed in pursuing the model.

A3.1 Features

In developing a tenant management model for public housing, good practice refers to processes and procedures that contribute to achieving the outcomes that are intended that is providing a tenant managed quality housing service. Good practice is not a static concept and changes over time through experience, reflection, research and evaluation (RPR Consulting 2004).

Lessons from the consultations in developing and sustaining tenant management have been included in the tenant management model outlined here.

Structure

A management committee of members of the entity would be the decision-making group, with membership of the management committee open to all tenants. The option of a cooperative structure requires incorporation under the Cooperatives Act. If the organization adopts that corporate form it may be called a tenant management cooperative (TMC).

A secondary cooperative/organization would manage housing functions nominated by the management committee of the TMC who would retain the decision-making responsibility. In the early stages assistance to the management committee in decision-making will need a 'learning through practicalities' approach (see page 17).

Secondary cooperative/organization

The role of the secondary cooperative would be to manage nominated housing tasks, provide ‘learning through practicalities’ for TMC members, and assist with resourcing tasks and training as listed below.

Suggested selection criteria based on the role of the secondary cooperative/organization would include:

- demonstrated effective management practices through an external performance framework or accreditation system
- commitment to community capacity building
- interested in working with the TMC
- capacity to work with a mentoring approach

There are different structures for the secondary cooperative/organization. One structure could be an existing housing organization or a local community organization with adequate staff time managing the TMC nominated functions. Another structure could have a new organization formed for the purpose of resourcing and providing management services to the TMC in addition to providing management services to other existing housing cooperatives. The latter structure will have greater resource implications and may not be necessary initially when there are very few TMCs.

The planning process will require detailed costing and identifying sources of funding, one of which will be through fee-for-service provided to TMC by the secondary cooperative. In this case economies of scale are important of say 10 –12 tenancies per TMC to build sustainability.

Resourcing

Resourcing refers to strategies to support the TMC and includes documentation, policies and procedures, mentoring, training, crisis support and ‘learning through practicalities’ will be provided by the secondary organization or other suitable organizations.

Start-up processes refer to those that need to be ready at the start of the TMC including:

- policies and procedures on key areas
- mentoring processes: who and how the mentoring will work, responsibilities of both the TMC and the mentor
- basic training with further training planned. Areas to be covered are organizational, tenancy, asset and financial management and corporate governance.
- documentation such as forms
- communication strategy for member to member, for member to partners (DOH, etc.) and for members to the wider community
- strategies to build strong group processes and manage conflict

‘Learning through practicalities’ refers to working hands-on with TMC members to demonstrate good practice.

For example in repairs and maintenance working through the process from the beginning to the end, from requesting a repair, ordering the work, recording in the maintenance log, organising/selecting tradesmen, inspection and sign off at completion of work and tenant feedback.

This would occur at least twice on specific tasks and then with increasing control to the tenants tailored to their learning needs. Though this is initially labour intensive the level of support is important to breathe life into the policies and procedures, to experience effective management processes and provide a supportive learning environment for members while allowing gradual hand over of managing tasks tailored to the capacity of the TMC members. The early investment of quality learning for tenants builds sustainability for the tenants and the TMC.

Community links to support a TMC

The TMC and the secondary cooperative/organization will build and sustain linkages with local organizations working with a community capacity building approach. These may include the community renewal project, the Housing Community Assistance Worker (funded by the DOH for community development on estates), local community organizations and tenant organizations.

The linkages will provide local support assisting the TMC in building capacity and may also be strategic in reducing any divisions or conflict on the estate by facilitating integration of the TMC. These groups could also work collaboratively with the TMC to expand the membership and build community capacity on the estate.

The local DOH officers are also well placed to support the TMC as a community building strategy of the Department and in contact with other tenants on the estate to promote TMC as a possible developing option consistent with Department strategies. Training of local staff in community capacity and tenant management may be required.

What needs to exist prior to the start up of a TMC

- Tenants who are interested in tenant management, geographically located and with some capacity to learn to manage their housing
- Develop a planning mechanism for the TMC, for example a working group, with tenants and other key players, e.g. DOH, local office, the secondary organization and ARCH. This group requires real decision-making capacity (see next point) and resourcing for policy advice, training etc.
- Establish and sustain strong links with a senior officer of the DOH, who has decision-making capacity with active and continuing involvement in the TMC.
- Attractive dwelling and site amenity
- Documented processes for the transfer of dwellings to the TMC
- A secondary cooperative/organization (see above)
- Resourcing to support to the TMC (see above) with start up processes developed
- Communication strategies (see above) including strong group processes and conflict resolution processes
- Early intervention services to assist when there is difficulty or uncertainty
- Partnerships outlined with responsibilities and time frames with staged withdrawal of the DOH

- Adequate budget for set up and ongoing costs

Property management

Repairs and maintenance were identified as a suitable area for tenant management in the early stages.

The secondary cooperative/organization may have existing policies and procedures in place including a list of reliable tradespersons and would only require adapting them to the TMC.

Outlined below are examples of good practices consistent with the *National community housing standards* (Documentation that ensures transparency of decisions, provides good service in timely manner and is equitable between tenants – Standard 2.1.2).

- Policies and procedures include:
 - How to request
 - Feedback from tenants following work completed
 - Evaluation and sign off of work completed
 - Approval for job variation
 - Information to tenants on how to access repairs and maintenance
 - Guidelines and agreement for the selection of tradesmen
- Record system
 - Maintenance log
 - Request forms
 - Order forms
 - Feedback
 - Evaluation and signing off system
 - Job variation
 - Contractual agreements
- Adequate budget of an allocated amount of 1-2% of property value (as stated in the Operational Guidelines)
- Information for tenants
 - Requesting work
 - Providing feedback
 - Preventative strategies (see Standard 2.1.4)
- Property inspections
 - Policy and procedure.
These would be the responsibility of the secondary cooperative initially but tenants would be trained to conduct inspections as a swap with other housing services once experienced
- Vacated properties guidelines including condition reports

Tenant management

Allocations were identified as being suitable for tenant management in the early stage. ‘learning through practicalities’ approach by the secondary cooperative in working with tenants to enable the managing allocations with good practice including with equity, efficiency and transparency.

The *selection criteria* to include the level of tenant interest in the TMC and will require a brief brochure and meeting with applicant to explain the TMC in particular differences to the mainstream housing system and role of tenants.

Rent management would be outsourced to the secondary cooperative with strategies to inform the management committee of the current situation.

Use of the Residential Tenancy Agreement and incorporate a sense of trust in the tenant, for example by allowing pictures on the walls.

Addressing *tenant concerns* through clear communication integrated across all areas and stages of development, in training, use of resources and informally to reinforce that there will be no diminution in their rights as a Department of Housing tenant.

Likely concerns are:

- security of tenure;
- condition of dwellings at transfer; and
- separation from the DOH, whereas DOH will be a partner in the TMC and withdrawal will be staged.

Environment

Building standards. Processes and documentation in place to ensure that any properties transferred to the TMC are of reasonable standard as per the Head Lease and defect free. This would prevent the TMC being weighed down by dwellings in poor condition and excessive costs that could ruin the TMC or present unrealistic management challenges.

Neighbourhood amenity. Neighbourhood amenity refers to the streetscape, storage area for garbage bins, gardens, and general appearance of the dwellings from the neighbourhood. Processes and documentation should be in place to ensure that neighbourhood amenity is pleasant and in good condition prior to the transfer of dwellings.

Community harmony/sustainability

The TMC to develop and implement an ongoing strategy to communicate with other tenants on the estate including through involvement in community events, gardens, consultations and celebrations.

Financial management

- Be outsource to the secondary cooperative to manage
- Develop mechanisms for secondary cooperative to communicate to the TMC regarding financial management
- Promote and support members in ‘learning through practicalities’ to gain skills in understanding financial management

A3.2 Inhibitors to good practice

The consultations identified potential inhibitors in developing and sustaining tenancy management of public housing. They are indicated below, with strategies to limit their adverse impact.

Limited tenant capacity

Limited tenant capacity to manage could be addressed by:

- establishing TMC with tenants interested in tenant management
- initial small size and small number of TMC
- well resourced to enable learning of tasks in a manageable capacity
- partnerships with secondary cooperative where responsibilities are clearly outlined
- providing effective start-up processes such as information, mentoring and training, etc.
- assessing new potential members to suitability to the TMC
- using existing cooperatives to demonstrate and mentor how work is managed
- linkages with local organizations, community renewal program, tenant networks and community capacity building initiatives

High volume of workload for housing management

The high volume of workload for housing management contributing to a high burn-out rate among tenants could be addressed by:

- using a secondary cooperative to manage nominated tasks
- ensuring effective start up processes
- ‘learning through practicalities’ with support thereafter as required
- training to support tenants
- mentoring from existing cooperatives/organizations

Possible dysfunctionality

This could be addressed by:

- first prevent, and then promptly address misinformation and conflict
- recognize conflict as potentially undermining of TMC and have strategies in place
- develop conflict management policy and procedure as part of start up
- role play strategies to deal with conflict in the neighbourhood
- have back up support available to assist in addressing conflict
- develop an information strategy to inform and celebrate the TMC for example at the opening, at specific milestones and have an open day to invite neighbours etc.
- inform and promote the TMC to the estate and community
- integrate the TMC in community and estate by involvement in activities, e.g. festivals, markets, community gardens, open days, information meetings, etc.
- effective training, support and mentoring

Inadequate resourcing of the secondary cooperative

This could be addressed by:

- adequate resources
- commitment from the senior DOH officer to support TMC

- condition of dwellings at transfer compliant with Head lease document
- site amenity of a reasonable standard
- developed start up processes
- partnerships roles and responsibilities clearly stated with timetable
- mentoring relationships and processes in place
- 'learning through practicalities' such as working with tenants in all new tasks for example compliance requirements, implementing policies, allocation and repairs and maintenance.
- crisis support available when required

Complex compliance requirements

These could be alleviated by:

- a secondary cooperative managing nominated tasks
- adequate resourcing (see above)

Inadequate mechanism to reduce corruption or misuse

This could be addressed by:

- a secondary cooperative managing nominated tasks and demonstrating effective management through performance management or accreditation system
- effective external compliance system to monitor, for example, the Performance Framework
- adequate resourcing to reduce the risk of mismanagement

A4. Conclusion

The project aimed to assess the applicability of a tenant-management model in public housing estates and to outline good practice in tenant management. In consulting with other state services it was clear that there were few tenant management models existing in public housing in Australia. This is in contrast to Britain and the USA where there are numerous tenant-management organizations.

During the consultations the changing demographics of public housing tenants was raised, those changes include increasing numbers of tenants with more complex problems reflecting social exclusion. The cost of social exclusion is carried by all levels of government, non government organizations and the community.

A study of Airs, near Campbelltown in south-western Sydney, estimated in 1996 the costs of social exclusion in terms of vandalism, unemployment, violence, housing turnover and family crisis to be \$28 million per annum. In contrast it was estimated that spending \$1.06 million per annum in Airs would be cost effective if it achieved only 3.8% reduction in the incidence of the social indicators used (NSW Department of Housing 2001, p.6).

The Riverwood case study revealed that tenants were particularly happy with the changes developed through the community renewal program. Those changes included more positive community perception of the estate, the improved site and dwelling amenity and increased safety, having now the lowest crime level in the local

government area. Previously tenants wanted to move out of Riverwood; now there is demand to move into the estate reflecting an increased level of satisfaction.

Tenants also expressed an increased sense of community through knowing more neighbours, feeling greater sense of ownership and responsibility for the common areas. Other demonstrations of the sense of community included tenant action to improve the garbage collection and storage areas and tenants who have for several years won the local government garden competition. These improvements are reflections of the participatory approach of the community renewal program that is 'directed toward enhancing quality of life' (Perry 2003).

The community renewal program aims to build communities through tenant newsletters, clean up days and community arts and theatre activities (NSW Department of Housing 2001, p.34) all significant in their contribution to the community and with minimal risk. Establishing a TMC with interested tenants as a vehicle for building community (and capacity) has potentially more substantial benefits to the community, combined with a number of inhibitors or risks to sustaining positive outcomes for tenants.

The DOH Community Regeneration Unit spoke of developing tenant participation further to include capacity building on the estates. Tenant management presents a vehicle to build community capacity as part of community regeneration objectives.

The management of repairs and maintenance, allocations and rent management (even though this may be managed by the secondary cooperative) have a higher risk component in part due to the skills required, decision-making, accountability and concerns for equity, efficiency and fairness. A TMC represents a significant progression from tenant participation to decision-making, requiring considerable support and planning.

There were however several key inhibitors to tenant management of public housing, identified in the project. These include the capacity of tenants to manage their housing, possible dysfunctionality in the community, the heavy workload involved in managing and inadequate resourcing.

To address the inhibitors requires the provision of adequate resources, commitment by government to support the model and an effective secondary cooperative combined with developing the TMC with tenants who are interested in managing their housing. These factors are the keys to success of the TMC and present an opportunity to build community capacity on public housing estates.

The tenant management project explored the suitability of adopting a tenant management model in public housing estates and demonstrated strong elements of applicability provided the conditions outlined above are met.

Developing and sustaining tenant management of public housing, however, requires significant funding to resource effective management and to ensure dwellings and site amenity are of good standard at transfer. It is not a cost-saving strategy for government, rather, a long-term strategy to build better outcomes for tenants.

Part A references

- Berry, Vic and Terry Smith 2002, 'Tenant involvement in housing management options', Tenant Participation Advisory Service information sheet, TPAS Ltd, Manchester.
- NSW Department of Housing 2001, *Community renewal: transforming estates into communities – partnership and participation*, Community Renewal Unit, NSW Department of Housing, n.p.
- Perry, J 2003, 'Riverwood looking good', presentation, Community Renewal Program, NSW Department of Housing.
- RPR Consulting 2004, Background paper: YAS Good Practice Forums.



Part B
**Tenant cooperatives and regeneration of public
housing estates**

Craig Johnston

B1. Introduction

This report is about the potential for tenant management of public housing dwellings in estates undergoing regeneration. It addresses output 2 of Project 10 in ARCH's 2003-2004 business plan: *identify models of innovation and good practice* – specifically from some other countries. (Examples of innovation and good practice in Australia are reported on in Part A.)

B2. Findings

Preparation of this report involved research of models of innovation and good practice, using a desktop, Internet-based literature review, focusing on a sample of predominantly English-speaking countries – England, Scotland, Wales, Canada, the USA, and New Zealand – on the basis that there could be relevant literature that was available and accessible.

B2.1 England

There have been a number of initiatives in social housing that focus on tenant participation, which have given rise to a continuum of options. These include initiatives that go far beyond the consultation mechanisms in use in New South Wales, such as the Neighborhood Advisory Boards. While there have been estate advisory committees in England (on which the NSW neighborhood advisory boards were modelled) since the late 1980s, the government has introduced initiatives that allow tenants to have partial or full management of tenancy and/or property management matters.

Part of the ideological background to the reforms is a reaction to *government failure* in the form of bureaucratic processes (associated with poor asset management and customer service by local government councils, which had responsibility for public housing) and devolution of responsibility to nongovernment entities. Another part is a historical commitment to cooperatives and other social economy ventures by the English labor movement, of which the Cooperative Party is a constitutive element. In this latter view cooperatives are seen as an element of a 'third way' between liberal-capitalism and statist social-democracy (Scott 2000) and a step towards a 'stakeholder society' (Rodgers 1997). But the first tenant management organization in England was set up in 1976, in London, well before the currents of Thatcherism and Blairism appeared.

The '**right to manage**' concept allows for public housing tenants (in 25 or more dwellings) to take collective responsibility for certain matters of tenancy and property management, with ownership of the housing remaining with a local government council. This right is embodied in the Leasehold Reform, Housing and Urban Development Act of 1993 and the Housing (Right to Manage) Regulations in force from 1 April 1994. The 'right to manage' concept followed from an earlier policy, 'tenant choice', legislated in 1988, which sought to give social housing tenants a choice of landlord type (e.g. local council, housing association).

Implementation of the ‘right to manage’ was facilitated by government-grants to tenant organizations to investigate the feasibility of tenant management on their estate and to skill themselves for tenant management responsibilities through training.

The structures set up under ‘right to manage’, **tenant management organizations** (TMOs), are democratic bodies elected by tenants on estates. Many TMOs take the corporate form of a cooperative (‘tenant management cooperative’).

A TMO negotiates with the council to decide what responsibilities it wants to take over and how much money it will need. The council gives the TMO an allowance for management and maintenance. The size of the budget depends on the number of properties and the services managed.

An example is the New Park Village estate in Wolverhampton. This estate was built in 1970, but it became run-down, had a vacancy rate of 20%, and was seen as a ‘dump estate’. Residents were dissatisfied with the local council’s management of the estate, so they began looking for alternatives in 1989. They registered a mutual society in 1992.¹ The council consulted with the tenants on a proposal to delegate management to the New Park Village Tenant Management Cooperative. Responsibility was transferred from January 1993. The properties remain in (local) government ownership. (See <www.npv.org.uk>, viewed 19 March 2004.)

A TMO is usually not set up overnight, and indeed might take a couple of years to establish, because it involves consultation with and skilling of public housing tenants (Berry and Smith 2002b). The costs in the feasibility and development processes are met by the national government.

The TMO scheme was evaluated by Oxford Brookes University in 2002 (Cairncross and others 2002). At the time, there were 202 TMOs managing 84,000 dwellings in 53 local government areas. They ranged in size from 12 to 9,760 dwellings, with an average of just over 400 dwellings. The evaluation found that TMOs generally performed better than local councils and were generally well-run. They commented: ‘The failure of local authorities to deliver an adequate level of service which led to the establishment of many TMOs, and the poor quality of the housing stock which some TMOs have taken over, makes their achievements in terms of performance all the more remarkable.’ Tenants living in areas run by a TMO reported more satisfaction with their housing service in terms of repairs, re-lettings, and rent collection, compared with council tenants as a whole (Cairncross and others 2002).

TMOs provide a model of what can be achieved by local people in socially excluded communities where training and support is available. They strengthen the case for the development and support of community based organisations with control over the provision and management of local services. TMOs also provide useful, transferable examples of good practice in developing community empowerment and control. The strengths of TMOs have proved difficult to capture, but the research has shown no cause to doubt the value of TMOs, and many good reasons to promote them.

¹ The European Commission (2003) distinguishes a mutual from a cooperative: the funds of a mutual are owned and managed jointly and indivisibly, whereas the capital of a cooperative is represented by shares.

The evaluation did identify some participation deficits. Elections to governing boards were rarely contested. Annual general meetings were often poorly attended and sometime inquorate. Some boards did not have open meetings. Nevertheless, 77% of TMO tenants were satisfied with the opportunities to be involved in the management of their homes, compared with 49% of council tenants.

The pace of establishing new TMOs in recent years has diminished. Partly this is because tenant co-management does not appeal to all social housing tenants – the National Federation of Tenant Management Organizations thinks that, ‘Tenant control is always likely to remain a minority activity’ (*The TMO Magazine*, no.1, summer 2003, p.2); partly this is because the TMO concept can face hostility from landlords, whether the landlord is in the government sector (councils) or nongovernment sector (housing associations).

Tenants of housing associations can, however, set up a TMO. After transfer of 86 dwellings from a local government to St Pancras Housing Association in 1989 and proposals for rent increases, the tenants in central London set up a tenant association. After four years of negotiation and development, they signed a management agreement with the housing association, set up an office and employed a part-time administrator and caretaker/cleaner. The Covent Garden Tenant Management Cooperative is responsible for day-to-day repairs and tenancy allocations. The chairperson and treasurer of the co-op are now paid for their work as maintenance manager and administrator. (See <www.communitiestakingcontrol.org>.)

A modified form of the TMO model is a ‘local management agreement’ where a local government sub-contracts certain services, e.g. cleaning, caretaking, gardening, to a tenant-controlled organization. This suits tenants who do not want the fuller set of responsibilities associated with a TMO or do not want to undertake the managerial processes involved. Westminster Council in London has introduced a number of these since 1987; there are 50 agreements covering 2,000 dwellings.

The central government started encouraging local government councils to transfer their housing stock to nonprofit government housing organizations (‘registered social landlords’ – RSLs) in 1988: the process is called large-scale voluntary transfer (LSVT).² Tenant-managed cooperatives are also eligible to be registered social landlords.³

² Public housing in England (and Wales, Scotland and Ireland) was historically provided by local governments, not the national government. Large-scale voluntary transfer (LSVT) of council housing to nonprofit nongovernment housing providers – housing associations and tenant-managed cooperatives – is one of the three means by which local governments can introduce efficiencies and attract government funds to enable upgrading of the dwellings to a ‘decent home standard’ (i.e. the dwelling is warm, weatherproof and has reasonably modern facilities). The other two vehicles are the creation of an arms-length management organization (ALMO), with the stock remaining in council ownership, and entering into a private finance initiative (PFI). The drive to transfer housing stock from local government councils to registered social landlords has been underpinned by (a) extremely poor quality of much public housing stock, which did not meet the national government’s ‘decent home standard’; and (b) the capacity of registered social landlords to attract private investment, without the constraints on borrowings that local government councils have – loan finance for RSLs has emerged as a major market in recent years. Such a transfer requires a ballot of affected tenants with a majority voting in favor; more than ¾ of ballots have favored transfer. The deadline for councils to meet the standard is 2010 but the English government expects that a target of 50% of social housing dwellings to meet the standard by

The associations that have emerged from the LSVT process have been successful, outperforming their business plans (Williams 2002).

One of the effects of transfer of social housing stock from government sector to the nongovernment sector has been a diminution of the 'right to manage' concept. There are a number of reasons for this. One is that as a formal program of the central government, 'right to manage' only applies to public housing (council-owned housing). Another is that the transfer to registered social landlords enables access to a bigger budget for repairs and maintenance, thus reducing a motive for the establishment of TMOs (namely, more efficient property management than was being done by local councils). Thirdly, where housing associations are tenant-controlled housing associations, this diminishes a need for tenant participation.

However some TMOs have negotiated agreements for an ongoing role even following stock transfer (of council housing) to a registered social landlord. This is what happened on the Carrbrook estate in outer Manchester. The TMO, a cooperative, was involved in the negotiations to choose a registered social landlord to which the city council's public housing was transferred. The successful RSL, Mosscares Housing, kept devolved tenant management.

Resident-controlled housing associations differ from most housing associations by the degree to which tenants are involved in management. They typically have a majority of tenants on their governing boards, whereas most housing associations have just a few 'tenant representatives'. These constitute a very small proportion of housing associations in England.

Walterton and Elgin Community Homes (WECH) is a resident-controlled housing association. It took over management of the public housing in the Walterton and Elgin estates, in west London, from Westminster council in 1992. Under local government management very few repairs had been carried out, the housing deteriorated, basic amenities were lacking and overcrowding was endemic. The council had intended to sell the estates to a private developer. Residents opposed this and negotiated transfer of the properties to themselves, in the form of WECH which signed up three-quarters of the estates' tenants as members. WECH was the first landlord to be approved under 'tenants choice' legislation, and the first to take control over a council property. The WECH operated as a TMO for five years, with the Council providing housing, finance and development services in that period. It took on full control in 1998, and has been fully responsible for the homes of 700 residents, undertaking all repairs, maintenance, management and operations. Nearly 80% of the tenants are members of the association. Tenants comprise 70% of the governing board, with 30% being experts from various fields who are chosen by residents and who support resident-controlled

2006 will not be reached (Stuart Macdonald, 'Now you have it, now you don't: the saga of the decency deadline', *Housing Today*, 11 June 2004, online at <www.housing-today.co.uk>, viewed 14 June 2004).

³ The Confederation of Cooperative Housing and the Cooperative Union have proposed a transitional step, a 'community gateway model', which involves transfer of public housing to a special nonprofit agency (a community gateway association) on an interim basis pending a decision by tenants on the degree of involvement they want in housing management. See Confederation of Cooperative Housing (1999).

management. WECH has a 12-member staff. It is registered as a friendly society. (See <www.wech.freeservers.com>, viewed 14 June 2004.)

A resident-controlled housing association is a key social housing provider in a Birmingham estate that has received much attention from regeneration practitioners – the Castle Vale estate. The 10-year regeneration program on the estate has been managed by a housing action trust (a regeneration agency set up in six distressed areas) which will wind up in 2005, with 98% of the housing to be owned by the Castle Vale Community Housing Association following a ballot in October 2003 in which the tenants chose between the Association or the Birmingham city council. (The 2% who voted for the council will become council tenants.)

The largest resident-controlled housing association is in Walsall, where Beechdale Community Housing Association owns 2,400 mainly ex-council dwellings.

Cooperative advocates have argued that social housing is better managed by cooperatives than housing associations because these latter social landlords have (Rodgers 1997):

- a major accountability deficit, being accountable to a small number of shareholders or trustees rather than the communities they operate in;
- a lesser capacity to raise private financing to match government investment compared with fully mutual cooperatives which can secure private loans on the open market value of the housing;
- an inferior track record in performance and value for money.

The Housing Corporation launched a ‘Communities in control’ policy in 2000, to encourage more participation by tenants of housing associations. The Confederation of Cooperative Housing and the Housing Corporation launched a resource manual (Confederation of Cooperative Housing 2003) and a website, ‘Communities taking control’ (<www.communitiestakingcontrol.org>), in March 2003, to resource tenants of housing associations to consider how they might exercise more control of their housing.

Tenant-controlled organizations have contributed to community regeneration and social inclusion (Clapham, O’Neill and Bliss 2001). They have contributed to a drop in crime and fear of crime on estates, and contributed to more social participation

What was also critically important to any tenants interviewed was the intangible sense of community and well being that had been achieved through the establishment of their tenant-controlled organisation.

An option has emerged that takes participation further than estate management boards, tenant management organizations, and resident-controlled housing associations. That is a tenant-managed cooperative where the tenant collective owns the properties as well as undertaking tenancy and property management: in England this is called a **par-value housing cooperative**.

The Watmos Housing Cooperative in Walsall in England’s midlands is an example of this. The Walsall borough council divested itself of 1,837 houses in March 2003. The Council transferred all its public housing to Watmos Housing Cooperative, following a ballot of tenants in June 2002. The Cooperative is a secondary co-op comprised of 8

existing tenant management organizations, formed to bid for the dwellings. The Council deemed the stock to have a negative value so it gave the Cooperative a grant to assist with repairs. When the properties had been in government ownership the 8 tenant management organisations had been in charge of operational management. Under the new ownership, the Watmos Housing Cooperative is the landlord and owns the properties. It is responsible for procurement of planned maintenance contracts and overseeing the programmes of work; rent accounting and collection; setting performance standards; and the strategic development of the organisation as a social housing provider. It sets management and maintenance allowances for the TMOs and approves the service plans and the provision of services provided by the TMOs. It also provides them with a range of services, such as IT. The Cooperative and the TMOs share responsibility for the promotion of neighborhood regeneration and social inclusion. (See <www.watmos.org.uk>.)

In 1997, local councillors in Redditch supported the development of common-equity housing cooperatives. Accord (a West Midlands-based housing association) and its partner, Birmingham Cooperative Housing Services, were selected to promote, develop and support the initial four housing cooperatives on land owned by the council. All the dwellings owned by the co-ops are on a seven-year lease basis, with Redditch Cooperative Homes retaining the freehold on the land. Redditch Cooperative Homes was set up as a partnership between Accord, the council and founder members of the co-ops. Co-op members are selected from the council's waiting and transfer lists. Half the homes on each site are pre-allocated, so future residents can get involved in the design of their homes. These founder co-op members then allocate the remaining homes after completion. Birmingham Cooperative Housing Services provides training and support for each co-op. One of the co-ops has been directed specifically at people from Pakistani backgrounds. (See <www.communitiestakingcontrol.org>.)

The Homes for Change Housing Cooperative is in the suburb of Hulme in Manchester. It is a mixture of housing and workspaces. Hulme council tenants had faced demolition and redevelopment of their houses in 1990, and got together to design and build a mixed scheme of flats and workspaces. The Cooperative is a fully mutual cooperative,⁴ and membership offered its members not just consultation, but 100% control over the cost, location, quality, design and ownership of their future housing. The residents set up Work for Change to manage the workspace, retail, office, artistic and business premises within the redevelopment, and set up Build for Change to provide self-build, design detailing, and dependable maintenance services. (See <<http://housing.sel.org.uk/>>.)

Coin Street Community Builders is a nonprofit development trust which has had responsibility for regenerating 13 acres of London's South Bank since 1984. The project originated in 1977 as the Coin Street Action Group to resist proposals from property development companies to build large office blocks on the site. Residents

⁴ A fully mutual cooperative is one where only members may receive the organization's services, i.e. only members may get a tenancy and only tenants or prospective tenants may be members of the cooperative. If a cooperative allows non-members to be allocated a tenancy it is a *non-mutual* housing cooperative. The neatness of this distinction is blurred in the Welsh community mutual management model for social housing (see page 35) because that model will allow tenants the option of not joining the cooperative. The fully mutual cooperative model is similar to the Canadian non-market housing cooperatives.

demanded social housing and leisure facilities and succeeded in persuading the then Greater London Council and their two borough councils to support them. As a result, the developers sold the land to the Council, which sold it on to the newly-formed Coin Street Community Builders. The redevelopment includes three common equity housing cooperatives – Mulberry Housing Cooperative (1988), Redwood Housing Cooperative (1995), and Iroko Housing Cooperative (2001) supported by the Coin Street Secondary Housing Cooperative. (See <http://housing.sel.org.uk/>.)

There are some 250 par-value housing cooperatives in England, after a shake-out in the 1990s (Clapham, O'Neill and Bliss 2001, p.6).

B2.2 Scotland

Scotland has a process for promoting and establishment tenant management in public housing similar to that in England, since the British parliament had responsibility for housing in Scotland until devolution in 1998. The Scottish parliament re-affirmed this in the Housing (Scotland) Act 2001.

The Act provides for tenant management organizations, the generic name for which in Scotland is **tenant management cooperatives** (see page 47).

The first tenant management cooperative in Scotland was set up in 1977, in Glasgow. Its success led to others being set up.

The Housing (Scotland) Act 1988 required Scottish Homes, as the Scottish public housing authority (now Communities Scotland) was then called, to dispose of its housing stock and become instead a regulatory agency instead. This pre-dated the large scale transfers of public housing in England.

When the 'right to manage' concept was introduced in 1994, it did not have the same degree of impact as it did in England. This was because it met more opposition from local governments than it did in England, there was no government subsidies for training tenants (unlike in England), it competed with financial assistance to equity cooperatives, and the 'right to buy' provided a more attractive option to many public housing tenants (Scott 2000).

Wester Hailes Park Tenant Management Cooperative is a tenant management cooperative. It manages council housing in western Edinburgh. This includes reletting vacant dwellings using their own point system.

Matters that seem to be core or common responsibilities for tenant management organizations/cooperatives are (Scott 2000):

- allocations
- repairs
- compliance with tenancy conditions
- neighbor disputes

Matters that might also be taken on, though less common, are:

- rent collection and arrears management

- cleaning and caretaking
- supervision of improvements and maintenance of open space

The model of housing provider adopted in place of Scottish Homes varied in different places. The two major models are housing associations and **tenant-managed cooperatives** (i.e. common-equity housing cooperatives/par-value cooperatives).

In the Grampian (Aberdeen) area six housing cooperatives were established by tenants of Scottish Homes. Tenants transferred individually to the co-ops using the 'tenants choice' provisions of the Housing (Scotland) Act, but all transferred simultaneously. The transfers took place between 1992 and 1996. The individual cooperatives merged as the Tenants First Housing Cooperative in 2000. (The merged body also included their management entity; see page 34, below). The Cooperative has 1,200 properties and is the largest fully-mutual cooperative in Scotland. In addition to its governing board the co-op has six tenant management boards covering different geographical areas. These have control over their own budgets, their improvement program, and rent setting. Based on the formerly independent cooperatives, the assets of these tenant management boards are ring-fenced. (See <www.tenantsfirst.com>.)

Glasgow city council transferred the 543 dwellings of the run-down and dysfunctional West Whitlawburn estate to the West Whitlawburn Housing Cooperative in 1989. The Cooperative revitalized the estate with a new building program. It also established a community development committee which built and manages a community center which includes a child-care center and a computer training suite. The lobby group O2 (2002) identifies the benefits from tenant control as lower healthcare costs, reduced crime, increased employment, and less welfare dependence.

In the Muirton housing estate in Perth a redevelopment will see the end of all council housing. There are around 480 properties in the council's estate, with around 280 tenants. There are 200 empty houses; these will be demolished and new houses built. The ownership and management of the dwellings will be shared between two nongovernment organizations, Perthshire Housing Association and Fairfield Housing Cooperative. (See Scottish Federation of Housing Associations, 'Housing estate to be transformed', 11 June 2004, online at <www.sfha.co.uk>, viewed 13 June 2004.) Fowkes (2001) noted that Scotland's tenant-managed cooperative sector was more developed than that in Australia. 'The number of tenancies managed is generally larger than those managed by Australian co-operatives (ranging from under 50 to over 2500), and former Scottish Homes staff have been transferred with the property to work for the co-operatives.' (Fowkes 2001, p.19)

Some of the tenant-managed cooperatives have evolved from tenant management organizations. Some tenant-managed cooperatives have dealt with low skill levels and time challenges in dealing with property management by having a **secondary cooperative**, whose business is property management, providing those functions to them (as the 'primary' cooperatives). This was the model used by 6 housing cooperatives set up in north-eastern Scotland (based in Aberdeen) in the early 1990s, following the transfer of public housing stock under 'tenants choice' legislation. They set up a nonprofit management company (Grampian Homes, later called Property Partners) to undertake all the management, maintenance and administration on their

behalf. The management company later become a provident society.⁵ However this changed in 2000, when the individual cooperatives and the management entity merged as the Tenants First Housing Cooperative. (See <www.tenantsfirst.com>.)

Tenant-managed cooperatives are not exempt from **tenant participation** strategies that apply to social housing that is not tenant-controlled. The Scottish legislation requires them to consult with tenants and tenant associations on repairs and maintenance; increases in rents and service charges; general housing management (e.g. allocations policy, customer servicing, response to anti-social behavior); change in landlord; and the cooperative's tenant participation strategy itself.

B2.3 Wales

Wales shares the tenant management initiatives evident in England, since the British parliament had responsibility for housing in Wales until a limited devolution of powers in 1998. However the TMO model did not hit off in Wales, although there is an agency promoting the idea (TPAS Cymru 2002). The Welsh assembly government has, however, put cooperatives at the center of its solution to the problems in public housing. This is remarkable because there has been no recent history of housing cooperatives in this country (those cooperatives which had been established were taken over by local governments early in the 20th century); the 50 or so nongovernment housing providers are housing associations (Williams 2002).

The driver of reform has been a process of large-scale voluntary transfer of public housing stock from local government councils as a vehicle to enable upgrading of dwelling standards (as in England). Rather than putting a focus on tenant management organizations within council-owned housing or on transferring public housing stock to housing associations that are not necessarily tenant-controlled (as is favored in England and Scotland), the Welsh Assembly Government wants to transfer public housing stock to common equity cooperatives. It calls its model a **community housing mutual model**.

The features of this model are (National Assembly for Wales Housing Directorate 2003):

- tenants in the dwellings will belong to the cooperative (called a 'mutual'), though a person may choose not to join it;
- people who live or work in an area served by the cooperative (i.e. non-tenants) may join the cooperative;
- the cooperative will be democratically run by its members;
- the governing board will comprise tenant-elected members, nominees of local government authority (a feature designed to institutionally mesh the two entities' regeneration and community development roles), and other persons selected by tenants (e.g. for their governance skills);
- legal status as an industrial and provident society;
- ownership of the assets (dwellings) would be transferred from the local government to the cooperative – it will remain in collective/social ownership, but not state ownership;

⁵ Housing cooperatives in Britain are usually registered under the British Industrial and Provident Societies Act 1965 as a par-value, non-equity sharing, fully-mutual friendly society.

- there would be one cooperative in each local government area, but because the large number of social housing dwellings in some local government areas (e.g. Cardiff 17,000 and Swansea 17,000, cf. Scotland's largest mutual, the Tenants First Housing Cooperative, with 1,200 properties) could inhibit tenant participation within the cooperative, an initial transfer would be an interim or 'gateway' step pending potential disaggregation into smaller cooperatives;
- the housing cooperative will have a role in community regeneration and community development, including a capacity to establish a fund for investment in community business, projects and activities ;
- training, support and empowerment of tenants to build capacity for self-management.

The rationale for the development of the model is to address a perceived weakness associated with housing associations, i.e. a participation deficit – it aims to structure greater participation by tenants. However, the model does not necessarily provide for a majority of tenant directors. It might be seen as a variant of a resident-controlled housing association, or as a hybrid between a housing association and a tenant-managed cooperative. The other rationale for the development of the model as an alternative to housing associations is to structure a greater role for the entity in community regeneration.

B2.4 Canada

Nonprofit housing cooperatives, with nearly a quarter a million people living in 90,000 housing units, are the largest sub-sector of nongovernment nonprofit housing in Canada. (These cooperatives are also called 'non-market' or 'nonequity' cooperatives in Canada.) The model grew in the 1970s and 1980s through federal government funding programs (abandoned in the 1990s by conservative governments). This model has been described as 'one of the more successful ways of providing affordable housing for low-income people' (Sousa and Quarter 2003, p.596). The cooperatives are generally small, with fewer than 100 housing units, and 'fit well into the neighbourhood'. They often accommodate a mix of socio-economic categories, with some tenants paying subsidized rents and other tenants (in the same cooperative) paying market rents. Nearly half of these cooperatives are in Ontario.

This model of cooperative has no capacity for self-financing through equity.

A number of provinces, Ontario, British Columbia and Québec, began their own cooperative housing development programs from 1988. The situation in Ontario is complicated by the provincial parliament's devolution of responsibility for public housing from the province to the municipalities (some of which already had their own housing authorities), in 2000. The transfer has been associated with a loss of some autonomy for nonequity cooperatives because of greater regulatory interference (Sousa and Quarter 2003, p.604).

A small number of common-equity cooperatives developed in the 1980s and 1990s without government subsidies, but most of them have since converted to strata title (Canada Mortgage and Housing Corporation 2000).

The Canada Housing and Mortgage Corporation (CMHC) compared operating expenditures between nonequity cooperatives, nonprofit housing associations, municipal housing, and public housing which had been financed under different CMHC programs, in 1992. It found that housing cooperatives cost 40% less to operate than comparable public housing (owned by the federal or provincial government). This was because cooperative housing favored mixed-income communities, whereas public housing was 100% targeted to low-income households, cooperative housing relied heavily on resident participation while public housing was entirely managed by staff. (See <www.cmhc-schl.gc.ca/en/imquaf/afho/afadv/opma/intedema/case1.cfm>, viewed 14 June 2004.)

There does not seem to be any federal program that specifically deploys cooperatives as vehicles for regeneration of distressed public housing estates. However, there are some provincial and city-based initiatives that use the development of cooperative housing as vehicles for neighborhood regeneration.

In Québec City the Fonds alternatif de développement régional de l'habitation de Québec (FADRHAQ) is a nonprofit development organization. It was created by the Québec City Regional Federation of Housing Cooperatives (Fédération régionale des co-opératives d'habitation de Québec, Chaudière-Appalaches) and two Québec City area resource groups in 1986. In 1994 it got a C\$1 million interest-free loan to FADRHAQ from the city council for a 10-year period to develop cooperative and nonprofit housing projects in the inner city. From the council's side the step was of its strategies to upgrade inner-city housing and revitalize the predominantly private-tenant-occupied inner city. The fund is being used to acquire and renovate small-scale projects in the city. Residents become members of a co-op and pay housing charges that are below market levels. (See <www.cmhc-schl.gc.ca/en/imquaf/afho/afadv/rere/aqrebu/case2.cfm#>.)

In Montréal the availability of former industrial land provided the opportunity for a brownfield redevelopment. The surplus land was bought by a nonprofit agency jointly administered by the City of Montréal and the Québec government, the Société des Terrains Angus, in 1983. Over 2,500 units of housing were developed over a 10-year period starting in 1984. Sixty percent were for sale to owner-occupiers and investors, and 40% for cooperative-, nonprofit housing association-, and public housing. The neighborhood is a mixed, integrated community of people from different social and ethnic backgrounds. The planned environment respects the traditional Montréal city block, and the scale and architectural design of both the market and social housing are similar. The different tenures shape the social life of each sector in the Angus community. For example, in the northwest sector where there are 6 cooperatives, there is noticeable social interaction between tenants and the residents generally. Most people living in the cooperatives are francophone. However, a minority of households living in cooperatives are recent immigrants, and some cooperatives have primarily Latin-American and black members. Federal government funding allowed for a mix of tenants with some paying low-end market rents and some paying on a geared-to-income basis. There was a consequent ethnic and income mix in the cooperatives and the neighborhood. (See <www.cmhc-schl.gc.ca/en/imquaf/afho/afadv/rere/resi/case2.cfm>.)

In Toronto the tenants on a public housing estate campaigned to have their estate transferred to self-management. The estate was Alexandra Park, a 410-unit housing estate in Toronto built in 1968, housing low-income households from diverse ethnic communities. The Alexandra Park Residents Association adopted the idea of a nonprofit cooperative as a vehicle for improving quality of life on the estate, in 1993. They set up the Atkinson Housing Cooperative in 1994. A resident ballot was held in April 1995, with a majority voting in favor of transfer to the Cooperative. The transfer proposal was agreed to by the provincial government in 1998. The Residents Association brought in the Cooperative Housing Federation of Toronto to assist in the transfer process; the association also got help from other nonprofits in the preparation period. They held another plebiscite in December 1998; ballot papers provided in 19 community languages; 66% of the residents voted and, of those voting, 79% voted in favor of stock transfer to the Cooperative. The Cooperative's control of the estate took effect on 1 April 2003. This was the first such scenario in Canada. (See <www.coophousing.com/atkinson.html>, viewed 22 March 2004.)

B2.5 USA

Tenant-based housing cooperatives in public housing have been promoted through the national program aimed at eradicating severely distressed public housing, the HOPE program. Fowkes (2001, p.15) states:

Since the 1980s, privatisation of public housing in the US has produced a significant number of new co-operatives. The federal Home Ownership and Opportunity for People Everywhere (HOPE) program extended tenants' rights to buy public housing to non-profit organisations including co-operatives. Grants were made available to assist in the planning for these purchases (Van Vliet, 1998: 91). Forfeited or abandoned buildings have also been made available to new housing co-operatives under "reprivatisation" programs of State and City governments, notably in New York (Saegert and Winkel, 1998).

The program allows the emergence of common-equity housing cooperatives. The Cooperative Housing Information Center (2004) reports that there have been 'lots' of successful conversions of public housing properties to cooperative ownership. Once the cooperative is incorporated, the property is transferred. The cost is generally no more than the remaining principal balance of the bonds or the direct Department of Housing and Urban Development loan used to construct the properties (sometimes all or part of the balance is written off as a grant). The cooperative borrows money through a blanket mortgage to acquire the property and to do any necessary rehabilitation or improvements. Sometimes the property is rehabilitated before the transfer and some or all of the cost of this becomes part of the purchase price. Then the existing tenant assistance is replaced by project-based 'section 8' assistance (a form of tenant-focused, voucherized, rent assistance).

New York city council allows tenants to manage their council housing and eventually buy it as a cooperative (City of New York 2001). Under the program the tenant association assumes responsibility for rent collection, including rent arrears; routine maintenance, repairs, and essential services; legal action against tenants involve illegal activities; and hiring and paying employees and contractors. The council retains responsibility for major repairs and upgrades. The arrangement involves rent increases for tenants, as the cooperative assumes its responsibilities. The council trains tenants in

financial and building management and provides technical assistance. The tenant association can enter the scheme if at least 60% of the tenants agree. After major repairs are completed, the tenant association may purchase the building and run it as a cooperative, if 80% of the tenants agree to buy.

The transfer of social housing dwellings out of public housing system into a cooperative sector has vocal support from sections of the nongovernment housing activist sector in the USA. The Texas Low Income Housing Information Service (1998), for example, advocated all public housing units to be turned into cooperatives coordinated by city-based cooperative housing boards.

Rohe (1995) notes that there have been cooperatives established from public housing estates which had fallen over (as well as transfers which had worked). The causes of failure were poor management, inadequate reserve funds, and the poor condition of the properties. He states: '... the key question is not whether they are feasible, but under what conditions they are feasible.' (p.444) He identified a number of factors inhibiting transfer and conversion from a study of three limited-equity cooperatives established from public housing estates. (The three projects were three of the 4 cooperatives established under the Public Housing Homeownership Demonstration, a pilot, predecessor program to the Homeownership and Opportunity for People Everywhere (HOPE) program.) Those factors were a need for extensive renovations before transfer; a prohibition against involuntary transfer of tenants who did not want to be in a cooperative, which meant that some cooperatives included tenants who did not want to be transferred and had to be relocated; the work required in generating interest in nonprofit cooperatives; and difficulties in financing. Post-occupancy studies showed dissatisfaction in one of the 3 cooperatives, and mild satisfaction in the other 2, compared with being a public housing tenant. Sources of dissatisfaction were the conditions of the units, and crime and vandalism. Successful transfer and conversion were also inhibited by (pp.472-475):

- inadequate training of cooperatives' board members;
- poor communication between board members and other tenants;
- low levels of participation by members/tenants; and
- the need for major repairs after transfer, because the repair work done by the public housing authorities before the transfer had been inadequate; the need to address this matter left little time for community-building activities.

Rohe concluded (p.475):

The experiences of the three cooperatives described here suggest that converting public housing developments to cooperatives is feasible, although it is likely to take considerable time, effort, and expense. The sponsoring housing authorities must be prepared to make a substantial commitment to the conversion program and stick with it over an extended period. The properties must be sold to the cooperatives at little cost and be in good shape at the time of transfer.

B2.6 New Zealand

There does not seem to be much work on promoting cooperatives in social housing or in using them in community renewal programs in New Zealand. (See Housing New Zealand's online statements about community renewal (at <http://webnz.co.nz/hnz/aboutus/initiatives/communityrenewal/>), viewed 12 June

2004) and the New Zealand government's draft housing strategy (New Zealand Housing Corporation 2004).)

The consulting group McKinlay Douglas Ltd did some work with a community group in Porirua East (a Wellington suburb) on options for self-management of social housing in 1998. In a discussion paper it prepared as part of this process (McKinlay Douglas 1998) it reported that Housing New Zealand (the public housing authority) had problems managing its housing portfolio in the suburb, with vacancy rates are high. It concluded that: 'Housing co-operatives offer a practical alternative for the management and/or ownership of public housing in Eastern Porirua. It offers present and future residents a greater involvement with what happens to their own housing. Co-operatives could provide a base for dealing with other community issues including employment and education.' Housing New Zealand designated Porirua East as a community renewal area in November 2002.

B3. Discussion

Nonprofit rental housing cooperatives are a speciality option in the configuration of social housing in the English-speaking countries considered. Cooperative housing development programs depended on favorable winds in a few decades at the end of last century. For all the limitations of the size of the sector there has been reasonable evidence for the success of different models as pathways out of the morass of public housing as it became residualized and resource-starved. The sustainability challenges for social housing dominated by public housing and the *participation deficits* of public housing suggest a new and aggressive approach to development of cooperatives be considered.

Cooperatives can also contribute to sustainability of (appropriate) social housing – as examples from Scotland and England indicate.

Promotion of cooperatives can augment regeneration strategies for distressed neighborhoods (as the examples from Québec indicate) and distressed public housing estates (as the examples from Scotland and England indicate).

European policy-makers are promoting cooperatives (Commission of the European Communities 2004). There is recognition that cooperatives (Commission of the European Communities 2001):

- enable citizens to affect or determine services they need;
- provide a school of management, particularly to people who might otherwise have access to positions of responsibility; and
- generate trust and create and maintain social capital due to democratic governance and economic participation.

The experiences culled from this quick survey merit more than a passing interest by policy-makers in New South Wales.

Part B references

- Bayman, Paul 2003, 'Stock option appraisals', Tenant Participation Advisory Service information sheet, TPAS Ltd, Manchester.
- Berry, Vic and Terry Smith 2002a, 'Estate agreements', Tenant Participation Advisory Service information sheet, TPAS Ltd, Manchester.
- Berry, Vic and Terry Smith 2002b, 'Tenant involvement in housing management options', Tenant Participation Advisory Service information sheet, TPAS Ltd, Manchester.
- Cairncross, Liz, Caroline Morrell, Jane Darke and Sue Brownhill 2002, *Tenants managing: an evaluation of tenant management organisations in England*, Oxford Brooks University in association with HACAS Chapman Hendy, Office of the Deputy Prime Minister, London.
- Canada Mortgage and Housing Corporation 2000, 'Alternate tenure arrangements', *Research Highlights*, Socio-economic series 65.
- Canada Mortgage and Housing Corporation 2004, 'Tenant involvement in housing co-operatives', online at <www.cmhc-schl.gc.ca/en/imquaf/afho/afadv/opma/intedema/case1.cfm>, viewed 8 March 2004.
- Canadian Housing and Renewal Association 2002, *Ideas that work: best practices in affordable housing management*, Ottawa.
- City of New York 2001, 'What is TIL?', Department of Housing Preservation and Development, [New York].
- Clapham, David, Philippa O'Neill and Nic Bliss 2001, *Tenant control and social exclusion: a report on the way in which tenant control impacts on social exclusion*, Confederation of Cooperative Housing, [Birmingham].
- Commission of the European Communities 2001, 'Co-operatives in enterprise Europe: draft consultation paper', Brussels.
- Commission of the European Communities 2004, 'Communication from the Commission to the Council and the European Parliament, the European Economic and Social Committee and the Committee of regions on the promotion of co-operative societies in Europe', COM(2004)18, Brussels.
- Confederation of Cooperative Housing 1999, *Tenants taking control: housing co-operatives and tenant-controlled housing*, The Confederation, Manchester.
- Confederation of Cooperative Housing 2003, *Communities taking control*, The Confederation, Birmingham.
- Confederation of Cooperative Housing 2003, *Growing confidence: introducing the community gateway model*, The Confederation, Birmingham.
- Confederation of Cooperative Housing, Cooperative Union, UK Cooperative Council and Cooperative Party 2001, *A joint strategy for developing the co-operative housing sector*, Confederation of Cooperative Housing, Birmingham.
- Cooperative Housing Federation of Toronto 2003, 'Alexandra Park to Atkinson Co-op: the story', online at <www.coophousing.com>, viewed 23 March 2004.
- Cooperative Housing Information Center, 2004, 'Frequently asked questions: How do you convert a public housing project to a co-op?', online at <www.housinginfo.coop>, viewed 22 March 2004.
- Department of the Environment 1995, *Guidance on start-up costs for tenant management organisations*, HMSO.

- Duncan, Pete and Nic Bliss with Simon Underwood, Paul Mayman and Pete Somerville 2003, *Communities taking control good practice guide*, Confederation of Cooperative Housing, Birmingham.
- Dwelly, Tim (ed) 2003, *Best value: how to make it work for tenant management organisations*, National Federation of Tenant Management Organisations.
- European Commission 2003, *Mutual societies in an enlarged Europe: consultation document*, Enterprise Directorate-General.
- Fotheringham, David and John Perry 2003, *Offering communities real choice – lettings and community cohesion*, CIH Briefing Paper, Chartered Institute of Housing, Coventry.
- Fowkes, Lisa 2001, 'Partnerships for sustainability in the NSW co-operative housing sector', report on behalf of the Australian Centre for Cooperative Research and Development for the Association to Resource Cooperative Housing, November.
- Kinnis, Sol 2000, 'Models of co-operative housing', *Co-operative Housing Today*, September, online at <<http://web.uvic.ca/bcics/research/housing/models.html>>, viewed 17 March 2004.
- Lambert, Blase and Nic Bliss, *Providing housing services to housing co-operatives*, Confederation of Cooperative Housing, [Birmingham].
- London Housing Board 2003, *Homes and communities in London: London housing strategy 2003*, Housing Corporation, London.
- McKenzie, Evan 2003, 'Common-interest housing in the communities of tomorrow', *Housing Policy Debate*, nos.1&2, pp.203-234.
- McKinlay Douglas Ltd 1998, 'What is cooperative housing?', Tauranga.
- National Assembly for Wales 2001, *Better homes for people in Wales: a national housing strategy for Wales*, Cardiff.
- National Assembly for Wales Housing Directorate 2003, 'Addressing the issues of the community housing mutual model', online at <www.housing.wales.gov.uk>, viewed 3 March 2004.
- New Zealand Housing Corporation 2004, *Building the future: towards a New Zealand housing strategy – discussion document*, Wellington, April.
- NSW Department of Housing 2001, *Community renewal: transforming estates into communities – partnership and participation*, Community Renewal Unit, NSW Department of Housing, n.p.
- O2 2002, 'Stock transfer and resident control', Birmingham, January.
- Office of Community Housing 1998, 'NSW Co-operative Housing Program operational guidelines', November.
- Office of the Deputy Prime Minister 2003, 'Housing transfer: a consultative paper', [London].
- Pahl, Walter 1997, 'A housing co-op rescue of public housing in Germany', *Journal of Co-operative Studies*, vol.30:2 (no.90), September, pp.28-38.
- Policy Link n.d., 'Equitable development toolkit: beyond gentrification – What is a limited equity housing co-operative?', viewed 2 March 2004, <www.policylink.org/EquitableDevelopment>.
- Rodgers, David 1997, 'Housing the nation the co-operative way', *Journal of Co-operative Studies*, vol.30:2, no.90, September, pp.15-27.
- Rohe, William M 1995, 'Converting public housing to cooperatives', *Housing Policy Debate*, vol.6, no.2, pp.439-479.
- Scott, Suzie 2000, 'The People's Republic of Yoker: a case study of tenant management in Scotland', *Journal of Co-operative Studies*, vol.33:1 (no.98), April.

- Scott, Suzie, David Clapham, Ann Clark, Robina Goodlad, Hilary Parkey, David Rodgers and Malcolm Williams 1994, *The guide to the right to manage*, Department of the Environment, HMSO [London].
- SEL Housing Cluster 2002, 'Tenants First Housing Co-operative', online at <<http://housing.sel.org.uk>>, viewed 22 March 2004.
- Sousa, Jorge and Jack Quarter 2003, 'The convergence of nonequity housing models in Canada: changes to housing policy since 1990', *Housing Policy Debate*, vol.14, no.4, pp.591-620.
- Tenant Initiatives Development Services, 'Right to manage', online at <www.tides.org.uk/option/righttomanage.htm>, viewed 18 March 2004.
- Tenant Participation Advisory Service 2002, 'Estate advisory boards', Tenant Participation Advisory Service information sheet, Manchester.
- Tenants First Housing Co-operative n.d, 'About Tenants First', online at <www.tenantsfirst.com>, viewed 17 March 2004.
- Texas Low Income Housing Information Service 1998, 'Solutions to fix public housing: shared responsibility – co-op management model', viewed 22 March 2004, <www.texashousing.org/txlihis/phdebate/solutions2.html>.
- TPAS Cymru 2002, 'Tenant management organisations', Solutions 4, n.p., April.
- Welsh Assembly Government 2002a, 'Policy on stock transfer'.
- Welsh Assembly Government 2002b, *Stock transfer: the council tenants' and leaseholders' stock transfer charter*, Housing Directorate, Cardiff.
- Welsh Assembly Government n.d, 'A new option for social housing in Wales: the community housing mutual'.
- Welsh Office 1994, 'The right to manage: modular management agreement for tenant management organisations', Department of Environment.
- Williams, Peter 2002, 'Regenerating communities: are community mutuals the answer?', BBC Wales lecture, 24 January, online at <www.cf.ac.uk/cplan/ri/lectures/williams.html>, viewed 15 March 2004.

Part B glossary

Estate management board. A model for setting up tenant management organizations that involves having a majority of tenants and council representation on the board of management.

Fully mutual. A characteristic of a cooperative where all members must be tenants and all tenants must be members. This means that only tenants can serve as committee members and that a tenancy cannot be granted to people who are not members.

Limited-equity cooperative. An equity (joint ownership) cooperative where the selling price of shares in the cooperative is restricted by a formula, rather than market value only. This is designed to retain dwellings in a cooperative as affordable units.

Neighborhood advisory board. A forum for coordinating services to tenants on a public housing estate in New South Wales, comprised of representatives of the tenants, nongovernment welfare agencies (e.g. community centers, youth services), government agencies (e.g. police, mental health teams), and the Department of Housing.

Non-equity sharing. A characteristic of a cooperative where its members do not receive 'equity' or a shareout from any surplus made by the cooperative. Surplus can be used for whatever purpose the membership chooses, provided it is consistent with the aims and objectives of the cooperative.

Par-value cooperative. A fully-mutual ownership housing cooperative where all tenants are members in the cooperative, and where all members are tenants or prospective tenants. The cooperative owns the property/properties, and the tenants rent from it.

Resident-controlled housing association. A housing association that has a majority of tenants on the board of management.

Right to manage. The legal right in Britain that enables council tenants to set up tenant management organizations.

Tenant management cooperative. A model for setting up tenant management organizations based on the cooperative model. The official term for a tenant management organization in Scotland.

Tenant management organization. A tenant organisation that manages properties through a management agreement with the social landlord, either the local council or a housing association.

Source: NSW Department of Housing (2001); Confederation of Cooperative Housing, 'Abbreviations and jargon', 21 July 2002, online at <<http://cch.coop/coopinfo/abbr.html>>, viewed 19 March 2004; Two Piers Housing Cooperative Ltd, <<http://twopiers.co-op.org/guide/glossary.htm>>, viewed 22 March 2004.

Attachment B1: Setting up your TMO

Once you and your housing association have agreed that your proposal to set up a TMO is feasible, considerable work has to go into developing a full business plan that will enable you to achieve your aims. This can be lengthy and complicated. To set up your TMO:

- The housing association board will have to formally agree that it will devolve decision-making powers. A timetable will need to be agreed between the prospective TMO and the housing association, which sets out when various issues will be approved.
- You will probably need to receive more training on budgeting/finances, staffing issues and other general issues.
- You will also need to decide how you will provide the services you want to take on. You will probably need more training on how the service is currently provided and on how various other organisations provide the same services. You may want to carry out visits to existing TMOs and other housing providers to see how they do things.
- You will need to negotiate a *Management Agreement* with the housing association that sets out the legal relationship between the TMO and the housing association. A model management agreement can be found on the CCH website (www.cch-uk.org).
- Most important, you will need to negotiate with the housing association the amount of money it will give you to run the services you want to take on. The basic rule of thumb for tenant management is that the TMO should receive the amount of money that the housing association would use to provide the same service, but this can be a complex calculation, dependent on how the housing association does its own internal budgeting.
- Everyone; yourselves, tenants, your housing association, the external agency (if there is one); need to be sure that you are competent to manage the TMO when it is set up. Clearly it is in no one's interest, least of all tenants, that a TMO that can't manage properly gets set up.
- There will also need to be some means by which you can show that your tenants support you in setting up a TMO. In council housing, there is a requirement that at least 50% of those eligible to vote (i.e. all tenants and leaseholders) vote in favour for a TMO to go ahead, but you and your housing association might agree some other means to demonstrate tenant support (eg. a simple majority).

Source: Confederation of Cooperative Housing and the Housing Corporation, 'Setting your TMO', March 2003, online at <www.communitiestakingcontrol.org>, viewed 19 March 2004.

Attachment B2: Tenant participation law in Scotland

Tenant participation

53 Tenant participation

(1) Every local authority landlord and registered social landlord must, by such time as the Scottish Ministers may direct, prepare a strategy (a "tenant participation strategy") for promoting the participation of tenants under a Scottish secure tenancy or a short Scottish secure tenancy in the formulation by the landlord of proposals in relation to the management of housing accommodation and the provision of related services by it, so far as such proposals are likely to affect such tenants.

(2) Such a strategy must include, in particular-

(a) provision as to-

(i) the arrangements for obtaining and taking account of the views of registered tenant organisations and tenants as to the matters on which the landlord should make proposals of the type referred to in subsection (1) and the nature and content of such proposals,

(ii) notifying registered tenant organisations and tenants of the matters on which the landlord expects to be making such proposals, and

(iii) information to be provided to registered tenant organisations and tenants about such proposals and their likely effect, and

(b) an assessment of the resources (including financial and other assistance to bodies comprised of or representing tenants) required, and a statement of the resources proposed, to give effect to the strategy.

(3) Every local authority landlord and registered social landlord must maintain a register of tenant organisations and keep it open for public inspection at all reasonable times.

(4) The Scottish Ministers may by order make provision as to-

(a) the criteria to be satisfied by a body seeking registration in the register or removal from the register,

(b) the procedure to be followed in relation to applications for registration and removal from the register.

(5) A body which is aggrieved by a decision of a landlord-

(a) not to register it in the register, or

(b) to remove or not to remove it from the register,

may appeal against the decision to the Scottish Ministers, who may confirm or reverse the decision.

(6) In this Act, "registered tenant organisation", in relation to a landlord, means a body for the time being registered in the register of tenant organisations maintained by the landlord.

54 Consultation with tenants and registered tenant organisations

(1) A local authority landlord and a registered social landlord under a Scottish secure tenancy or a short Scottish secure tenancy must notify the tenant and every registered tenant organisation of-

(a) any proposal to which subsection (2) applies, and

(b) the likely effect of the proposal on the tenant,

and must have regard to any representations made to it, within such reasonable period as is specified in the notice, by the tenant or any such organisation in relation to the proposal.

(2) This subsection applies to a proposal by the landlord concerning-

(a) its policy in relation to housing management, repairs or maintenance, where the proposal, if implemented, is likely significantly to affect the tenant,

(b) the standard of service in relation to housing management, repairs and maintenance which it intends to provide,

(c) its tenant participation strategy under section 53,

(d) a disposal which would result in a change of landlord or, if different, of owner of the house which is the subject of the tenancy.

(3) This section is without prejudice to section 53.

55 Tenant management agreements

- (1) A society, company or body of trustees for the time being approved by the Scottish Ministers for the purposes of this section (in this section and section 56 referred to as a "tenant management co-operative") may make an agreement with a landlord mentioned in section 11(1)(b) for the exercise by the co-operative of the landlord's housing functions.
- (2) The Scottish Ministers must approve a society, company or body of trustees for the purposes of this section if they are satisfied that it is generally suitable to carry out such functions.
- (3) Where a tenant management co-operative applies to a landlord referred to in subsection (1) for agreement to the co-operative exercising, on such terms as the application may specify, all or part of the landlord's housing functions, the landlord must make an agreement with the co-operative if it is satisfied that-
- (a) the co-operative is approved under subsection (2),
 - (b) the co-operative will be able to exercise the functions specified in the proposal competently and efficiently, and
 - (c) so far as those functions relate to houses, the co-operative is representative of the tenants of those houses.
- (4) Where a landlord refuses to make an agreement with a co-operative on the ground that it is not satisfied as to a matter mentioned in subsection (3)(b) or (c), the co-operative may appeal to the Scottish Ministers, who may confirm or reverse the landlord's decision.
- (5) Where the Scottish Ministers reverse the landlord's decision, the landlord and the co-operative must make the agreement.
- (6) Where the landlord and the co-operative are unable to agree the terms of the agreement, the co-operative may appeal to the Scottish Ministers who may determine the terms of the agreement.
- (7) An agreement under this section may be made only with the approval of the Scottish Ministers, and such approval may be given subject to conditions.
- (8) An agreement under this section does not affect the responsibility of the local authority landlord or registered social landlord for the exercise of its functions.

56 Tenant management agreements: further provision

- (1) An agreement under section 55 may be made in relation to-
- (a) all or any part of the landlord's housing functions,
 - (b) all or any part of the houses held by the landlord for the purposes of those functions.
- (2) In that section and this section, references to the landlord's housing functions are-
- (a) in relation to a local authority landlord, references to the functions of the landlord-
 - (i) relating to land or any interest in land held by it for the purposes of Part I of the 1987 Act,
 - (ii) under sections 4 and 5 (power to provide furniture, board and laundry facilities) of that Act, in connection with any such land or interest,
 - (b) in relation to a registered social landlord, references to its housing activities within the meaning of section 83(3),
 - (c) in relation to a water authority or a sewerage authority, references to its functions in relation to the provision and management of houses.
- (3) An agreement under section 55 between a tenant management co-operative and a local authority landlord may, without prejudice to any other enactment, include terms providing for the letting of land to the co-operative by the landlord for a period not exceeding 20 years.
- (4) A local authority must continue to include in its housing revenue account houses on land included in an agreement under that section between a tenant management co-operative and a local authority landlord; and neither the making of the agreement nor any letting of land in pursuance of it is to be treated as a ground for the reduction, suspension or discontinuance of any Exchequer contribution or subsidy under section 202 of the 1987 Act.
- (5) In subsection (4), "Exchequer contribution" has the meaning given in section 338(1) of the 1987 Act.

Source: Housing (Scotland) Act 2001, Part 2 – Tenants of social landlords, Chapter 3, online at <www.scotland-legislation.hmso.gov.uk/legislation/scotland/acts2001/10010--e.htm>, viewed 19 March 2004.



Part C

**Tenant self-management and public housing:
ladders and levers**

Craig Johnston

C1. Introduction

This report is about the potential for tenant management of public housing dwellings as an element of estate regeneration. Part A identified issues from some other states, lessons from a public housing estate in Sydney, and comments from Department of Housing officers. Part B identified issues from some other countries. This part addresses output 5 of Project 10 in ARCH's 2003-2004 business plan: *assessment of the applicability of the cooperative model in regeneration of public housing estates*.

The report seeks to identify some of the property and tenancy management issues that public housing tenants moving to a tenant-based management model might be keen to take on, e.g. allocations, maintenance, and financial priorities, and matters they might be less keen about, e.g. dealing with rent arrears, evictions (and which they might prefer to outsource).

It also seeks to identify particular environmental factors relevant to success of the model in a public housing estate, such as building standards, neighborhood amenity and dysfunctionality. And it seeks to identify issues for particular sub-populations.

C2. Background

Public housing and the model of nonprofit rental cooperative housing we have in New South Wales are both forms of social housing. There are no individual shareholders who get profits, dividends or capital gain from the dwellings. Rents are set using affordability criteria. And allocations are targeted to low-income people (with a degree of greater flexibility in cooperatives compared with public housing). Where public housing and rental cooperatives differ is in the degree of tenant participation in management of the properties and the tenancies.

New South Wales has initiatives that allow for some community engagement in public housing, at statewide, regional and local levels. The three main components of community engagement strategies are:

- information;
- consultation; and
- participation in the form of giving advice and trying to influence the landlord's decisions.

The landlord being the Department of Housing (DOH). There has been much experience of community engagement programs in New South Wales, which is useful to inform the opportunities for tenant management. (See Jen Lumsden's discussion of experiences at the Riverwood estate in section A2.2.)

The nonprofit rental cooperative housing program funded through the Office of Community Housing (OCH) takes tenant participation a bit further (Office of Community Housing 1998). The program gives tenants the say in:

- tenancy management, e.g. tenant/member selection and housing allocation, rent collection and rent arrears recovery, disputes, termination of tenancies (evictions);
- property management, e.g. selection of housing stock, property maintenance and repairs, payment of local government and water rates; and

- corporate governance and management, e.g. tenant participation and capacity-building, legal compliance, financial management, contracting and employing labor.

In most rental housing cooperatives in New South Wales the cooperatives do not own the actual dwellings. Those are leased from the DOH through the OCH.

The development of nonprofit rental cooperatives was supported by many Western governments in the 1980s, but public sector bureaucracies seemed to have lost interest in the 1990s and development programs for cooperatives have been atrophied or wound back, with cooperatives subjected to stifling command-and-control regulation. While some advocates of sustainable communities such as the chair of the Metropolitan Strategy Reference Panel, Ed Blakely (2004), advocate the development of nonprofit rental cooperatives, dynamic and pro-active approaches to stimulating the sector are not coming from the NSW government.

Two key directions that could be taken are the introduction of share-equity arrangements – as envisaged in the NSW Cooperative Housing Program operational guidelines, but not acted on, and the promotion of cooperatives as a vehicle for tenure mix in public housing estates in conjunction with transfer of public housing stock, with title, from the Department of Housing to nongovernment social landlords.

The lack of ‘title’ over dwellings is a barrier to the growth of the cooperative sector, because the current cooperatives are unable to use their dwellings as an asset to finance expansion. Fowkes (2001) concluded that title and equity played an important part in achieving cooperators’ goals of autonomy, security of tenure and self-sufficiency, and that limiting the role of cooperatives to housing management limited the opportunities for cooperatives to contribute to the broad range of goals in housing, such as mobilising private capital and generating new housing forms.

Van Reyk (2004) commented:

It is clear from the material above that the system of funding for housing cooperatives in NSW for low income earners is the exception rather than the rule both within Australia and internationally. In most jurisdictions considered, financial arrangements are designed to give cooperatives a degree of equity in their property, and in the main this is achieved through government facilitation of cooperatives entering into lending arrangements with traditional financial agents.

Government and not-for-profit assistance in many cases is in the form of grants for the gap in capital between what financial agents will lend and the cost of the properties. In most cases there is no expectation that the housing cooperatives will re-pay this grant and there is no expectation that the granting body will hold any equity in the property of the cooperatives. In some cases, the grants are under a form of title where the granting body holds an overall trust of the title until such time as the housing cooperative has acquitted its loan from the lending agent.

The question of title for housing associations and rental housing cooperatives is being considered by the Department of Housing in its response to a report by a Legislative Council inquiry into community housing in 2003, but the NSW government’s written response is so vague it is hard to be sure.

The second direction is to promote cooperative models to break up concentrations of public housing. The options for extension of the cooperative model into public housing appear to be three.

1. *Partial tenant management*. This involves delegation (transfer) of some, but not all, of the Department of Housing's tenancy management or property management functions to the current public housing tenants. This sort of move would be an extension of the Department's current community engagement activities such as neighborhood advisory boards. There is a well-established prototype for this option in England and Scotland, where they are called tenant management organizations (TMO) and tenant management cooperatives (TMC) respectively. These groups take over responsibility for how their homes are managed on an estate or in a neighborhood, from the government landlord, which in those countries' case is the local council. The TMC negotiates with the public housing authority (local council) which aspects of tenancy management or property management it wishes to take on. The TMC might leave some matters in the hands of the local council. The local council remains the owner of the properties. A variation on this would be where the residual management functions are held by a nongovernment servicing agency. (See section A3.1 of Jen Lumsden's report.)

2. *Full tenant management (tenant-managed cooperative)*. This involves the delegation (transfer) of all of the tenancy management or property management functions for housing on an estate to the current public housing tenants. Some TMCs in England and Scotland have gone down this path. The local council remains the owner of the properties. In Australia this model is usually called a leasing cooperative, and it is the one used in the NSW Department of Housing's cooperative housing program. This model allows for some 'high level' management functions to be delegated to servicing agency, e.g. a secondary cooperative (e.g. as some tenant-managed cooperatives did with Grampian Homes in Aberdeen in the 1990s – see page 34). The ARCH is currently piloting a secondary management support service for some administrative functions with a number of existing rental housing cooperatives, as outlined in van Reyk 2003a and 2003b. The Comhouse Cooperative in South Australia acts as a secondary cooperative to housing cooperatives and housing associations for major property maintenance matters (see <www.comhouse.org.au>.)

3. *Tenant ownership*. This involves the transfer of the ownership, as well as management functions, to the current public housing tenants.⁶ The local council divests itself of ownership of the properties. In England and Scotland large-scale stock transfers, mainly to housing associations rather than tenant-managed cooperatives (though they have also been involved), have proved popular with public housing tenants –three-quarters of the estates who have voted on whether to transfer ownership of their estate from a local council having voted in favor, in

⁶ Large-scale voluntary transfer (LSVT) of council housing to nonprofit nongovernment housing providers – housing associations and tenant-managed cooperatives – is one of the three means by which local governments can introduce efficiencies and attract government funds to enable upgrading of the dwellings to a 'decent home standard' (i.e. the dwelling is warm, weatherproof and has reasonably modern facilities). The other two vehicles are the creation of an arms-length management organization (ALMO), with the stock remaining in council ownership, and entering into a private finance initiative (PFI). LSVT has levered in an extra £4 billion for stock improvement in England (Williams 2002).

‘tenant choice’ referendums. A key reason most public housing tenants have supported the transfers has been that nongovernment owners are able to raise money to refinance their stock, and so deal with major maintenance problems. The large-scale voluntary transfer (LSVT) process has also been strongly promoted and resourced by the English, Scottish and Welsh governments.⁷ In Australia this model is usually called a common equity cooperative.

Those are some options. How might they come about or be tested in New South Wales?

- Existing public housing tenants could form a group along the lines of a tenant management organization and negotiate some degree of control of their housing from the Department of Housing.
- A group of people interested in forming a new housing cooperative could negotiate occupation of a vacant Department of Housing dwelling or dwellings.
- An existing housing cooperative could negotiate occupation of a vacant Department of Housing dwelling or dwellings, or negotiate transfer of management of a number of occupied (tenanted) public housing dwellings with the current occupants’ consent.

Not all public housing tenants would be interested in participating in tenancy and property management. The greater the extent of participation, the greater the personal and business challenges.

Fowkes (2001) identified some key vulnerabilities with nonprofit rental cooperative housing:

- tenant selection – prospective tenants have to be willing to participate in the cooperative;
- inadequate support, failure of management;
- financial problems – for example where a cooperative had made major capital investments in their property, as with a number of the public housing transfer programs, where insufficient allowance was made within the transfer program for rehabilitating housing or modifying it to meet the needs of the tenant group;
- government approaches – a preference to deal with experienced housing managers.

Van Reyk (2001) found that existing housing cooperatives in New South Wales were experiencing difficulties in sustaining tenant participation in management. The reasons for this were:

- tenant turnover and burnout among older tenants;
- short-term leases not being a solution, as people tend to participate in the short term but drop out in the longer run;
- distance to co-op meetings was a barrier in rural co-ops and in urban co-ops where the dwellings were not on the one site;

⁷ Large-scale voluntary transfer (LSVT) of council housing to nonprofit nongovernment providers is supported by the National Housing Federation (England), Scottish Federation of Housing Associations, lobby groups like O2, and the Cooperative Party. (The Cooperative Party is the ‘political wing’ of the cooperative movement. It is a sister party to the Labor Party, and its members hold dual membership of both parties. It has 30 MPs in the Westminster parliament, 8 MSPs in the Scottish parliament, and 5 AMs in the Welsh Assembly.) ‘Old Labour’ style opposition in England is led by a coalition called Defend Council Housing. Williams (2002) notes that opposition to transfers from local government has been motivated by loss of jobs and patronage and from tenants by fear of the unknown and skepticism.

- changes in the nature of tenants within some older, more established co-ops; most of the earliest co-ops were described as having been established around people who had more time to put into participation, e.g. unemployed, students, artists; newer tenants often don't have the same capacity to commit time to participation;
- increasing administration and accountability working as disincentives to participation; and
- lack of resolution of the 'equity' issue (i.e. the provision of some degree of equity in its dwellings to the cooperative's tenants).

Van Reyk also reported that:

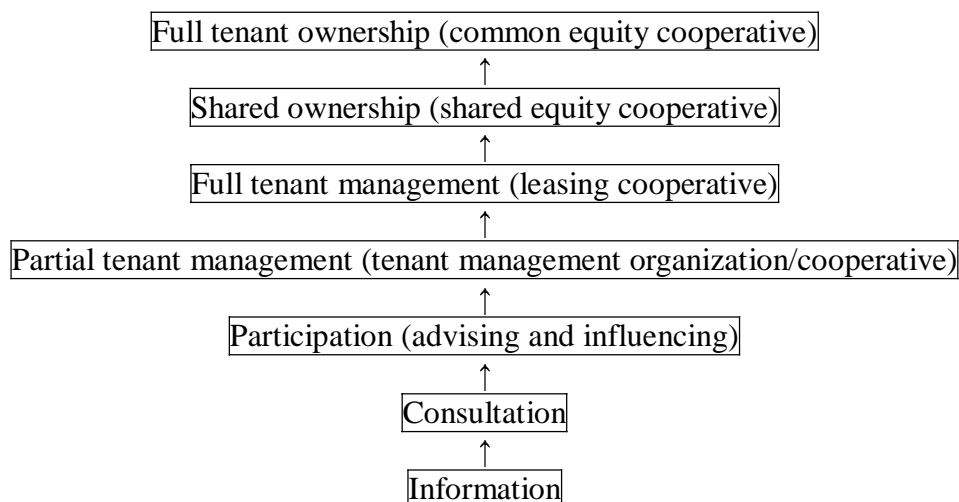
- there was a lack of commitment from newer tenants to the ethos and practice of cooperative housing;
- administration and accountability requirements presented a significant barrier to tenant participation in management of co-ops and a significant drain on co-ops' resources, being disproportionate to the size of the cooperative;
- co-ops were having increasing difficulty in getting small maintenance jobs done, because contractors were unwilling to deal with jobs under (un)reasonable levels and there were different levels of physical capability among members in some co-ops, eg. frailty, disability.

Public housing estates in New South Wales do not experience the degree of physical decay and social stress to be found in public housing estates in Britain, and the USA. Further, the political conditions in New South Wales are different from those in Britain where governments have a stronger commitment to having welfare and housing services managed by nongovernment agencies rather than by public servants. There is also a stronger political commitment to customers' rights in Britain – tenant management was underwritten by a legal 'right to manage' expressed in a 1993 Act of Parliament.

And yet the cooperative model in New South Wales has some features that are could enhance initiatives to regenerate public housing estates. The first is its emphasis on participation beyond the community engagement initiatives deployed to date. The second is its capacity to contribute to social mix, because the current program guidelines allow up to 35% of tenancies in a cooperative to be allocated to applicants whose incomes are higher than the eligibility threshold for public housing.

Fowkes (2001) proposed that achievement of greater control by tenants of public housing estates should be one of the objectives of the cooperative housing program, while acknowledging that this would not necessarily result in full tenant management, but would provide a framework that allows this process to go as far as tenants are willing or able to take it.

Figure 1 gives a ladder of involvement, indicating varying degrees of tenant control and self-management, drawing on the different models referred to in this report. Each rung of the ladder can be seen as a more 'advanced' step than the lower rung. However, some rungs can overlap. Information-sharing, for example, is a precondition for strategic and operational efficiency and effectiveness for each of the models. And if a cooperative is large with many properties on multiple sites, the community engagement rungs (the bottom three rungs) will remain relevant. (Scottish tenant-managed cooperatives still undertake tenant participation strategies – see page 35.)

Figure 1: Ladder of tenant involvement

C3. Comments from co-op and public housing tenants

Would extension of cooperative principles to public housing contribute to better housing outcomes for public housing tenants?

The author held two consultative meetings with members of rental housing cooperatives and some public housing tenants waiting for an allocation to a rental housing cooperative. The first was held on 18 May. The second was held on 8 June. The purpose was to test some key questions (see page 63) with tenants who had already chosen, or were seeking, greater control over their housing than other social housing tenants, informed by the literature review and field work conducted by Jen Lumsden (see Part A).⁸

The advantages seen by cooperative housing over public housing were:⁹

- a direct relationship being having a say and being heard: co-op tenants have their voice heard, and have greater confidence in making their voice heard, since participation structures are more accessible than they are in public housing and less likely to lead to failure to influence decision-making
- a greater choice of who you live next door to, by choice of dwelling and its location
- a greater choice of the dwelling type, e.g. people whose cultures involve larger families than is current Anglo-Celtic Australian practice, for example, Pacific Islander and Indigenous Australian households, could have more choice over the number of bedrooms in the dwelling they live in

⁸ Thanks for views and ideas to Chris Baulman, Therese Brown, Leo Chiriano, Brian Dixon, Agnesa Kelly, Veronica Paea and Alan Spruce, and to Vilealda Gil, Rosa Pavez, Dinora Solis and Myriam Troncoso.

⁹ This list is an amalgam of comments made at the two meetings. Not everyone at each or either meeting necessarily suggested or agreed with an individual comment listed.

- greater control over maintenance issues – the area where there are the most complaints public housing tenants have with public housing
- cost-savings to government in matters like repairs and maintenance
- managing gives a resident skills/education which can boost confidence and be transferred to other life and work situations, where it gives hope that people can improve their life situations through their own efforts and making use of opportunities, breaking the cycle of welfare dependence¹⁰
- a sense of greater control over the individual's destiny and an acknowledgment of the self
- an easier capacity to provide value-adding services, e.g. employment opportunities (if the cooperative is not defined too strictly by housing as its sole business)
- fulfilment and promotion of self-help values, which have positive spillover effects into other aspects of people's lives
- more solid and close-knit support networks, where people set up households with people they are familiar with
- people with special characteristics (e.g. ethnicity, age, disability) are able to choose to live with/near each other
- greater care and responsibility for the dwelling itself, because there is a sense of co-responsibility rather than government-dependency and blame on the Department of Housing
- the possibility of a lower rent in some cases, with the availability of Commonwealth rent assistance to tenants in the community housing sector
- a chance to move into neighborhoods that are not characterized by dysfunctional and anti-social behavior, cycles of poverty, and stigma associated with public housing estates, and in particular a chance to remove tenants' children from those environments
- a chance to move into socially-mixed neighborhoods
- a feeling that the (tenant-managed) dwelling is more likely to stay in the social housing sector, whereas existing public housing tenants faced with estate redevelopment associated with an aging stock and need for capital injection face insecurity (on the other hand, the arrangement under the current NSW Cooperative Housing Program whereby rental housing cooperative manage DOH properties under 5-year leases is seen as a destabilizing factor)¹¹
- the potential for some equity in the dwelling, under shared equity and fully mutual models of co-ops

The tenants thought there were factors that inhibited tenant management. One tenant suggested that the current volunteer tenant managers of housing cooperatives in New South Wales were being 'thrown off' the co-op sector by the amount of paperwork required by regulatory agencies.

They discussed whether a 'partial management' model (with key tenancy and property management functions undertaken by a secondary cooperative or the Department of Housing) might address the challenges presented by full tenant-management. A partial

¹⁰ This is what the Commission of the European Communities (2001, p.24) referred to as providing 'a school of management'.

¹¹ The contribution of rental cooperatives to the stability of the social housing sector is based on the principle of 'common ownership'. The assets of the cooperative are not vested in an individual; each and all members have to agree on any change of use or disposal of the collective's assets. This inhibits asset-stripping from outside and inside.

management model imposes less of a workload on volunteers. The partial management model might be best suited where tenants want a say in allocations and maintenance, and not other matters. If responsibility for rent arrears was not something tenants wanted to take on, this issue might be not so much an issue for tenant boards if social security tenants are in the Centrepay system operated by Centrelink.¹²

The tenants discussed whether tenant management (whether of a TMC or housing cooperative model) might appeal to some social housing tenants and not others. Some thought it was possible that tenants who choose housing cooperatives (now) are more skilled, in terms of life skills and household management skills, and better educated in terms of formal educational achievement, than public housing tenants. If that was so, transfer of management of public housing tenancies and properties to the public housing tenants in them would involve more training and ongoing resourcing for those tenants than for the other tenants in the cooperative housing program. In addition, housing cooperatives were less in a position to deal with tenants with complex needs because too much was required from co-tenants.

Some of the public housing tenants thought a partial tenant management (TMC-type) model would not be satisfactory because it would not remove the dwellings and the tenants from the public housing estate. 'What's the point? It's the area.' In this view the public housing estates were so dysfunctional that tenants had to have the chance to leave them (and the public housing system) for another system (i.e. rental housing cooperatives located in suburbs not dominated by public housing).

C4. Directions

There are a number models of cooperatively-managed housing that have been referred to in this report.

The first is a common equity model, where the cooperative has title over the property. This model does not exist in New South Wales, but a Common Equity Rental Cooperative Program has operated successfully in Victoria for some 20 years (see <www.cehl.com.au>, and Tasmania's small cooperative program is moving to a full-equity model (van Reyk 2004). This model is comparatively strong in Canada. The Office of Community Housing (1998) operational guidelines foreshadow the emergence and implementation of this model in New South Wales, but the NSW Government (2004) response to the Legislative Council report on community housing gives no indication of action on this.

The second is a shared equity model. This model was referred to and supported by current tenants of rental housing cooperatives consulted, who wish to have a greater stake in the ownership of their current dwellings. It is a variant of the previous model.

¹² Centrepay is a voluntary deduction service available to Centrelink customers. Centrelink customers can nominate an amount to be deducted from their Centrelink payment, which amount Centrelink forwards to the nominated entity such as a landlord (who must register with Centrelink to be in the scheme). There is no cost to the customer. The landlord pays a transaction fee, but can benefit from regularity of payments, lower transaction costs associated with arrears, etc.

The third is a rental housing cooperative, where tenants assume full tenancy and property management, but do not own their properties, headleasing it from an agency like the Department of Housing. This approach is used in the current NSW Cooperative Housing Program.

The fourth model is a partial management model, where ‘higher level’ tenancy and property management functions are retained by the public housing authority (along the lines of most TMCs in England and Scotland) or outsourced to a specialist management entity (as was the case with Grampian Homes in Aberdeen, and as proposed by Jen Lumsden in section A3.1 of her report). This model stands alone, or for some tenants it might be transitional to a (fully-tenant managed) rental housing cooperative.

All four models have potential for contributing to regeneration of public housing estates as vehicles for tenure mix, social mix and tenant choice. All could be implemented using current public housing stock. The pathways would be:

- stock transfer of non-tenanted public housing dwellings to the cooperative, and/or
- stock transfer of tenanted public housing dwellings on a ‘tenant choice’ basis.

There are two threshold matters to consider for the development of tenant management models in public housing.

One is *tenant capacity*. Tenant management requires tenants with competence and motivation – an interest in being more involved and taking responsibility. It will not suit everyone. A TMC approach is also unlikely to work as well with public housing tenants who have complex needs. Tenants who choose tenant-management responsibilities would need training and other resourcing.

The second is *government capacity*. An enhanced cooperative housing sector requires political commitment to be given to it – backed up, where cooperatively-managed housing is being offered as a choice to public housing tenants, by a willingness to transfer stock (with long-term leases and/or with title) on a large-scale basis.

A key consideration is the value-adding that tenant management can add to regeneration processes. Baker (2002) argues that tenant-managed cooperatives can add a dimension that ‘endless flow money’ to distressed estates cannot do. That dimension is a path to address ‘lack of engagement with society, high levels of disillusionment, lack of control over their lives or environment, very low self confidence and therefore no real feeling that anything can be done to get out of the spiral of dependency’. Tenant-managed cooperatives can be a pathway from dependence to *collective efficacy*.

There is also the consideration of how tenant management cooperatives and tenant-managed cooperatives can contribute to the sustainability of and a renewed vitality for the social housing sector, by acknowledging the creative energies of public housing tenants, deploying a cost-efficient model of property management, and leveraging the Commonwealth rent assistance that community sector tenants are eligible for.

Cases like the Atkinson Housing Cooperative in Toronto (page 38), the Tenants First Housing Cooperative in Aberdeen (page 34), and WALTERTON and ELGIN Community

Homes in London (page 30) show that the model of tenant-managed cooperatives in what was public housing is not just a concept, but an actuality. There are no substantial differences between the cultures of those predominantly Anglophone societies and New South Wales to indicate that a model that works there would not also work here.

Realization of a tenant management cooperative model and/or a rental housing cooperative model in NSW public housing is not difficult, in principle. There *are* transitional and implementation issues, which Jen Lumsden discussed in sections A3.1 and A3.2 of her report. Resourcing change management is a key issue. Public housing tenants who campaigned for their housing to be transferred out of the public housing system, such as the Alexandra Park Residents Association in Toronto, Canada (see page 38), took many years to win. Implementation of the current rental housing cooperative model in New South Wales involves a considered process (see 'Attachment C3: Stages in forming a housing cooperative'), and similar sustained resourcing is involved in establishing tenant management cooperatives/organizations in England and Scotland.

A best practice approach suggests that effective community engagement strategies (see for example, the rights and standards of service that council tenants can expect in a stock transfer process in Wales (Welsh Assembly Government 2002)) are a precondition for a satisfactory transfer of management.

Part C references

- Blakely, Ed 2004, 'Keynote address – Sydney Futures Forum', 18 May, online at <www.metrostrategy.nsw.gov.au>, viewed 27 May 2004.
- Baker, Charlie 2002, 'The contribution of housing co-operatives to community development', presentation to UN Habitat–ICA–UN ECE Colloquium on Contribution of the Co-operative Sector to Housing Development, 26-28 June, Ankara, online at <www.ica.coop/ica/ica/UN/ica-habitat-ece.html>, viewed 12 June 2004.
- Fowkes, Lisa 2001, 'Partnerships for sustainability in the NSW co-operative housing sector', report on behalf of the Australian Centre for Cooperative Research and Development for the Association to Resource Cooperative Housing, November.
- Darcy, Michael and Jill Stringfellow 2001, *Tenant's choice or hobson's choice: a study of the transfer of tenanted dwellings from public housing to community housing in NSW*, Urban Frontiers Program research paper 4, University of Western Sydney, Campbelltown.
- Home Office 1999, *Community self-help*, Policy Action Team 9, Social Exclusion Unit, London.
- NSW Government 2004, 'Response to the Report on Community Housing by the Legislative Council Standing Committee on Social Issues'.
- Office of Community Housing 1998, 'NSW Co-operative Housing Program operational guidelines', November.
- van Reyk, Paul 2001, 'Coop management support review', Paul van Reyk Consultancy Services, July.
- van Reyk, Paul 2003a, 'ARCH secondary cooperative project report 1: discussion paper', Paul van Reyk Consultancy Services, January.
- van Reyk, Paul 2003b, 'Pilot project: financial administration support – an introductory statement for ARCH members', Paul van Reyk Consultancy Services, April.
- van Reyk, Paul 2004, 'Equity project: first project report', Paul van Reyk Consultancy Services, 3 March.
- Welsh Assembly Government 2002, *Stock transfer: the council tenants' and leaseholders' stock transfer charter*, Housing Directorate, Cardiff.

Attachment C1: Questions paper

Tenant cooperatives and public housing

Questions paper

Prepared by Craig Johnston for the Association to Resource Cooperative Housing
6 May 2004

Introduction

ARCH has a commitment, in its work plan and service agreement with the Office of Community Housing, to consider how the cooperative model might be extended to public housing, especially to public housing estates – many of which have regeneration programs involving upgrading, social mix and community strengthening.

ARCH has engaged two independent people to help with this. Jen Lumsden is reviewing the experience of tenant participation activities in public housing to see what can be learned from them. She is also finding out what initiatives there are interstate. Craig Johnston is looking for information on overseas initiatives.

The two reports will assist ARCH and the OCH to assess the usefulness of the cooperative model for public housing estates. This project has to be completed by mid June.

The reports will try to identify some of the property and tenancy management issues that public housing tenants moving to a tenant-based management model might be keen to take on, e.g. allocations, maintenance, and financial priorities, and matters they might be less keen about, e.g. dealing with rent arrears, evictions. They will also try to identify particular environmental factors relevant to success of the model in a public housing estate, such as building conditions and the degree to which the estate is distressed. And they will seek to identify issues for particular types of public housing tenants.

Background

Public housing and the model of nonprofit rental cooperative housing we have in New South Wales are both forms of social housing. There are no individual shareholders who get profits, dividends or capital gain from the dwellings. Rents are set using affordability criteria. And allocations are targeted to low-income people (with a degree of greater flexibility in cooperatives). Where public housing and rental cooperatives differ is in the degree of tenant participation in management of the properties and the tenancies.

New South Wales has initiatives that allow for some **community engagement** in public housing, at statewide, regional and local levels. The three main components of community engagement strategies are information, consultation, and participation in the form of giving advice and trying to influence the landlord's decisions. The landlord being the Department of Housing (Housing Services Division). There has been much experience of community engagement programs in New South Wales, which is useful to inform the opportunities for tenant management.

The nonprofit rental cooperative housing program funded through the Office of Community Housing takes tenant participation a bit further. The program gives tenants the say in tenancy management (e.g. who gets allocated a dwelling) and in property management (e.g. repairs).

In most rental housing cooperatives in New South Wales the cooperatives do not own the actual dwellings. Those are leased from the Department of Housing through OCH.

The lack of 'title' over the dwellings is a barrier to the growth of the sector, because the current housing cooperatives are unable to use their dwellings as an asset to finance expansion. The question of title for housing associations and rental housing cooperatives is being considered

by the Department of Housing in its response to a report by a Legislative Council inquiry into community housing.

The options for extension of the cooperative model into public housing appear to be three:

1. **Partial tenant management.** This involves delegation (transfer) of some, but not all, of the Department of Housing's tenancy management or property management functions to the current public housing tenants. This sort of move would be an extension of the Department's current community engagement activities such as neighborhood advisory boards. There is a well-established prototype for this option in England and Scotland. In those countries there are many groups of public housing tenants called tenant management organization (TMO). These groups take over responsibility for how their homes are managed on an estate or in a neighbourhood, from the government landlord, which in those countries' case is the local council. The TMO negotiates with the public housing authority (local council) which aspects of tenancy management or property management it wishes to take on. The TMO might leave some matters in the hands of the local council. The local council remains the owner of the properties.
2. **Full tenant management.** This involves the delegation (transfer) of all of the tenancy management or property management functions for housing on an estate to the current public housing tenants. Some TMOs in England and Scotland have gone down this path. The local council remains the owner of the properties.
3. **Tenant ownership.** This involves the transfer of the ownership, as well as management functions, to the current public housing tenants. The local council divests itself of ownership of the properties. In England and Scotland such stock transfers, mainly to housing associations rather than tenant cooperatives (though they have also been involved), have proved popular with public housing tenants –three-quarters of the estates who have voted on whether to transfer ownership of their estate from a local council having voted in favor, in 'tenant choice' referendums. A key reason most public tenants have supported the transfers has been that nongovernment owners are able to raise money to refinance their stock, and so deal with major maintenance problems. The transfer process has also been strongly promoted and resourced by the English, Scottish and Welsh governments.

Those are some options. How might they come about or be tested in New South Wales?

- Existing public housing tenants could form a group along the lines of a tenant management organization and negotiate some degree of control of their housing from the Department of Housing.
- A group of people interested in forming a new housing cooperative could negotiate occupation of a vacant Department of Housing dwelling or dwellings.
- An existing housing cooperative could negotiate occupation of a vacant Department of Housing dwelling or dwellings, or negotiate transfer of management of a number of occupied (tenanted) public housing dwellings with the current occupants' consent.

Not all public housing tenants would be interested in participating in tenancy and property management. The greater the extent of participation, the greater the personal and business challenges. The Van Reyk report commissioned by ARCH in 2001 found that all existing housing cooperatives were experiencing difficulties in sustaining tenant participation in management. Also, public housing estates in New South Wales do not experience the degree of physical decay and social stress to be found in public housing estates in Britain, and the USA. Further, the political conditions in New South Wales are different from those in Britain where governments have a stronger commitment to having welfare and housing services managed by nongovernment agencies rather than by public servants. There is also, possibly, a stronger political commitment to customers' rights in Britain – tenant management was underwritten by a legal 'right to manage' expressed in a 1993 Act of Parliament.

Would extension of cooperative principles to public housing contribute to better housing outcomes for public housing tenants? If so, there are some questions that could be asked to assess how tenant management (in its various forms) might be promoted.

Questions

1. From your experience, under what circumstances would public housing tenants become interested in a cooperative model of tenant management ... (a) for management of tenancies ... (b) for collectively owning rental housing?
2. Would public housing tenants be interested in taking on decisions about allocations, maintenance, and financial priorities? Would they be interested in taking on decisions about rent arrears and evictions?
3. What are key conditions or factors that help to promote and sustain tenant management? Are these present among public housing tenants?
4. What are the factors that inhibit tenant management? Are there any reasons public housing tenants might not be interested in tenant management?

Enquiries

For enquiries about this project contact
Karine Shellshear (02) 93616834 or Craig Johnston (02) 92675733.

Attachment C2: Barriers to community self-help

There are five main types of barrier to community and voluntary activity on poor estates: motivational, organisational, institutional, political/cultural and economic.

Motivational barriers include:

- lack of hope among residents who have experienced neglect, poor service, and powerlessness in the face of public authorities in the past
- lack of energy due to the personal circumstances of local people
- lack of confidence among residents because of low levels of literacy and education, unemployment and a lack of experience of community involvement, committee work and management
- lack of trust of neighbours resulting from a mobile community, the presence of known criminals locally, and the adverse effects of local housing policies
- lack of trust of external agencies – statutory services and some voluntary organisations – which are perceived to have let residents down, failed to deliver relevant services and not listened to them in the past
- resentment at lack of recognition – for instance, when residents have a knowledge of other languages and cultures, a knowledge of the area, or practical skills and experience which are not called on by the authorities.

Organisational barriers include:

- lack of resources and support for emerging community activities – for example the absence of basic equipment such as a telephone, photocopier or computer, the lack of a place to hold meetings other than people's houses, and the absence of support that a neighbourhood community worker or peer support network can provide
- the inaccessibility of local bureaucracies and consultation processes, and other opportunities for partnership and networking, for example because meetings are held during the working day, or take place in official or other unfamiliar premises, or involve the use of opaque official language, or because timescales are too short to allow volunteers and community groups to participate fully
- the need to cope with a multiplicity of uncoordinated demands from local statutory agencies, which makes far more difficult the already challenging task of dealing with authority
- the failure of local authorities, other public bodies, and some voluntary organisations, to recognise the distinctive nature, needs and contribution of community groups.

Institutional barriers include:

- issues around the benefits system, including the '48 hour' rule, which may act as a bar to job-seekers taking on significant community self-help commitments; inflexibility in the approach of some Employment Service and Benefits Agency staff; and the Benefits Integrity Project, which treats engagement in volunteering as evidence of fitness for full-time employment, though volunteers may be more able to vary their commitment to match their state of health than an employer can allow
- the prohibition on taking employment, paid or unpaid, placed on many foreign entrants to the UK, which is a particular difficulty for asylum seekers wishing to engage in self-help activities, often on the poorest estates
- the complex application procedures for many funding programmes, a particular obstacle for community self-help organisations applying for small sums of money
- the reluctance of Parliament, Ministers, government departments and public funders to take risks with public money, even where very small sums are involved
- the reluctance of funders to take advantage of flexibilities they have been given, for example to delegate decision-making.

Political and cultural barriers include:

- adverse 'labelling' of communities – for example by perceiving groups or areas as a problem ('sink estates', 'the homeless')
- the reluctance of agencies and professionals to cede power, thus controlling the agenda and blocking local initiatives
- racism and other forms of discrimination practised by institutions and individuals both by those charged with providing services and within communities
- conflict and lack of understanding within and between communities, often exacerbated by competition for resources and influence
- issues of accountability and representation – notably doubts about how far particular community groups can be said to represent their neighbourhood, and about the respective roles of such groups and of elected local government.

Economic barriers include:

- the need for people in low paid employment to work long hours simply to make ends meet, leaving less time and energy for voluntary activity
- unemployment, with its attendant economic and motivational effects
- the costs of volunteering and community self-help activity – travel, childcare and so on
- the feeling of exclusion and shame which people may experience if they cannot 'look the part' – being unable to buy a round of drinks, contribute to leaving presents or afford what appears to be the required form of dress.

Source: Home Office (1999).

Attachment C3: Stages in forming a housing cooperative

Project formation, development and training (approx 18 months)	<p>Formation of the intending cooperative (Stage 1)</p> <ul style="list-style-type: none"> ▪ Initial meeting ▪ Initial contact with ARCH ▪ Define the group ▪ Demonstrate housing needs and income Eligibility: In order for us to assess your needs and income eligibility it is very important that you include: Department of Housing 'T' number for group members; proof of income for group members household income; the relationship of members within a household; any information about any medical condition or any other condition that affects your members' ability to house yourself on the private rental market. ▪ Contact the OCH regional staff to assess viability of the proposal <ul style="list-style-type: none"> ▪ ARCH Stage 1 ▪ OCH Application Stage 1 and Approval <p>Developing a feasible proposal for a housing cooperative (Stage 2)</p> <ul style="list-style-type: none"> ▪ Develop a co-op management plan ▪ Financial plan and annual budget ▪ ARCH Stage 2 Assessment ▪ OCH independent committee consideration and recommendation <ul style="list-style-type: none"> ▪ Ministerial approval ▪ Incorporation as a cooperative <p>Train the co-op members</p> <ul style="list-style-type: none"> ▪ Workshop-based training program
Project execution (approx 12-24 months)	<p>Property acquisition in line with the OCH priorities</p>
Occupation and management	<ul style="list-style-type: none"> ▪ Identification of defects; certification of property conditions ▪ Headlease agreement ▪ Ongoing management

Source: ARCH.



