TENANT INVOLVEMENT IN GOVERNANCE: MODELS AND PRACTICES

SCOPING REPORT FOR ADVISORY GROUP – MARCH 2016

APPENDIX B - EVIDENCE REVIEW: TENANT INVOLVEMENT IN HOUSING GOVERNANCE

Table of Contents

AIM:

The aim of this literature review is to explore the relevance of international models and practices of tenant involvement in housing governance in Great Britain(GB) and Europe to identify key themes around tenant involvement and inform a typology of relevant approaches.

METHODOLOGY:

In order to explore the question "What do we know about tenant involvement in governance?" the methodology for this review incorporated the following stages:

1.   Searching recent (since 2000) Academic and Practice literature on housing governance and resident participation with search parameters Europe, GB, Scotland, England, Wales, and search terms: resident/tenant involvement, participation, empowerment, AND social/public/non-profit housing AND corporate governance, boards, committees.

2.   Adding a purposive search based on expert recommendations from researchers and European expert advisers.

3.   Shortlisting from an initial search population of around 70 to maximise the range and provenance of evidence, focusing on practical implementation experience rather than simply governance design and structures (15 key sources selected).

4.   Reviewing evidence against the key themes and questions to inform the main dimensions of the typology.

THEMATIC EVIDENCE REVIEW:

1. Corporate Governance

There are conflicting views of the role of tenants in Corporate Governance, which involves tenants in the formal decision making processes of a housing organisation.

The prevalent theme within corporate governance literature is the role of tenants on governing boards which includes a number of aspects such as the extent of tenant representation, balancing representation and skills based recruitment, remuneration and benefit conflicts, skills, training and stakeholder antipathy. Stakeholder antipathy can relate to, among other factors, organisational culture which has been seen to be both a barrier and enabler to tenant involvement in governance. Other challenges emerge in the operation of governance involving resident board members, and also in the connections between board representation and wider tenant involvement structures. There are also economic costs and benefits of resident involvement in

governance at Board level. In England and the Netherlands minority resident representation on Boards is common, while in Denmark residents make up a controlling membership of governing boards. (Pawson, et al, 2012).

A popular framework cited in the discussion around tenant participation is the Arstein's 1969 ladder of participation with increasing degrees of influence and decision-making control along the 8 steps. Formal representation and self-management is located at the top of this hierarchical framework where citizens are empowered with control rather than simply being involved as participators in a more tokenistic capacity.

 This view ties in with the perspective of tenants as board members in a corporate governance structure as the ideal tenant involvement model. However, there are particular challenges around the role of tenant board members, where conflicts of interest or culture can emerge between tenant board members and other board members. These clashes are referred to in the social housing literature as competing governance discourses or institutional logics exist between tenant interests and local accountability, and the drive towards management efficiency (Mullins, 2006; Bradley, 2008)

Bradley (2008, p 894) argues that board membership may not be as empowering for tenants as would be expected, because of these competing interests:

> *"Board membership has enabled tenants to seize an opportunity to make improvements to their status and to their influence in decision making at an operational level in housing organisations. To a varying degree housing organisations have welcomed this perspective; however, it is clear that tenant aspirations are not easily assimilated into the current values of social housing organisations. While tenants may well have joined the competing interest groups…they are the least powerful and perhaps the easiest to exclude."*

There are alternative views to tenant board membership being the most effective form of tenant involvement in social housing. Recent research by Tenant's Leading Change in England (Bliss et al, 2015) suggest local tenant involvement and management in service delivery and tenant scrutiny are currently seen as the most effective methods of

involvement for delivering benefits, followed by involvement in governance and tenant panels.

In a comparative European case study research on resident involvement in social housing, it was found in most cases that landlords typically attached more importance to organisation-wide tenant councils, panels or advisory boards or customer services committees than to main board resident membership. These tenant forums, found in Belgium, England and the Netherlands, are designed to provide a resident perspective to help inform corporate decision-making. (Pawson et al, 2012)

What is seen to be unique to England compared to the other European case studies is that these resident forums or groups are more incorporated within the corporate governance structure, in the role of functional and regional governing body subcommittees (not exclusively made up of residents) with a service delivery objective. In the cases of Denmark, Belgium and the Netherlands, despite resident representation on governing boards, the main focus of resident involvement is at the estate level.

It can be argued that scale, from estate level to organisational to regional, is a key component of tenant engagement in corporate governance and therefore key to any typology of models of tenant engagement.

Of course in addition to tenant involvement in governance of housing associations and public housing we should also consider the experience of governance in housing co-operatives, where residents are involved in formal decision making and governance in line with International Co-operative (ICA) principles. Countries such as Denmark and Austria have a large co-operatively governed social housing sector, although even in those countries there have been moves towards more professionlised governing boards in large housing providers.

In England and Scotland, stock transfer has provide the opportunity to involve tenants in governing boards, often on a one third constituency level basis (Mullins and Pawson 2010). The Community Gateway model in England and Community Gateway model in Wales provide GB examples of large scale social landlords with residents involved at the highest levels of corporate governance. Meanwhile the tenant management organisations (TMO) sector provides excellent examples of tenant majority boards working well at the estate level of governance.

2. Consumer or Citizens?

One of the key debates around the identity of tenants, and therefore tenant engagement in housing governance, is that of consumerist versus citizenship approaches. Consumerist approaches regard the tenant as a consumer of a housing service and therefore their involvement with social housing should be service orientated. This can often (but not always) be a more commercial perspective prevalent in larger organisations.

The citizenship perspective alludes to more participatory approach, as found in locally based, smaller housing organisations such as co-ops. It is relevant to Good Practice on community and citizen involvement in local governance of services. Arstein argues that "the idea of citizen participation is a little like eating spinach: no one is against it in principle because it is good for you" (1966, p 216).

However, unpacking the idea of citizen participation with reference to the notion of an engaged tenant reveals contending views that underpin the debate around citizenship vs consumerist approaches, revealing some overlap the characterisation of both.

Cairncross et al (1997) argue that the identities of tenants, that have evolved because of policy drivers, are based around the dual functions of self-agency and self-responsibility and that self-agency is encouraged through choice and active decision-making for the tenant as a consumer. The concept of 'Social responsibility' or Community responsibility' of tenants has also been linked to ideas around citizenship (King, 2003; Flint, 2003). This framing of citizenship as a communal function and comsumerism as an individual perspective is a recurring theme in housing governance literature.

While considering the two distinct new strands of 'consumerist' and 'citizenship', that move away from the traditional style employed by social landlords in the UK, Pawson et al (2012) suggest that changes have been linked to a rise in individualism, with a parallel breakdown of collective, democratically accountable, social institutions. There is still nevertheless continued political attention on citizens' rights and responsibilities in the UK.

Flint (2004) contends that since at least the 1980 Housing Act (and Tenants Right Act 1980 in Scotland), the identities of social housing tenants have been reconfigured from

passive recipients of welfare to empowered and responsible individuals. This paradigm shift towards 'responsibilisation' has seen a move away from a dependency culture among tenants with its over-reliance on welfarist forms of housing management. A driver behind this shift has a been the growing managerialism in social housing governance with its focus on market influences and the increasing importance of financial reporting and performance measurement:

> "*The Best Value regime provides a consumerist framework for the regulation of housing management, based on promoting the efficacy and reflexivity of housing services through increasing the transparency and accountability of housing providers to central government, tenants and private financiers. The government's advocacy of both stock transfer and increasing tenant participation reflects this consumerist approach in tandem with a communitarian emphasis on duty, responsibility and the importance of strengthened local communities to policy outcomes.*" (Fint, 2004, p.895)

Consumerist approaches to tenant engagement in governance can be seen as an alternative to board membership of tenants as described in section 1 of this review. In their European case studies, Pawson et al (2012, p.35) found that in responding to social and legislative change social landlords have created 'consumerist opportunities' that allow residents to take their involvement in bite-sized pieces. These organisations find that most tenants are not willing or able to become a committee or board member, and that residents prefer engagement not to be tied to long term time commitments.

While the literature shows some overlaps in consumerist and citizenship approaches in practice, it is clear nevertheless that these can be regarded as two distinct arcs in the conceptualisation of tenant engagement, and therefore inform different models of tenant involvement in social housing governance.

3. What's the Problem?

The purpose or rationale behind tenant involvement can be explored by problematising the topic in order to understand what the issue or challenge is that tenant involvement in governance seeks to address.

Decision-making for residents relates to the purpose of their involvement such as: housing management, community services, repairs and maintenance, reinvestment, stock transfer, new stock investment, community investment, community regeneration, corporate strategy, corporate finance, HR and staff employment, allocations and lettings.

Bliss et al (2015) quote the National Tenant Organisation's 2012 publication Tenant Panels: Options for Accountability, which states that "*Good landlords understand that listening to tenants is not just the right thing to do. It is also good for business*" and argue that there is indeed a business rationale for involving tenants to improve the landlord's business. Recent case study research in England (2014) undertaken by the Tenants Leading Change group shows that tenant involvement can lead to significant business benefits, in addition to a range of social and community benefits. (Bliss et al, 2015)

In addition to being good for business from an operational perspective, research also shows that having good resident involvement in governance can have an impact on organisational growth, by making an organisation more attractive to potential merger partners. This is particularly the case where landlords see resident involvement as consumers having a strategic fit with their own customer-focused business model Therefore, beyond the motivation for resident involvement as the right thing to do, this is "*augmented by an increasing understanding of its symbiosis with business efficiency and effectiveness in delivery.*" (Pawson et al, 2012, p.42)

Regulatory pressures are another strong driver for tenant involvement in governance, where they may play different roles in the regulation process. Tenants can act on behalf of the regulator (such as previously in the TSA) or on behalf of the organisation (e.g. as with tenant inspectors).

Hard-to-reach or easy-to-ignore groups could be regarded as another problem which requires tenant involvement as part of a best practice solution in order to include the views, and respond to the needs, of these groups.

Good housing and neighbourhood design can also benefit from early and active engagement with residents starting before they move in to their properties (CABE 2016 forthcoming). Building a sense of community and a platform for future active participation can also be more possible in new build projects and the evidence review

identified good examples of this in Wales (CCH 2015), with the development of new mutual housing schemes and in Vienna where 'community building' is a recognised part of large scale new housing programmes (Lang, 2016).

The rationale behind tenant engagement in social housing governance logically has implications for the type of model of involvement social landlords will employ – to solve the problem of, for example, increasing business efficiency or meeting regulatory expectations. A typology of tenant engagement models will therefore need to capture the purpose for which tenant engagement in governance is being undertaken in different contexts.

4. Scale and Scope of Involvement

Rather than continuing with the theoretical characterisation of tenant engagement in social housing governance of previous 3 sections of this review, this section deals with the practical manifestation of these different outlooks, by providing an idea of the scale and scope of operation within which tenants are involved in governance. By linking the discussion in the earlier sections to some examples here of different organisational forms, this should logically lead to a typology of tenant engagement models which connects the thematic approaches with frameworks of operation.

Different organisational models of tenant involvement can work to create governance partnerships where "power is in fact redistributed through negotiation between citizens and powerholders. They agree to share planning and decision-making responsibilities through such structures as joint policy boards, planning committees and mechanisms for re-solving impasses." (Arnstein, 1969, p.221)

Tenant engagement takes place in different organisational forms including TMOs/estate management boards, Coops, Community Mutuals, Community Based Housing Associations, community-led housing organisations, housing associations and local authorities.

As an example, Pawson and Mullins (2010) describe the role of tenants in the governance structure of the first community gateway stock transfer completed in Preston in 2005. The Community Gateway Association is housing association of 6000 homes, owned by tenant and resident members who elect a key decision-making body,

the Gateway Tenant Committee (GTC). The scope of their decision-making includes repairs and maintenance procurement, while other roles have included participating in developing a new community transport service, a youth inclusion strategy, and developing new community-led homes. (Bliss et al, 2015)

Smaller community based organisations can enjoy a high degree of local accountability and legitimacy through effective resident engagement in governance however they can be viewed as being less in control and more dependent on local authority because of their small scale. (Clapham and Kintrea, 2000)

Scale is a key aspect of decision making processes involved in tenant governance particularly with devolved budgets and local decision making. Since scale and scope relate to the both the purpose and rationale behind tenant involvement in governance, as well as to the operational and structural issues of how this involvement takes place, they can be employed to frame a typology or models of tenant involvement.

KEY POINTS

1. There are **conflicting perspectives** on the role of tenants in housing governance and these have implications for the approaches to tenant involvement.

2. A prevalent view of tenants being actively involved in housing governance is that it implies **tenant board members** on organisational boards.

3. The role of tenants in corporate governance is linked to **hierarchy,** with the inherent presumption that it would be better to be at the top of the ladder (Arstein)

4. There is actually **a wider spectrum of approaches** by which tenants can be part of corporate governance and accountability structures.

5. The **consumerists vs citizenship debate** considers whether tenants should be regarded as customers or consumers or active participants in the housing.

6. Consumerist approaches would argue that tenant involvement should be service or **customer service orientated**.

7. Citizenship is linked to **participatory approaches** and co-management.

8. **Organisational scale** impacts on the type of tenant involvement models adopted, with a unique set of problems related to different sized organisations or areas of activity.

9. **Large organisations** have particular issues about tenant representation across its management hierarchy from corporate level to front line and strata in between.

    The Community Gateway Model in Preston had tenants represented at Board level but also involved in local engagement projects. The NIHE has different levels of tenant representation across it's hierarchy.

10. A high level of local involvement and local accountability is possible in **smaller organisations** such as co-operatives and Tenant Management Organisations.

11. Key to models of tenant involvement is understanding **what is the purpose** of involvement i.e. **what is the problem** that tenant involvement is trying to solve?

12. The purpose of tenant involvement includes **design, good practice,** social and **community enterprise**, linking to a **broader regulatory structure** and **accountability** to residents (TSA, scrutiny panels etc).

RESIDENT INVOLVEMENT IN HOUSING GOVERNANCE - DRAFT TYPOLOGY

Drawing on this literature review we have identified the following archetypes of resident involvement in governance from which case studies can be selected to clarify underlying principles and how these models work in practice.

Type	How does this model involve residents in Governance?	Case studies
Estate level within local authority sector under **right to manage**	TMOs and EMBs.. ....tenant majority committees devolved budgets ...mainly operational ...LAs remain landlord Leathermarket interesting case as involved in new build social housing and design in the locality (a high land value area adjacent to the Shard)	**Leathermarket (1)** WATMOS
Estate Level – support for new residents to take on responsibility for running local facilities for residents in new	Consultant/facilitator is appointed by municipality/housing	**Vienna hauptbahnhof (2)**

social/collaborative housing in Vienna	fund to work with residents prior to occupancy. Residents take on responsibility for some local facilities	
Small scale organisations: independent entities run by the residents and following ICA principles	traditional coops – independent self-governing ..operational and strategic ….may be serviced by Secondaries NW housing services interesting because actively supporting expansion of new coops CCH work in Wales selected because shows the scope for start from scratch approach with active support from HAs and knowledge transfer from CCH to HAs and residents	Small Heath coops, Birmingham Redditch CDS London NW housing services Liverpool **CCH promotion of new coops in Wales (3)**
Community based housing associations; locally focused and governed HAs – especially in Scotland but some in England (including estate based stock transfers)	HA model with greater emphasis on resident involvement including in formal governance Suggest Poplar HARCA because a longstanding leader in community based stock transfer and CEO is actively interested in NI.	**Poplar HARCA** (4) Castle Vale (now Pioneer) Birmingham Scottish CBHAs
Larger organisations: range of models here some with majority tenant governance on boards	Denmark a longstanding example of tenant led governance of	

	housing associations of all sizes. Scotland – Glasgow transfer interesting because of comparable size to NIHE. But strong existing networks mean there are limits to additional learning that would be provided by inclusion. Instead propose Preston case below .	
• Community Mutuals, Community Gateway, Rochdale staff and tenant mutual model	Stock transfer models in England and Wales Resident majority boards CCH suggests Preston Gateway worth studying because of the emphasis on neighbourhood level engagement and projects alongside corporate governance involvement at Board level	**Preston**, (5) Watford , Rochdale Tai Calon,
• Traditional stock transfers 1/3 1/3 1/3 tenants in boards	Post 1997 English stock transfer model	Very widespread but tending to dilute tenant (and LA) involvement over time though smaller business boards and mergers
other forms of accountability and purposes for involvement	-	-
o tenants panels and committees at area and region level	May be 'consumerist' or about sharing power	NIHE itself. The role of the Forum will be a key feature of the

	for certain (usually operational) matters Differs from TMOs in LA sector as there is no HA right to manage	NIHE case study; and it is intended to combine this with exploration of more local and area based initiatives, perhaps associated with social enterprise Larger English HAs
o Resident scrutiny – **regulation and inspection roles**	Roles promoted by regulation and inspection regimes in England particularly under Tenant Services Authority	Many English HAs Some NI HAs e.g. Choice already have these arrangements which will be explored in NI case studies.
o Tenant led **social businesses**	Achieves engagement and tackles unemployment and stimulates local economy – can use procurement power of landlord – estate maintenance work, grounds maintenance etc	Some English and Scottish HAs This is likely to form part of the NIHE case study
o Tenant involvement **in design of social housing estate regeneration**	How local community involvement can improve design, especially of communal spaces and neighbourhood facilities	CABE has compiled set of good practice briefings : includes Leathermarket case (Kipling Estate) covered above and interesting Hull (David Lister School) site.
Sector Governance	Area based consultation with tenants and residents.......whole Local authority and main municipal district (in Amsterdam and	**Amsterdam (6)** had earlier tripartite system (Municipality, HAs, tenants federation) on which the new statutory arrangement builds.

		Rotterdam) – Netherlands new duty to consult 2015 Housing Act	good contact at Amsterdam tenants federation on how it works in practice

REFERENCES:

Bliss, N., Lambert, B., Halfacre, C., Bell, T., & Mullins, D. (2015) An Investment not a Cost: The business benefits of resident involvement. Tenants Leading Change: DCLG http://www.cch.coop/wp-content/uploads/2015/07/TLC-An-investment-not-a-cost.pdf

Bradley, Quintin(2008) 'Capturing the Castle: Tenant Governance in Social Housing Companies', Housing Studies, 23: 6, 879 — 897

Bradley, Quintin(2011) 'Trouble at the Top: The Construction of a Tenant Identity in the Governance of Social Housing Organizations', Housing, Theory and Society, 28: 1, 19 — 38

BSHF (2012) Tenant Involvement in Stock Transfer. Improving education to unlock potential

Cairncross L, Clapham, D and Goodlad, R (1997) Housing management, Consumers and citizens. Routledge.

Cairncross L, Clapham, D and Goodlad, R (1994) Tenant participation and tenant power in British social housing

Caimcross, L.D. Clapham, and R.Goodlad. (1990). The pattern of tenant participation in council housing management'. Discussion Paper No. 31. Glasgow: Centre for Housing Research.

Clapham D and Kintrea K (2000) Community-based housing organisations and the local governance debate. Housing studies 15.4 p533-559.

Cooper C and Hawtin M (1998) Resident Involvement and Community action, Theory into Practice. Coventry, CIH.

Flint, J. (2002) Social housing agencies and the governance of anti-social behaviour, Housing Studies, 17(4), pp. 619–637.

Flint, J. (2003) Housing and ethopolitics: constructing identities of active consumption and responsible community, Economy and Society, 32(4), pp. 611–629.

Flint J (2006) Maintaining an Arm's Length? Housing, Community Governance and the Management of 'Problematic' Populations Housing Studies, vol. 21, No. 2, 171–186,

HACAS, Chapman Hendy (2003) Empowering Communities The Community Gateway Model. Housing Corporation.

Cliff Hague (1990): The development and politics of tenant participation in British council housing, Housing Studies, 5:4, 242-256

Hickman, Paul(2006) 'Approaches to Tenant Participation in the English Local Authority Sector', Housing Studies, 21: 2, 209 — 225

Langlands (2004) The Good Governance Standard for Public Service OPM and CIPFA,

MacCormack, J (2009) `Better the Devil You Know': Submerged Consciousness and Tenant Participation in Housing Stock Transfers. Urban Studies 46:391

Manzi, T., Simpson, I., & Bailey, N. (2015) Success, Satisfaction and Scrutiny: The business benefits of involving residents. University of Westminister: AmicusHorizon http://www.amicushorizon.org.uk/CHttpHandler.ashx?id=20553&p=0

McDermont M (2004) Housing Associations, the Creation of Communities and Power Relations Housing Studies Vol. 19, No. 6, 855–874

McDermont M (2007) Mixed Messages: Housing Associations and Corporate Governance. Social & Legal Studies 2007 16: 71

Morag McDermont, Dave Cowan and Jessica Prendergrast (2009) Structuring governance: A case study of the new organizational provision of public service delivery. Critical Social Policy 2009 29: 677

McKee, K. and Cooper, V. (2008) The paradox of tenant empowerment. Regulatory and liberatory possibilities. Housing Theory and Society 25.32 132-46.

McIntosh A (2008) To see ourselves as others see us – but first Excellent governance in the Tenant Services Authority and National Tenant Voice era. Self-assessment toolkit. Housing Quality Network.

Mullins, D. (2006) 'Competing Institutional Logics? Local Accountability and Scale and Efficiency in an Expanding Non-Profit Housing Sector' Public Policy and Administration 21.3 6-21.

Mullins D Beider H and Rowlands R (2004) Empowering Communitis, improving housing: involving blanc and minority ethnic tenants and communitis. Housing Corpoartion.

Pawson, H and Mullins, D. (2010) After Council Housing. Britain's new social landlords. Basingstoke, Palgrave (chapters 5 and 7 most relevant)

Simmons R and Birchall J (2007) Tenant Participation and Social Housing in the UK: Applying a theoretical model. Housing Studies 22.4 573-596

Victor, C. and Malpass, P. (2011) 'Every Tenant Matters'? The New Governance of Social Housing in England. Housing Studies, Vol. 26, No. 3, 449–458, April 2011

Scotland

David Clapham & Keith Kintrea (2000): Community-based Housing Organisations and the Local Governance Debate, Housing Studies, 15:4, 533-559

McKee, K. (2008) Transforming Scotland's Public sector Housing through Community Ownership: The reterritorialisation of Housing Governance? Space and Polity, Vol. 12, No. 2, 183–196.

McKee K (2009) Regulating Scotland's Social Landlords: Localised Resistance to

Technologies of Performance Management Housing Studies, Vol. 24, No. 2, 155–171

Northern Ireland

A Tenant Participation Strategy for Northern Ireland. A Draft for Consultation 2015-2020. DSD: Belfast
https://www.dsdni.gov.uk/sites/default/files/consultations/dsd/shrp-tenant-participation-consultation-document.pdf

Muir, J. & McMahon, M (2015) Involving Everyone. Including Easy to Ignore Groups in Housing Policy and Strategy Development in Northern Ireland http://housingrights.org.uk/sites/default/files/Easy%20to%20Ignore%20Full%20Report%20-%20June%202015_0.pdf

NIHE (2015) Social Investments in Social Housing Communities. Northern Ireland Housing Executive: Belfast http://www.nihe.gov.uk/social_housing_enterprise_booklet.pdf

NIHE (2014) Community Involvement Strategy 2014-2017. Northern Ireland Housing Executive: Belfast http://www.nihe.gov.uk/community_involvement_strategy_report_2014.pdf

Tenant Participation Strategy Consultation. Original Consultation Responses in Full. DSD: Belfast https://www.dsdni.gov.uk/sites/default/files/consultations/dsd/shrp-tenant-participation-consultation-responses-full-report.pdf

Europe

Pawson, H., Bright, J., Engberg, L., van Bortal, G., (2012) Resident involvement in social housing in the UK and Europe. The Hyde Group http://www.hyde-housing.co.uk/client_files/Resident%20involvement%20in%20the%20UK%20and%20Europe_A5_120117.pdf

Arnstein, Sherry R. "A Ladder of Citizen Participation," JAIP, Vol. 35, No. 4, July 1969, pp. 216-224.