

212: BME Housing Associations involvement in local authority stock transfers

Summary of preliminary findings

Introduction and Background

The ODPM recently commissioned a review of issues relating to the active involvement of black and minority ethnic (BME) housing associations (HAs) in local authority stock transfers. The aim of the project, carried out by MDA, and lead by Colin Hann and Elaine Bowes, was to provide a snapshot of relevant issues, concerns and potential ways forward, which can be added to in the coming months.

It is important to emphasise that this is a preliminary study. As case studies used in the report show, it is still relatively early days in the active involvement of BME HAs in large-scale stock transfer programmes, and lessons will emerge over the coming months from the success - or otherwise - of the innovative approaches currently being developed.

This note provides a short summary of some of the issues identified. Details of where to obtain copies of the report are provided at the end of this summary.

Context

The context of the project included:

- Stock transfers: their background, variations and potential options for BME HAs.
- The background in respect to BME tenants participating in the stock transfer process.
- BME HA's role and the added value they can bring to the above factors.

What is a BME Housing Association?

Black and Minority Ethnic-run Housing Associations primarily developed in the 1980s and 1990s. They were originally community-based organisations that aimed to meet particular communities unmet housing needs. A BME HA is defined as one where 80% or more of its governing body is chosen from BME communities. They are now a thriving part of the HA sector.

Why the project is important

Stock transfer is a key government policy, with a significant amount of local authority stock having been transferred to new landlords, and much more in the pipeline. The ODPM is concerned that BME HAs do not so far appear to have derived as much benefit from these transfers as might have been expected. Potential barriers include such issues as:

- Local authorities not involving BME HAs in the process.
- Local authorities' and mainstream HA's concerns about the size of BME HAs and their views about their viability and competences.
- Fear of potential tenant backlash.
- Costs and input required, which can potentially be off-putting to small organisations.
- Sidelining of BME HAs by larger mainstream HAs.

Added Value

The project found that, in some areas - especially local authorities - there was confusion about what BME HAs do. Many BME HAs included in the project wanted to rectify this and to emphasise the added value they could bring to the stock transfer process. In broad terms, the project found the potential added value from BME HAs included the following:

- Their strong community base, which can provide solutions to particular issues, perceptions and problems of BME communities which mainstream HAs and local authorities cannot reach.
- Many BME HA initiatives are aimed specifically at utilising and developing housing as a means of combating multiple deprivation and discrimination. They can assist and support local authorities' and HA's mainstream equality initiatives by using their contacts and knowledge. They can represent particular communities and 'hard to reach' groups, and act as a conduit between them and local authorities and mainstream HAs.
- BME HAs have developed many innovative schemes across the UK. They are active providers of new houses as well as having extensive portfolios of housing stock via partnership with some stock transfers. Their approaches on particular initiatives can be models for others, including, for example, specialist design and allocation issues.
- BME HAs provide BME people with opportunities for new jobs, training and experience, and are a potential role model for other BME-led organisations. Their employment approaches and leadership styles have impacted positively on housing generally and the HA movement in particular (although arguably there is still some way to go).
- BME HA's initiatives are potential models in terms of wider policy initiatives, addressing issues around social exclusion, community cohesion and regeneration.
- BME HAs should be seen as an important source for enabling other's involvement in new initiatives and consultation and participation programmes, as well as assisting/supporting themselves.

Themes and ways forward

The project was primarily concerned with looking at practical examples of BME involvement in local authority stock transfers, using a number of models. These included partnership arrangements, BME HAs acting in a consultancy role, their involvement in a management role and in secondary transfers, and managing and developing their own stock.

The full report provides details of these in individual case studies. Overall themes that emerged included the following:

- Many individual local authorities recognised BME HA's potential added value. For example, a community-based BME HA can have a distinct advantage over a larger organisation, because it knows and works closely with the relevant communities. BME HAs have specialist skills (for example, language skills and cultural sensitivity) and have the trust of some groups that larger organisations cannot compete with.
- BME HAs can create a demand. There were several examples of BME HAs generating demand for previously unlettable properties.
- 'Small can be beautiful' - BME HAs can generate confidence amongst local tenants in local community-based organisations.
- Some local authorities recognised how BME HAs could help them develop a local BME strategy and identify BME communities' needs. For example, in the north of England local authorities with relatively small BME communities found working with BME HAs particularly helpful.

- BME HAs were used on a consultancy basis as part of a stock transfer process. For example, BME HAs can provide a number of services, including interpretation and translation and running workshops targeted at particular communities and residents. However, it is important that local authorities factor in and pay for such consultancy. Early involvement of a BME HA in the stock transfer process can also lead to the development of positive partnerships, and arrangements to work with a BME HA after a successful stock transfer.
- One point that was emphasised was the myth that BME HAs could only manage properties in inner city areas, and not in 'white' areas. Case studies showed that BME HAs could be part of managing stock in such areas, also potentially giving BME communities a wider choice of areas in which to live. Such initiatives relate to the themes of community cohesion and the potential breaking down of barriers between communities.

Other points that emerged from the case studies included the following:

- The need to take a flexible and pragmatic approach, a view held by many BME HAs. They recognised the need to be able to argue a strong business case for any particular project, including how some projects are part of an estate that could fit into a BME HA's portfolio. Like the agencies they work with, BME HAs recognise the need to have flexibility, be pragmatic and, as well as retaining their community and diversity focus, also be attractive and be seen as a viable option to wider groups of tenants.
- A crucial issue frequently raised was the leadership given to a potential stock transfer process from all relevant agencies. The project found that where there was local leadership, or a particular individual or group of individuals wanted the transfer, the BME HAs could work creatively with, or in partnership with, a local authority or mainstream HA. There are many ways for BME HAs to play an important role in stock transfers and, taking account of their size and expertise, commitment and leadership is needed to make it happen.
- A BME HA can achieve substantial rates of growth within a large group structure. The vast resources (financial and expertise/skills) that a smaller HA within such a group can call upon are a tremendous advantage. In areas with large BME populations with diverse unmet needs, a BME HA in a group can enable better consolidated and more focused delivery of the housing and related solutions.
- Management before full transfer into ownership can enable the (potential) new landlord to demonstrate that it can indeed improve on services etc., and enables it to build up a relationship of trust with the tenant. Tenants are more likely to vote for the potential landlord if they are happy with the service delivery.
- Effective partnerships are crucial. When the local authority and the HA(s) are not working together, a poor tone can be set and mistrust can become a problem. A shared vision and commitment is necessary for a successful outcome, supported by full knowledge of strategies and commitment to share information honestly and work together to achieve success.

Overall it is clear that BME HAs can play an active role in the stock transfer process.

Some Key points for local authority and mainstream HA consideration include the following:

- BME HAs should be part of the consultative process in stock option appraisals. Their role should be defined at the beginning of the process, along with a possible consultation role, and how they will more broadly be part of the formal stock transfer process. This may include immediate involvement and/or later direct or indirect involvement, possibly in a partnership or secondary transfer role.
- Local authorities should also consider how they can promote more partnership approaches between BME and mainstream HAs. BME HAs should form part of any 'partnership protocol'.

- More generally, local authorities should involve BME HAs as part of their BME strategy. Part of this will be predicated on the number of BME HAs operating in their area and what they do. Where appropriate, local authorities and mainstream HAs should involve them in capacity building programmes.
- Local authorities should also, where appropriate, consider developing a specific BME HA strategy, and consider involving BME HAs as part of a targeted programme, whereby a proportion of properties is earmarked to be potentially developed or managed by BME HAs.
- Any stock transfer process being developed by local authorities should include an impact assessment (in compliance with the Race Relations Amendment Act). The active potential involvement of BME HAs should form part of any such assessment. As part of this process, information and background on the BME HAs should be available to local authority staff, including an outline of the added value that such organisations can bring to the process.

The ODPM and the Housing Corporation, as part of the stock transfer process, intend to keep the role of BME HAs under review, along with the identification of good practice. As part of this, the ODPM is currently undertaking a number of detailed pilot studies with BME HAs and local authorities involved in the stock transfer process.

Further Information

Further information is contained in the full report, *Black and Minority Ethnic Housing Associations and their Local Authority Stock Transfers*, available from:

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