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Housing Associations

The Policy and Practice of
Registered Social Landlords

Second Edition

Helen Cope

BA(Hons), FCIH, CertHFE

palgrave
macmillan

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*To my beloved William
and in memory of my parents
Irene Cope (1920–98) and
Sydney Cope FRCP (1920–90)
with love and thanks*

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Preface to the First Edition

I was stuck in a traffic jam in London when the cab driver, having already elicited my life story asked, 'Well then, what are these housing associations? I've seen their signboards about the place. What makes them different from any other private landlords?'

Although huge sums of public money are invested in associations each year, little is known by the public (even those with 'the knowledge') about the nature and activities of these diverse organisations. Such ignorance must cause concern, given the Government's intention that housing associations should become the major providers of rented housing as part of the process of de-municipalisation, which since 1980 has seen local authority house building virtually cease and one million public sector rented homes sold off through the right to buy. If housing associations are to embrace this wider role then their nature and their work should be widely publicised and subjected to scrutiny. I hope that this book will contribute to that process.

It is aimed at anyone with an interest in the housing association movement – tenants, councillors, committee members, officers and students. Its purpose is to examine the activities of housing associations and the range of needs that they meet. It explores policy issues and attempts to evaluate the movement's performance in the light of best practice.

The Housing Act 1988, which advanced the process of privatisation through tenants' choice and other provisions, also established a new tenancy regime and financial framework for housing associations. The latter incorporated a more limited system of subsidy which will inevitably lead to higher rents. Although the capital programme of new development is to expand, whether the rents produced by the financial framework will enable associations to continue to house their traditional client groups, those on low incomes and in housing need, remains to be seen. The book examines, in detail, the impact of the Housing Act 1988 upon the work of housing associations and explores the challenges which face the movement in the 1990s. It also considers the extent to which housing associations are accountable for their actions and for the public funds that they receive. In 1989/90 alone, over £1000 million was

invested in associations yet their committees of management remain self-selecting. It could be argued that this situation is no longer tenable; the record of associations in terms of accountability to their tenants, to the communities in which they are active and to the public at large, is a further theme of the book.

The text commences with an examination of the context in which housing associations operate, their structures and activities and the agencies with which they work. The main disciplines of finance, development and management are then explored. Specialist activities are considered, in particular, the movement's role in meeting the housing needs of older people and in providing shared housing and hostel accommodation for those individuals with special requirements. The development of housing for sale is also considered. It concludes by examining the shape and composition of the housing association movement in the 1990s and assesses the tensions imposed by the increasingly commercial climate which now prevails.

The voluntary housing movement embraces a variety of organisations and activities. The constraints of space make it impossible to cover every aspect of the movement in the desired depth. The book concentrates on the mainstream providers of housing to rent and refers only in the broadest terms to other arms of the movement, such as almshouses and co-operative housing associations which deserve texts in their own right. It also concentrates on the work of housing associations in England, although some reference is made to both Scotland and Wales.

Wider aspects of housing policy, law, finance and management are dealt with in other books. This examination is therefore limited to those aspects of policy and practice which are of particular relevance to housing associations.

I would like to thank the many people who have assisted in the preparation of this text. Officers of the Housing Corporation and the National Federation of Housing Associations: Steve Ongere, David Salathiel, Alan Lewis and Bill Randolph who supplied statistical information. The material provided by numerous housing associations including Anchor, Hanover, Merseyside Improved Houses, North, Orbit and Rodinglea is also appreciated. Special thanks to Laura Donnelly, Grahame Hindes, Ruth Hole, Mike Langstaff, David Murdoch and Pat Rushton who painstakingly read various parts of the text. Any errors which remain are of course mine, and mine alone. To Belinda Dyson and Marie Holly who typed and retyped the constantly changing text and finally to Pete, for an endless supply of food, drink and patient encouragement without which the book would not have been completed.

Preface to the Second Edition

Almost a decade on from the first edition of this book, housing associations and their work are perhaps a little better known to the public at large. At least they now feature from time to time in television soap operas or crime series although perhaps that is of dubious benefit!

The sector has grown enormously during this period. Some 2000 housing associations now own over one million social homes and have assets worth over £36 billion. Some £700 million of government capital grants are invested each year in the sector matched by the equivalent in private finance. Private loans presently exceed £14 billion. Housing associations now employ over 60 000 staff involved in the delivery of housing and care services in some of the nation's most deprived areas. Each year over 50 000 new households become residents of housing associations. Since 1989, several local authorities have also transferred their housing stock into large, locally sponsored housing associations. The sector is now of national significance, and the aim of this book continues to be an attempt to inform the wider public, councillors, students and anyone with an interest, about the work of the independent housing sector.

Housing associations are now the most common form of *registered social landlord* (RSL), a term introduced by the Housing Act 1996. Registered social landlords may also include local housing companies and other bodies registered with the Housing Corporation (a government agency which funds and regulates the sector). Throughout this book, the term RSL is used interchangeably with housing association, although this may not be strictly accurate. Presently, as most RSLs are in fact also housing associations, and given that the term housing association still appears in most current texts, is still used in Scotland and is more pleasing on the ear, it is hoped that this slight technical inaccuracy in the use of terminology will be forgiven!

As before, the book commences with a review of the context in which housing associations work and then the key operational areas of finance, development and regeneration, housing management, care and low-cost home-ownership are examined. This edition includes a new Chapter 4, which concentrates on the governance and management of RSLs.

Chapter 8, on supported housing and care, has also been considerably expanded to incorporate an examination of housing associations and community care. The final chapter, as last time, offers some remarks about future prospects as we enter a new millennium. No one can truly see into the future, but crystal ball gazing is enjoyable. Much of the final chapter of the last edition which was offered as a future scenario, has in fact turned up again in Chapter 1 of this edition (as fact, or history)!

The book goes to press less than two years into a new Labour Government and given our very fast-changing environment it has been a challenge to incorporate all the latest developments. These are detailed in the relevant chapters but chapter 11 also functions as a 'stop press' for the most recent announcements by Government.

I hope that you enjoy this book and find it of use and interest. As always I owe a great deal to many people, although I take full responsibility for any mistakes, as these are mine and mine alone. Thank you to my friends and family, especially to my sister, Laura Cope, for endless hours of devotedly reading and re-reading the text and who with William, ensured that this endless project did in fact finally reach its conclusion. Also to Jim Coulter, Chief Executive of the National Housing Federation for his ideas and encouragement and to his staff for assistance, to my personal assistant Christine Forbes for her support throughout and typing of tables, and to the former Chair of East Thames Housing Group, Nicolas Stacey and the Board of Management for their belief that this was a worthwhile project for their Chief Executive. I have since left East Thames and consequently also resigned as chair of the National Housing Federation and would like to take this opportunity to thank all my colleagues at East Thames, the Housing Corporation, the National Housing Federation and across the sector and housing field for their friendship and support throughout my long association with them.

January 1999

HELEN COPE