



H&F RESIDENTS'
COMMISSION ON
COUNCIL HOUSING

H&F Residents' Commission on Council Housing

Blueprint for a new housing organisation

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The London Borough of Hammersmith and Fulham

RESIDENTS' COMMISSION ON COUNCIL HOUSING

Blueprint for a New Housing Organisation

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Explanatory Note

This document is a supplement to the Report of the Residents' Commission on Council Housing, published by the Hammersmith and Fulham Residents' Commission on 3 November 2015. It summarises a series of workshops, reports and research by members of the Residents' Commission between March and November 2015 and is supported by other detailed working papers. It also draws extensively on the evidence gathered by the Commission during its programme of study visits to other organisations and its series of public hearings. The background to the work of the Commission, and its findings, conclusions and recommendations, are fully documented in the main Report.

1. Purpose and Context

As part of its remit to look at the options for the future of council housing, the Residents' Commission decided it should consider how the housing services provided to residents could be improved, putting residents at the centre of service delivery and making sure that services were designed around the demographic profile, needs and preferences of residents.

This workstream ran in parallel with the Commission's other concerns, namely, how to ensure residents could have greater local control over their homes, how to maximise investment in those homes and how to deliver new homes and regeneration for the Borough.

The Commission has now recommended that the Council's homes should be transferred to **a new housing organisation**, a housing association for Hammersmith and Fulham with residents as its members.

The key arguments in support of this recommendation were the **legal** argument, that residents could only feel safe if they controlled the organisation that runs their homes, and the **financial** argument, that only a new housing association could raise the money needed for investment – in existing and new homes.

The Commission's thinking about service improvements has therefore played a key role in defining what will be expected of this new housing organisation and what it should look like: this work came to be known as the Blueprint.

Alongside its initiative in setting up the Residents' Commission, Hammersmith and Fulham Council had already embarked on a drive to improve housing services to residents. The commitment to work with residents and to encourage residents to have more of a say on housing services had been expressed in the Council's new Housing Strategy:

Housing Strategy Action 14: The Council will work with residents and other interested parties to develop and implement new and better approaches to engage with residents to improve the delivery of housing services

The Commission acknowledges that there is an existing direction of travel towards improvements in the Council's housing services. However the Blueprint envisages that there is the potential, with a housing stock transfer, to go much further – creating not just a new organisation, but a new type of organisation.

The timing of our work as a Residents' Commission has placed us at a watershed in social housing policy in this country. This creates a unique opportunity for Hammersmith and Fulham to break new ground and develop a new model of community housing organisation.

2. A New Housing Organisation

A new model of community housing organisation would present a new offer to residents, based on trust, security and openness, and to staff, with a focus on people-centred services and career opportunities. Equally it would present a new offer to the Borough, working with the Council as a key strategic partner supporting neighbourhoods, opportunity and quality of life.

Even as the Commission was doing its work through the summer of 2015, the role of social housing in the UK was being dramatically reshaped by the new Conservative Government.

A series of policy announcements culminating in the publication of the Housing and Planning Bill – just three weeks before the launch of our report – compelled the Commission to think more imaginatively about the kind of organisation needed to take on the stewardship of council housing and estates across the Borough.

When we began to write our report we were clear that a ‘community gateway’ housing association for Hammersmith and Fulham was our preferred model – with the constitutional safeguards of a resident-only membership and the ability to raise investment finance freed from the restrictions of the Council’s debt cap.

The functions of this new housing association would include all the traditional landlord functions – lettings, rent collection, repairs and maintenance, managing tenancies and estates. It would deliver an investment programme and it would deal with Right to Buy applications and provide services to leaseholders.

But our thinking about the scope of the new organisation went on to embrace a number of other themes: provision of new homes, new routes into home ownership, the regeneration of estates, localism and the local economy, new ways of providing and funding services, community development and local enterprise.

In an era of shrinking public services, in a Borough with some of the highest and fastest-rising house and land prices in the country, the new organisation needs to be capable of being a major player on a number of levels – and a key strategic partner for the Council.

We saw plenty of clues to the qualities required of a new housing organisation in our study visits and public hearings – agile, visionary, principled, people-centred, innovative, positive in outlook.

We know that good leadership and strong governance are essential. We understand that most residents simply want a good standard of accommodation but that many also want some say in decision-making. Above all, we believe that all residents want to feel safe in their homes.

Stewardship means responsible and forward-looking management of homes and estates by the landlord organisation – but residents should be involved in all of the decisions that affect their future. The key is trust – and trust is built on personal contact, accessibility and reliability.

The Blueprint therefore sets out our vision of what the new organisation should be like. We intend this to be the basis for the development of an ‘offer’ to residents should the Council accept our recommendations and decide to put a transfer proposal to a ballot.

3. Values and Design Principles

What will the new organisation stand for and what will its values be? Will it know how to run housing and make the right decisions? Who will be on the Board? On the other hand, how will it be different if it's the same staff? How do you change old habits and systems overnight?

We aim to set out in this Blueprint the many ways in which the organisation would be different in form – legal structure, membership, leadership, for example – but the differences in its character, the persona of the organisation, will stem from its **values and design principles**.

We produced an original list of core design principles, cited in our report, in the light of our learning and the evidence we received. Since producing our report, we have developed these further:

- 1. A people-centred organisation with vision, clear leadership and strong governance*
- 2. Personal contact with named individuals in the foreground and good systems and technology in the background*
- 3. Good knowledge about residents, homes and communities enabling the service to anticipate what's needed rather than wait for things to go wrong*
- 4. Easier access to services by telephone and in local neighbourhoods with better online access wherever this makes it easier and more convenient for residents*
- 5. Recognition of the distinctiveness of different estates and neighbourhoods across the Borough and their different service and investment needs*
- 6. Support for residents to do more to improve their own estates, neighbourhoods and communities including self-management where this is what residents want and where it will be effective*
- 7. Connectivity – support for residents to build networks and connect with organisations, services, opportunities and each other for mutual benefit*
- 8. Readiness to innovate and build partnerships to meet future needs and be a pathfinder in social and technological progress*
- 9. Making resources go further and doing more for less means working more closely with those who use services, not withdrawing from them*

4. People-Centred

The formation of the Residents' Commission has in itself been an example of a new approach to service provision in Hammersmith and Fulham. The emphasis on working with residents, doing things with people rather than to them, was given expression in a body mainly comprised of local residents that was to assess the options for the future of council housing.

In looking beyond the Borough and learning from other organisations in the course of our work we found repeated endorsement of the need to bring residents in from the periphery – simply receiving services – to the centre, where their experience can shape and develop not only services, but also strategy. And we naturally paid particular attention to organisational models that gave residents a governance role and a sense of ownership.

But the idea of a 'resident-led' organisation is easily misinterpreted or misunderstood: by residents, who may think it means that residents are expected to do everything themselves; and by staff, who may have anxieties about their work being directed by non-professionals.

Good services and performance, good organisational outlook and morale, and good leadership and governance are not achieved solely by encouraging residents to take on a new role. These things depend just as much on the organisation being a good one to work for, offering scope for personal development and rewarding initiative.

So the term we prefer is 'people-centred'. This reflects the aims first, of services being designed around knowing who those services are for, and what their needs and preferences are, second, of services being accessible to residents and easy to use and third, of the organisation having a culture of being the best - both being the best at providing services and being the best place to work.

It is a short step from these ideas to see that residents and staff working together can offer the best of both sets of skills, knowledge and experience. We saw some good examples of this and believe there is great potential to develop new forms of collaboration between residents and staff.

We recognise that for many residents their primary interest may be in improving where they live rather than running the organisation that owns their homes or estates. So there should be opportunities for residents to play as much of a role as they want at the local level. This is of course at the heart of the 'community gateway' model.

Building the new organisation around its people is therefore fundamental to our concept of the Blueprint.

5. Membership

The 'community gateway' model of housing association is based on the idea that where residents in a given 'community area' have the aspiration and the competence to do so, the association's rules allow them to take greater responsibility for running their own housing and services.

However, even more fundamental than this is the idea that the 'membership' of the association – the custodians of its purposes, constitution and rules – should be open to residents only (in the Rochdale Boroughwide Homes model of the 'mutual' housing association membership is also open to staff).

Individual residents have to opt to become part of the membership – and if they do so they acquire membership rights. These include being able to vote at general meetings on any changes to the rules, being able to stand for the Board and being able to vote for the Board.

Whether or not there is an option of membership, many housing associations offer tenants other types of incentive, entitlement or benefit – for example, by keeping clear rent accounts and fulfilling tenancy obligations tenants earn points that can be redeemed as money vouchers or rent-free weeks.

Equally, many different types of organisation, including housing associations, offer their employees a range of incentives or benefits – for example, financial or other rewards for good performance, loyalty, initiative or long service.

In a people-centred organisation residents and employees alike should have a stake, a sense of belonging and a sense of being valued.

Our idea of membership, then, is radically new. It is that everyone who either lives in one of the organisation's homes or works for the organisation, would automatically be a 'member'. This 'membership in name only' would come with a membership card and the intention, at least, that there would be a sense of connection to the organisation.

A 'member', as such, would have no additional rights or obligations beyond those in their tenancy agreement, lease or contract of employment. But all members would be able to activate and enhance their membership in a number of ways.

So, by registering as voting members, residents and staff could become active members of the housing association, with an entitlement to vote at general meetings, to vote for Board members and, subject to eligibility, stand for the Board. On the evidence of the 'community gateway' organisations we visited, we think at least half of all residents would choose to participate in this way.

By, for example, maintaining a clear rent account, a tenant member could earn credits or additional 'enhanced membership' benefits. Members could also earn benefits by their contributions to the functioning of the organisation – taking part in scrutiny or service improvement work, for example.

We believe this idea is worth developing in consultation with residents and staff in the months leading to a transfer ballot.

6. Governance and Leadership

The Commission's recommended organisational model – the 'community gateway' model – does not come in a fully prescribed form. The 'membership' principle has been outlined in section 5 above, suggesting the possibility of having a universal 'passive' membership and a voluntary 'active' membership – but these ideas would need to be built into a properly drawn up Memorandum and Articles of Association along with a statement of the organisation's purposes.

Equally, the structures of the Board, the 'classes' (if any) of Board membership and the responsibilities and qualifications of Board Directors, have yet to be considered and agreed.

In between the membership (passive and active) and the Board, there is the possibility of establishing an elected, representative assembly of members, whose role would be to scrutinise the Board's decision-making and performance, holding it to account.

However the preferred model of governance emerges it needs to be clear that the different levels of governance – whoever occupies them – have different and separate functions, which must neither overlap nor become confused.

The (active) membership will 'own' the association. They will not individually own any equity in its assets, but they will collectively own its constitution and will have power over any changes to its rules.

That said, as a body registered with the Social Housing Regulator and possibly the Charities Commission, the constitution and rules will need to be in a specified form and the organisation will need at all times to meet regulatory standards.

The Board will be the governing body, which defines and upholds the association's values, sets policy and strategic priorities, is responsible for financial viability and regulatory compliance and gives direction to the Executive management team.

The Executive management team will be both strategic and operational leaders, responsible on a day-to-day basis for making sure the ethos and culture of the organisation runs through everything it does. But our concept of leadership is more one of inspiration than of command. We envisage a relatively flat management structure with a strong emphasis on teamworking and a high priority being given to the retention and recruitment of people with the right values and attitude.

Arrangements for scrutiny and service improvement could take a number of forms, but our strong preference is for a collaborative model that involves both staff and residents.

Meanwhile we expect the organisation to aim for the highest possible benchmarking of its performance, not only as a social housing landlord and service provider but also as an employer, e.g. through 'Best Companies'.

7. Knowledge and Learning

The Council's existing model of a generic service has tended not to rely on detailed knowledge of tenants and leaseholders. Services have in the past been designed from the standpoint of how to organise and deliver services rather than who is receiving them. We formed the view that a new organisation should invest in getting to know residents well, understanding their needs and preferences and designing services to fit their profile.

On one level this is a question of being effective and recognising diversity – designing services around the profile of those receiving and needing services; on another level it is a question of trust. By sharing personal information residents will be making an investment of trust.

This trust can be repaid in a number of ways: quality of service, transparency of action, personalised support, sharing of information, knowledge and power. We believe that the new organisation should offer all these things to residents and that it will be a more effective organisation by doing so.

At the outset, therefore, the organisation will need to engage with residents to get to know them better – their needs, their service preferences, but also their skills, how they might want to be involved and what they might be able to offer.

This knowledge will give the organisation a better understanding of the diversity and demographics of residents as a basis for more targeted services, and it will help the organisation to assess whether services are organised in the right way, both functionally and geographically.

But it will also enable those who want to, to become actively involved with the organisation at whatever level they choose – for example, by opting to be part of a service improvement team, an online forum, a feedback network, a scrutiny panel, a communications group, part of a co-learning and service development group with members of staff or even take on self-management. And there would be scope for residents to use this knowledge base to establish their own networks, community or interest-based, that need have nothing to do with housing or landlord services.

Of course staff will be as much at the centre of the organisation as residents, and investing in their skills, knowledge and personal development will be a key organisational priority.

In this context staff appraisals may be more constructive and personally supportive if they use open feedback rather than a form-based process.

Staff should be encouraged to try new ways of doing things, to learn from other organisations on study visits, to take part in co-learning and service development groups with residents and other staff colleagues, to develop partnerships with other organisations and to allocate time to research and learning.

8. Organisational Functions

While it is a fundamental design principle of the Blueprint that services should be designed around the profile, needs and preferences of residents, we envisage that the organisation's functions would be arranged in a relatively conventional structure, but with a clear strategic focus.

Housing and community services

with a focus on understanding residents, their aspirations and how far they wish to engage with the organisation

- the full range of housing management and community services including lettings, tenancy terminations, transfers and exchanges, tenancy and leasehold management, resident involvement, neighbourhood issues, community initiatives, sheltered housing, services and support for older people, health and wellbeing, individual repairs requests, planned maintenance and major works liaison, environmental services, rents and service charge accounts, tenancy and household support services, complaints and satisfaction.

Property and neighbourhood investment

with a focus on the best use of assets and on resident satisfaction

- co-ordination of property condition and property standards information, repairs and maintenance operations, planned, cyclical and programmed investment, asset management, grounds maintenance and estate services, regeneration and new development, health and safety, energy efficiency, supply chain management, procurement, inter-borough services arrangements, utilities and services infrastructure.

Financial services

with a focus on financial sustainability

- Revenues, financial assessments and accounting, financial inclusion, business planning, budgeting and financial strategy, payroll, investment funding and treasury management, risk management, insurances, regulatory compliance, value for money and quality assurance.

Organisational development

with a focus on performance and on people realising their potential

- Governance support, performance management and reporting, information and communications technology, communications, publications and marketing, human resources, recruitment and personal development, business development and innovation, strategic partnerships and social enterprise.

TUPE will determine the mechanism of staff transfers but the new organisation should launch with an induction programme for all staff that immediately establishes the change of culture.

At the point of transfer it is envisaged that services currently provided under contract will continue, although there will need to be contract negotiations to ensure that the ethos of the new organisation is reflected in all aspects of service delivery.

It will be important to review service access arrangements, ensuring that residents can reach the right people quickly and readily, and that front-line services are resourced to give a human, personalised response, while technology whirrs efficiently in the background.

9. Enterprise and Community

It took time for the Commission to get used to the idea that only a new organisation could deliver the safeguards and the investment we had been asked to find. But as soon as this became clear we began to see a bigger picture, opening up a new field of opportunity.

We were told in our public hearings how important it is to have a wider vision. This was said by, and in the context of, organisations that have become key players in the areas where they work. More than just landlords, these exemplars came across as community organisations committed to the future of their areas and to present and future generations of local residents.

Despite our Borough's affluence, it is like other London boroughs in having a mixed population with many people living on low incomes. Partly because of our Borough's affluence, many households are priced out of the housing market. And like all local authorities, Hammersmith and Fulham Council will be forced to make a further wave of cuts in services to the Borough over the next few years.

In this context the potential for a new organisation to take on a wider role has become increasingly clear. Freed from the constraints of being part of the Council it will be an ideal choice as the Council's strategic partner in a number of ways.

Having a significant profile of older residents, it will be well placed to develop new services for the Borough's ageing population, working with and building the capacity of voluntary and community organisations with a local presence.

With an extensive, Borough-wide, land and property portfolio the new organisation will be a major player in regeneration and in the provision of new social and market homes. This role opens up a number of linked opportunities, to stimulate and support new employment, new social enterprises, new technology and new ways of meeting the infrastructure and energy demands of future lifestyles. We think there will be opportunities for the organisation to develop income-generating ventures that will create jobs and help to spread the Borough's wealth between more of its residents and communities.

Most importantly, it will be completely unique, as a Borough-based organisation, in being owned by, accountable to, and committed to working for the benefit of, local residents.

It will be grounded in the 99 estates and sheltered housing schemes dispersed across the Borough, in every council ward and, with its extensive distribution of street properties, in every neighbourhood. It will be scarcely possible for the organisation to deliver benefits and services for its residents without there being a positive knock-on effect in every part of the Borough.

Recognising this, there is every incentive for the organisation to look to expand its role in contributing to and supporting the wellbeing of communities, looking well beyond the landlord role.

10. New Investment

The Blueprint is intended to be a high-level outline of the organisation that would take the transfer of the Council's homes, estates and landlord responsibilities. As a high-level outline it may appear idealised, but if so we believe these ideals are entirely attainable.

There is plenty of work yet to be done to develop the ideas in this Blueprint and bring into being a viable, properly functioning and well-run organisation: the case for transfer will need to be made with central Government; the organisation will need to meet the regulatory standards for housing associations; tenants, leaseholders and staff need to be convinced that it represents their future, especially tenants, who would have votes in a ballot.

And there are many issues to be resolved and clarified in the period leading to a ballot and potentially beyond that towards an eventual transfer: constitution and governance; management structure; the detail of the 'offer'; the community and economic benefits; the options for sheltered housing; the options for new housing; contractual arrangements; the strategic relationship with the Council; the organisation's wider role in the Borough.

Our thinking about the new organisation is informed by a very clear understanding that the availability of public funding for public services, social housing and welfare spending is diminishing rapidly. We are fully aware that to be successful, the new organisation will have to make the most of its assets, its ingenuity and its human resources and will not be able to rely on direct subsidy.

But to do so it needs to come into being properly equipped – and we acknowledge that this Blueprint will require a level of initial investment. We believe the main headings for this, to be incorporated in the transfer implementation plan, set-up budgets and the early years of the new organisation's business plan, will need to include the following:

- Review of ICT and data systems
- Development and learning budgets
- Business development, partnership development and start-up support for social enterprise
- Governance support
- Neighbourhood budgets and support for resident management
- Revenue support for regeneration and new build projects
- Financial inclusion programme

These are not all high cost expenditure headings. The point of listing them is to highlight the investment needed to put the new organisation on the right footing.

With the right levels and types of investment, we believe the returns – in terms of organisational performance and effectiveness, the confidence, morale and satisfaction of residents and staff, and the quality of homes and services – will more than vindicate the work we have done on this Blueprint.