

## Launch of the Report and Good Practice Guidance

at National Housing Federation Conference

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### Speakers:

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# BME Housing Associations and Stock Transfers

Project Report and Good Practice Guidance  
September 2005

Executive Summary



# EXECUTIVE SUMMARY

1. Since the late 1980s, nearly 1 million local authority homes throughout England have been transferred to housing associations. While some vacant land has been transferred to black and minority ethnic-led (BME) housing associations, they have received scarcely any tenanted properties.
2. Since the early 1980s, the creation and growth of BME housing associations has been a key concern for BME communities and the Housing Corporation. The transfer of stock from other associations has played an important part in the development of BME associations. It was hoped that the same would happen with transfers of local authority housing stock.
3. In the wake of the Enquiry that followed the murder of Stephen Lawrence, reviews were undertaken of the work of all public bodies and their impact on BME people and communities. In response to requests from BME housing associations, the Government – through the Office of the Deputy Prime Minister (ODPM) and the Housing Corporation – has recognised that they had to address the question of how BME communities could be involved in stock transfers and, in particular, how BME associations might receive transferred stock.
4. As part of its continuing work to promote diversity in the housing associations sector, the Housing Corporation decided in 2004 to sponsor a programme of pilot studies through its Innovation & Good Practice Grants (IGP) programme, assisting a number of BME housing associations to play a part in local transfer processes. The four areas involved are:
  - Bradford
  - Tower Hamlets
  - Trafford
  - Wakefield.
5. In Bradford, a transfer had already taken place. In Trafford and in Wakefield, the process of transfer to a new single housing associations (a Large Scale Voluntary Transfer or LSVT) was already under way. In Tower Hamlets, the Council, in a resident-led process ('Housing Choice'), had selected 16 housing associations from which residents groups could choose a transfer partner. Three of the 16 were local BME associations.
6. The main findings are that:
  - (a) BME housing associations have unique and valuable skills;
  - (b) These skills are needed in stock transfers, and can bring real benefits for local communities, Councils and transfer associations;
  - (c) Local authorities do not know enough about BME needs;
  - (d) Local authorities have not generally chosen the transfer vehicles in open discussion.
7. The skills that BME associations have developed need to be applied to all major strategic change in social housing. This project has focused on stock transfer to housing associations, both new and existing. However the same principle applies to stock retention and ALMOs (Arm's Length Management Organisations).
8. In devising strategic change, Councils have often given little if any scope for BME housing associations to influence that process. BME housing needs and community cohesion have mostly been ignored, with some honourable exceptions.

"Brent is a black and majority ethnic Borough committed to providing culturally sensitive services to all of the community. The Council has for a number of years promoted BME RSLs [Registered Social Landlords] (often small specialist organisations) as a means for providing appropriate housing services. This has been achieved by up to 30% of all new affordable homes developed in the borough being owned or managed by BME RSLs. Bidders are required to include within their submission proposals for ensuring that the Council's objectives are met through this regeneration project. Bidders are not required to select a partner BME RSL at this stage in the process."

*From the invitation to tender for the South Kilburn regeneration programme*
9. All branches and agencies of government must be aware of and include BME issues in devising and delivering strategies. This is the key finding of the Stephen Lawrence Enquiry and it bears frequent repetition: Equality and Diversity are permanent issues, not flavours of the month.
10. Where, as in Bradford, there was a history of positive promotion of BME housing issues and a local BME housing association, the post-transfer engagement was strong and effective in addressing these and other strategic issues. Regional Housing Boards and Social Housing Grant (SHG) rules should support such work.
11. Where there was no such history, or there was no inclusion of BME issues or BME housing associations in the development and content of strategy, BME associations found it hard to become engaged. Examples include Wakefield and Trafford, and to a lesser extent Tower Hamlets. Community cohesion and BME housing needs were not key drivers. Indeed they were often not on the agenda.
12. The roles of the Chief Executives and Boards of LSVTs can prove critical in creating a set of values that prioritises BME inclusion and BME associations. Examples include Trafford and Wakefield, and Tower Hamlets transfer landlords Poplar HARCA and Tower Hamlets Community Housing.
13. In Tower Hamlets, with its large BME population and need for greater community cohesion, there was a lack of strategic focus on these issues in the Housing Choice process. This meant that BME housing associations and BME issues did not figure substantively on the agendas of either Council staff or residents.
14. With transfers to LSVTs and existing associations, the Housing Corporation can and should play a significant role both before and after the stock transfer in ensuring that:
  - Equality and Diversity issues are addressed by the new association;
  - new partnerships are created quickly (often to help much-needed cultural changes); and
  - all this is delivered as soon as possible after transfer.
15. The key issues that emerged were, in summary:
  - **Local Authority BME Housing Strategies** are needed to create an open door for BME HAs and communities, based on local data on people and their needs.
  - **Strategic frameworks enabling BME housing association involvement** – BME housing associations need strategic frameworks to encourage their active engagement and avoid abortive effort. The absence of such frameworks has significantly discouraged their past involvement.
  - **Regional Housing Board strategies** must include BME issues. This is to ensure that funding addresses BME needs, and that the capacity of BME housing associations is not seen as a barrier. We note that most stock transfer organisations have gone from owning and managing nil to thousands of properties at a stroke.
  - **A Housing Corporation role** on Equality and Diversity strategies is needed for new LSVTs and existing housing associations, both before and after transfer. This is to ensure that partnerships are formed with BME associations and that BME issues are addressed.
  - **BME housing associations must be involved from the outset in strategic change.** There should be a real and open choice of transfer vehicles – not just the local authority choice. BME associations should be among the prospective vehicles or partners. ALMOs should be designed to work with BME housing associations, instead of feeling the need to defend themselves against BME associations.
16. During the course of this project, substantial progress in developing relationships was made in all areas, although this was patchy in Tower Hamlets. At the time of writing, no stock has been transferred to BME housing associations. However conditions have been put in place in all areas that could, and should, lead to such transfers taking place.
17. The Project Team will revisit these pilot areas in June 2006 to see what progress has been made, especially on:
  - stock and land transfers to BME housing associations;
  - new management agreements;
  - joint working on estate management;
  - staff swaps and secondments; and
  - joint developments.

This review will be reported on in September 2006, setting out what further lessons can be learnt.
18. The following checklist has been devised for use by a range of organisations whose work will help to ensure that:
  - (i) BME Housing Associations need to be involved in Councils' strategic activities, for example Stock Options Appraisals and developing their BME Housing Strategies. This should commence before any ALMO or transfer proposals are developed.
  - (ii) Councils should ensure that their communication strategies and practices enable BME associations to play a full part in strategy making and delivery.
  - (iii) Transfer associations, especially new LSVTs, need to identify how partnerships can help contribute to business aims. They should develop the skills to ensure effective partnership and allocate time for this. Additional resources and requirements may be required to achieve this in their first year.
  - (iv) All Transfer associations, new and existing, should be required to assist in implementing all aspects – including BME aspects – of the transferring Councils' housing strategies.
  - (v) In housing association groups, this should apply to all group members – not simply at group level.
  - (vi) The ODPM and the Housing Corporation, through their regulatory and advisory roles, and the Independent Tenants Adviser (ITA) through its advisory role, have key jobs to do in ensuring that issues facing BME communities are identified and addressed effectively at an early stage in a stock transfer; and that doors to collaboration following transfer are opened in formal consultation rather than closed.
  - (vii) BME housing associations can play a valuable role in identifying and addressing these issues. Where practical, joint working between them will make this much more effective.
  - (viii) Regional Housing Boards should adopt Equality and Diversity strategies and include BME housing associations in their plans.
19. This report offers a series of challenges: for government and key departments and agencies; for local government; and for the housing association sector – transfer organisations, mainstream associations, and BME housing associations themselves. All have in the past, to a greater or lesser degree, stated their support for BME housing associations, and more particularly for the needs and problems that BME housing associations are there to meet. The recommendations set out here, and in the full report, present opportunities for all concerned to do the right thing, and make a real difference, that can impact on community cohesion, equality and diversity principles and practices, and cultural change.