Introduction

This paper reviews ways in which tenants can become involved in the workings of community housing providers. The motives for such an involvement are varied, both practical and ideological. Leading housing providers are beginning to see tenants as more than just customers, but real stakeholders in their business who should have a role in governance.

To fill a gap in current research, a survey has been undertaken of how the five largest Australian community housing providers work with tenants. The outcomes are positive – we are ahead of most US housing organisations in tenant involvement, and often approaching (and borrowing from) best practice in Britain. Given the small size and recent growth of our sector compared to Britain, this is a great achievement.

Kinetic White Papers provide an overview of key issues facing the community housing sector to stimulate debate and help decision making. The views expressed in this paper are those of the author.

KEY POINTS

• Housing providers can involve their tenants as consumers, more formally in governance, or a combination of both approaches.

• Most of the top Australian housing providers involve tenants in a variety of ways, and board membership is relatively common.

• The community housing sector’s approach is more participative and less hierarchical than for State Housing Authorities.

• Innovations are progressing quickly. Providers need to keep up to date with best practice, and learn from others in the sector.

About the Author

Tony Gilmour is an affordable housing consultant, working as Project Manager for Elton Consulting. In the academic field, Tony’s doctoral research at the University of Sydney compared approaches to expanding the community housing sector in Australia, the United States and Britain.

As a former community housing tenant in the 1980s, Tony has first hand experience of living in a property managed by the not-for-profit sector.

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Why involve tenants?

To start with a controversial point, there is no fundamental reason why tenants should participate in the decision making of community housing providers. Private tenants have no say in how their landlord runs their property portfolio, and we do not expect supermarket chains to invite customers to sit on their boards. Arguments favouring tenant involvement tend to be based on a mix of practical and philosophical motives:

- Tenants are knowledgeable about the communities they live in, therefore a useful source of ‘on the ground’ information for management. They can provide feedback on problems with property design and maintenance, potentially minimising costs. Tenants will usually be the first to identify sources of anti-social behaviour.

- Involving tenants will help differentiate community housing from public housing through emphasising the involvement of local people. State Housing Authorities are bureaucracies, imposing the same centrally-decided approach across their portfolios. By contrast, community housing providers should be able (in theory, and mostly in practice) to respond to the needs of local neighbourhoods.

- Participation helps both tenants as well as the housing organisation they are involved with. Serving on boards or tenant committees is thought to build an individual's social capital, reducing feelings of isolation, and teaching new skills. Active tenants will often be well connected to other voluntary organisations, thereby embedding the housing provider in a local support network. Hence some academics and policy makers consider tenant involvement can play a part in building community capital and social inclusion.

- Tenant involvement can stem from the traditions and legal structure of a community housing provider. Cooperatives are by their nature inclusive of tenants, and this legacy continues with cooperatives that have joined together to form ‘common equity’ models. When originally established many earlier providers had strong church links, or membership structures. Despite professionalisation and a move to more corporate structures, an inclusive legacy may remain.

Tenant participation approaches

There are two main ways tenants can be given a say in what happens to their homes. The first is through treating tenants as consumers and allowing them to express views about practical issues affecting them. This is the most common approach in the US. Examples include:

- Consulting tenants about improvements to their homes, and over local neighbourhood initiatives that may affect them.

- Seeking tenant input on customer service levels, through regular questionnaires, consultations or focus groups.

- Holding local events, such as the ubiquitous sausage sizzle, where staff and management can hear tenant views.

- Tenant meetings, for all tenants of a provider or those in a particular local area or housing development. These meetings may be top-down, allowing management to inform tenants of new developments, or more inclusive. These types of meetings inform management, but are not part of formal decision making.

- Circulating newsletters to tenants.
The second way of involving tenants is through integrating them into the formal governance of housing providers. This approach is more common in Europe than the US. Examples include:

- Tenants can be encouraged to become members of the board. They could be elected by a poll of all tenants, in which case they could be a powerful independent voice, or nominated by directors. There may be one or more positions reserved for tenants, though seldom do tenants form a majority of directors.

- Advisory bodies could be established such as a tenants’ forum or a sub-committee of the main board. Again, tenants could be voted to serve on these bodies, or nominated by directors or management. In contrast to the more informal customer based approaches, these advisory bodies tend to have a documented, regular and on-going role. They will rarely have final decision making power, though management often need to explain in public if they decide not to follow the advisory bodies’ recommendations.

- Tenants advisory bodies may be encouraged to communicate directly with tenants, possibly through a supporting structure of local tenant groups. Their work may be advertised through newsletters, and published the providers’ annual report.

- Tenants can be involved in the activities of community housing providers by working for them, either on a part or full time basis.

Individual community housing organisations make decisions on whether and how they involve tenants. The two approaches described above can be pictured as on a spectrum, with some organisations adopting one or other ‘extreme’ position, or combining both aspects. Some may chose not to involve tenants at all, though this is rare.

A community housing provider’s approach may change over time. Policies can be influenced by external factors, such as formal requirements by a regulator, the law or media pressure. Approaches will also be influenced by the drive of a strong leader, or the collective desire of senior staff. Often new ideas are copied from other community housing groups, either at home or overseas, who are seen to be ‘leaders’ in the sector.

In recent years the expansion of the Australian community housing sector has been accompanied by calls to professionalise, and to move from nominated to skills-based boards. This has probably not encouraged many provider to appoint more than a one or two tenant directors. By contrast, the growth of regulatory mechanisms in certain jurisdictions has led to a slightly more uniform approach to customer surveys, tenant policies etc.

**Overseas experience**

There is no one single approach consistently pursued by not-for-profit housing providers, either across countries or within a single country. However, there are some broad trends discussed below with examples from the US and Britain. The next section looks at Australian providers.

Tenant directors are rare in the US, and during my research in California in 2008 several interviewees thought this to be a strange line of questioning. A manager at a large community housing provider told me ‘we’re not really motivated by empowering the residents through any kind of ownership or control. You know it’s rental housing - they don’t own it. We own it … We need to be doing right by our customers, not by our owners. They’re not our owners (quoted in Gilmour, 2009, p.223).
Despite this negative view among some US managers on formal roles for tenants, there are more opportunities for local involvement. Housing providers typically devolve tenant matters to individual multi-family buildings with say 50-60 apartments. These buildings often have on-site rent payment, communal facilities, newsletters and resident meetings. Often the local property managers in each building are tenants. In one not-for-profit housing provider I surveyed in Oakland, California, one quarter of their staff either were or had previously been tenants.

In contrast to the US, Britain has a greater formal involvement of tenants in the management of community housing providers. Informal tenant roles have been a longstanding feature in Britain, building from the voluntary roots of housing associations. However, the formal role was expanded with the election of a New Labour Government in 1997 committed to encouraging more citizen involvement in public life to help build sustainable communities. At the same time, large scale transfers of social housing from the public sector to community providers became a key policy, and opposition from many tenants had to be overcome.

Stock transfers could only take place if a majority of tenants agreed - and in most cases this needed a ballot. The lure of investment in new kitchens and bathrooms to improve housing standards was not always enough for tenants, especially given a well run campaign by pressure group Defend Council Housing. Councils therefore made sure organisations managing transferred social housing would keep tenants interests at heart.

Most large stock transfer community housing organisations and virtually all Arms’ Length Management Organisations (ALMOs) followed the ‘three thirds’ rule. One third of Directors are tenants, one third nominated by the council and one third professionals. The ALMOs that didn’t use this principle went even further. The well-heeled borough of Royal Kensington and Chelsea set up a tenancy management organisation with tenants owning 100 per cent of the shares and electing 11 out of 21 Directors.

British tenants now play a major part in deciding what will happen to social housing, and not just deciding on the colour of front doors. They serve as directors on virtually all housing organisation boards, and for ALMOs over half board chairs are tenants too. Much time and effort has been spent training tenants with the necessary skills for their new responsibilities. The regulation and inspection process gives low marks to organisations that do not put tenants interests first.

The centrality of tenants to British social housing management was confirmed when in 2008 in England the Housing Corporation was replaced with a new authority known as the Tenant Services Authority. In 2009 a ‘National Tenants Voice’ was established as a not-for-profit lobbying group helping shape government housing policy. The Voice receives generous funding of $5 million annually. However, with the election of a Coalition Government in 2010, the future of these tenant initiatives is uncertain.

The box on the following page gives the examples of how one British housing provider involves tenants. Irwell Valley are a somewhat extreme example, but more in terms of the how far they ‘push the envelope’. Many other British community housing providers both treat tenants as customers and involve them in helping run the organisation.
Tenant power: Irwell Valley Housing Association

Irwell Valley is a British community housing provider managing 7,000 homes in Manchester. Originally church based, the organisation was transformed in the late 1990s by Dr Tom Manion. Son of a Birkenhead crane driver, Manion has worked as ‘bin man, ice cream seller, bouncer, turf accountant, ... qualified roofer and lifeguard’ (see Gilmour, 2009).

In 1998 Irwell Valley introduced Gold Service to tackle problems with difficult to let housing and falling tenant satisfaction. Unlike most approaches which penalise ‘problem tenants’, the scheme rewards those who comply with their tenancy agreement. Over 90 per cent of tenants are members, receiving a $1.60 cash bonus each week, a faster repairs service and discounts with local retailers. As befits a scheme inspired by an American social entrepreneur (Bob Armstrong) and one of Britain’s most successful retailers (self-made millionaire Julian Richer), tenants are now referred to as customers, and housing staff as colleagues.

Irwell Valley has three ‘customers’ on their 13 person board, elected from grass roots level in contrast to many providers who merely appoint tenants to the role. New customer board members are mentored by an existing director, provided with training and paid over $10,000 annually.

Their leading tenant, long time social housing resident Ralph Rudden, was appointed by my step mother Rita Gilmour to lead the Stock Transfer Team when properties moved from council control to Irwell Valley in 2000. In addition to being a full board director, Ralph chair’s Irwell Valley’s Residents Committee which meets every two months. The Committee reviews and amends all the housing provider’s policies.

The Residents Committee used to be a box-ticking process, but the tenants pushed for more power four years ago, and now provide detailed input. For example, they drafted most of the provider’s domestic violence policy. In 2006 Irwell Valley appointed nine Resident Inspectors who check the quality of services such as the call centre. The Inspectors, who report direct to the board, often find useful points such as discovering the head office reception did not have full disabled access.

Ralph must rank as Manchester’s best connected tenant. He is a director of Community Action Trafford, chair of the Trafford Neighbourhood Partnership and a member of the Trafford Partnership Executive which coordinates Trafford Council’s sustainable communities strategy.

In 2003, Ralph successfully bid for $350,000 lottery funding to establish the Sunshine Café, a social enterprise in a deprived neighbourhood. The café aims to build community cohesion by acting as a safe meeting point, provide local employment and encourage healthy eating.
Australian initiatives

There is no fieldwork I am aware of that looks at current tenant participation approaches in Australia. The following brief survey is based on a review of the June 2010 annual reports of the largest five providers’ approaches to tenant liaison. Rankings are based on the approximate number of properties managed at the middle of last year.

- **St George Community Housing** (NSW: 3,000 homes)
  - Two of their eight directors have been tenants of St George for 10 and 20 years respectively. Both hold professional jobs, and have served on the board for a number of year.
  - The Tenant Advisory Group involves 50 active tenants in arranging a variety of social events such as ‘the biggest morning tea’. During 2009-10 they reviewed guidelines for allocating student bursaries, but have no formal role in governance.
  - St George work closely with tenants to create community gardens, bringing local residents together.
  - The tenant satisfaction survey returned a score of 87 per cent.

- **Community Housing Limited** (National: 2,300 homes)
  - Their annual report mentions approaches to improving tenant services, though there is no role for tenants in governance.
  - The tenant satisfaction survey returned a score of 91 per cent in Victoria and 88 per cent in Victoria.

- **Affordable Community Housing** (NSW: 2,000 homes)
  - One of their eight directors is a tenant, community leader, and a successful business woman in her own right.
  - During 2009-2010 the organisation launched a Tenant Engagement Strategy to provide opportunities for tenants to become involved and influence service provision and strategy. A Community Development Officer has been appointed to ensure the Engagement Strategy is put into effect.
  - The Tenant Council ‘enables participation and consultation on the issues that affect tenants’ (Report, p.37). The role of the Council is based on priorities established by tenants and local residents.
  - Local Tenant Groups operate in 4 areas. Each quarter, two members of each Group meet as the Tenant Council. Groups are often involved in a variety of community initiatives.
  - There are a number of events and activities to allow tenants to ‘inform, empower, engage, learn from others and provide opportunities for influence and wider participation, especially by those not previously or regularly involved (Report, p.37).

- **Common Equity Housing** (Victoria: 2,000 homes)
  - Unlike mainstream community housing providers, Common Equity are a central group coordinating certain activities for a number of cooperatives. Therefore, at individual cooperative level, tenants have direct input into issues affecting them.
- Of the 11 person Common Equity board, 5 directors (including the Chair) are from the underlying Cooperative members.
- The tenant satisfaction survey, now in its second year, showed ‘overall positive feedback’ (Report, p.7).

**Compass Housing Services** (NSW: 1,700 homes)
- The Tenant Reference Group meets quarterly and plays an important role in governance. In 2009-2010 the Group reviewed Compass’s manual for tenancy and property management, and made recommendations to management on a pets policy and an improved tenant welcome pack.
- Compass are currently reviewing their tenant participation approach: ‘we hope that the Tenant Reference Group processes will provide stronger input to the board and service operations over the coming year’ (Report, p.7).
- One member of the Tenant Reference Group is elected annually to be an ex officio member of the 10 person board. Another director is a member of a local Tenants Advisory Service.
- Similar to Irwell Valley Housing Association, Compass have a Tenant Incentive Scheme with tenants eligible to be in gold, silver or bronze categories.
- Local Housing Forums have been established to consult with tenants on specific local issues affecting them.
- There are a number of social events, such as the Central Coast Tenant Christmas Picnic where ‘tenants and staff of Compass cooked, laughed and ate together’ (Report, p.24).

The above mini-survey is not intended to be representative of community housing providers across Australia. Furthermore, it only uses one source of information – the annual report. Despite these limitations, the survey covers a reasonable number of properties managed in the sector as the providers are all large. The annual reports are also a good way of gauging how tenants are perceived by analysis of the types of words used.

The following points emerge from the survey:

- There are a variety of approaches being used by the five largest community housing providers:
  - Community Housing Limited and St George place more emphasis on tenants as customers.
  - Compass Housing and Affordable Community Housing involve tenants in direct governance as well as through customer service based approaches. Common Equity fall into this category, though are harder to compare due to their corporate structure.

- Tenants sit on the board of four out of the five largest providers.

- There is evidence of considerable innovation in terms of involving tenants, with a mix of formal and informal structures. Compass Housing and Affordable Community Housing are clear leaders, and appear willing to continue innovating over the next few years.

- In general, Australian approaches to tenant involvement have followed British not US practice. This may have been influenced by the arrival on our shores of staff who previously worked in Britain.

- To date, tenant involvement initiatives have been largely initiated by the providers themselves, rather than being required through regulation or as terms of large scale stock transfer which was the case in Britain. This may change in the future, particularly if we move towards some form of national regulation.
The inspiring work of the largest Australian community housing providers, together with less well publicised activity by the rest of the sector, is in contrast to traditional State Housing Authorities. Tenant participatory groups have been established, though the perception is that they often lack formal or informal power. State housing tenants are surveyed annually on their satisfaction with customer service, consistently returning far lower scores than community housing tenants.

Support for tenants across the social housing sector has traditionally been through a state-based network of Tenants’ Unions. For example, the Tenants Union of Victoria (TUV) was established in 1974 by activists to inform tenants of their rights and campaign for changes to tenancy law. State funded since 1983, they receive $1.8 million grants and employ 30 staff.

State funding of Tenants Unions has its problems. An interviewee in Melbourne told me ‘If you’re cynical you’d say they’d become part of the apparatus of the state … In the past they’ve got into trouble when they’ve gone too far in criticism of government’ (quoted in Gilmour, 2009: p.228). A former TUV chief executive disclosed to me that he did not support tenants acting as directors, of housing providers or on the board of his own organisation.

Further reading


Annual reports of community housing providers, available from their websites.

Tenant participation guides, for example those produced by the NSW Federation of Housing Associations.