



Working with Housing Associations



A report from Overview & Scrutiny





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Further information regarding this report can be obtained from:

Lead Inquiry Officer: Jenny Drew

tel: 0121 464 6435

e-mail: jenny.l.drew@birmingham.gov.uk

Reports that have been submitted to Council can be downloaded from www.birmingham.gov.uk/scrutiny.



Preface

Councillor Majid Mahmood, Chairman Partnership, Contract Performance and Third Sector Overview and Scrutiny Committee



Social housing has been a longstanding interest of mine from both my professional life and work as a councillor. In this brief inquiry, Committee colleagues and I have looked at how we can make the most of opportunities to work with Housing Associations. At this time of unparalleled financial challenge for local government, it is essential that we review how we work in partnership to achieve our ambitions while making the most of increasingly limited resources. Our Inquiry has proved to be timely as the government announced plans at the end of January to report on the role of local authorities in housing, including work with Housing Associations, by the end of this year.

We are not able to meet the ongoing housing growth challenge or indeed make the best use of available housing stock alone. Equally we need to work more effectively with other organisations on vital areas beyond bricks and mortar including: health and wellbeing priorities; community safety and improving our neighbourhood environments. In Birmingham we are fortunate in having one of the largest concentrations of Housing Associations in the country. They are important as local employers as well as housing providers and we see their expertise, local knowledge and commitment as central to our future working. We welcome the main message from our Inquiry that all parties are keen to develop and formalise, where appropriate, existing working relationships.

An Inquiry is only as sound as the evidence it receives and I would like to thank all witnesses for the time they took to be involved in sessions and particularly representatives from Birmingham Social Housing Partnership for their open contributions to discussion. I would also like to thank Committee colleagues and members of the scrutiny team for their commitment to meeting the tight timetable for the Inquiry.

Majid Mahmood



Summary of Recommendations

	Recommendation	Responsibility	Completion Date
R01	That a clear & integrated framework for partnership working with Registered Providers at: <ul style="list-style-type: none"> - Strategic - District (including District Committees as well as District Housing Panels) and - Neighbourhood levels (including Ward Committees) be agreed jointly with Birmingham Social Housing Partnership (BSHP) members.	Leader of the Council Executive Members for Local Services City Housing Partnership Executive Board and BSHP Executive Board in partnership	September 2014
R02	That BSHP hosts a workshop, supported by the Council, to develop working with Councillors at all levels within the context of the new framework (as stated at R01) for partnership working.	Deputy Leader of the Council and BSHP Executive Board	October 2014
R03	That clear structure charts for housing-related areas and other relevant departmental contact information be shared with Housing Associations and updated regularly (as part of a wider commitment to a more joined-approach to working with Housing Associations and recognising continuing change within Council staffing).	Deputy Leader of the Council	May 2014
R04	That the Councillor guide to BHSP be refreshed to include dedicated contacts for BSHP organisations and clear routes of contact for Councillors and that both be kept up-to-date.	BSHP Executive Board	September 2014
R05	That the framework outlined in R01 includes a commitment from both the Executive and BSHP Executive Board to a new conversation and developing a new offer to address the development issues identified by Housing Associations during the Inquiry with a shared focus on strategic planning.	Leader of the Council Cabinet Member for Development, Jobs and Skills Executive Members for Local Services and BSHP Executive Board	September 2014
R06	That the Executive and BSHP lobby the Homes and Communities Agency jointly to enable Birmingham to secure a greater and proportionate share of Housing Grants monies	Leader of the Council and BSHP Executive Board	June 2014
R07	That the potential for shared services – both neighbourhood-specific & service-specific – be explored in detail with BSHP members.	Leader of the Council Deputy Leader of the Council Cabinet Member for Health	October 2014



		and Wellbeing Executive Members for Local Services and BSHP Executive Board	
R08	That a joint neighbourhood management scheme be piloted to inform ongoing work on the feasibility of lead neighbourhood managers with BSHP members in appropriate localities	Deputy Leader Executive Members for Local Services	October 2014
R09	That dedicated work on opportunities for joint procurement be undertaken with BSHP members with an emphasis on supporting local economies.	Cabinet Member for Commissioning, Contracting and Improvement and BSHP Executive	October 2014
R10	That an assessment of progress against the recommendations and suggestions made in this report should be presented to the Partnership, Contract Performance and Third Sector Overview and Scrutiny Committee and Housing Transformation Board	Deputy Leader	November 2014



1 Introduction

1.1 Background

- 1.1.1 Registered Providers or Registered Social Landlords (RSLs), popularly known as Housing Associations, have a long history in Birmingham and play an important role in providing homes and services in neighbourhoods across the city. They are essentially third sector organisations, set up as independent not-for-profit businesses and some are social enterprises. They own over 40,000 properties in the city, which accounts for around a third of all social housing in Birmingham and includes provision for many vulnerable people.
- 1.1.2 Birmingham has one of the largest concentrations of Housing Associations in the country. While each Registered Provider determines its own allocation policy, all are required to select tenants according to housing need. The majority of tenants come through Council nominations from its waiting list or housing register. Accordingly the Council is dependent on its nominations agreement¹ with Housing Associations to house many Birmingham people as well as their investment in new and existing homes.
- 1.1.3 Housing Associations generally offer tenants an assured tenancy whereas the Council provides secure tenancies, but housing associations generally try to ensure that their tenants enjoy similar rights and obligations as council tenants. With an assured tenancy tenants do not have the right to buy but may benefit from the right to acquire (eligibility is limited and is dependent upon the age, location and client group the property was built for²). Registered Providers may also operate shared ownership schemes to help people who cannot afford to buy their own homes outright.
- 1.1.4 However, Housing Associations are not only responsible for properties but many have diversified to deliver other services to Birmingham residents including: employment and training; regeneration and projects with children and young people. They are experienced in providing support to local residents who are facing financial difficulties, which is more important than ever in the current economic climate. As businesses, they also contribute towards Birmingham's overall economic growth.
- 1.1.5 At local level, some Registered Providers are contributing to shaping neighbourhoods both through their new housing developments and their important role in neighbourhood management. In many cases they work in partnership with police, Council staff and other local stakeholders to reduce crime, anti-social behaviour and neighbourhood nuisance.

¹ Nominations agreements set out the percentage of Housing Association properties to which the Council can 'nominate' applicants from its housing register to be a prospective tenant. The Council uses its allocations scheme in order to decide who to nominate for RSL properties and a revised allocations scheme is set to be agreed in spring 2014.

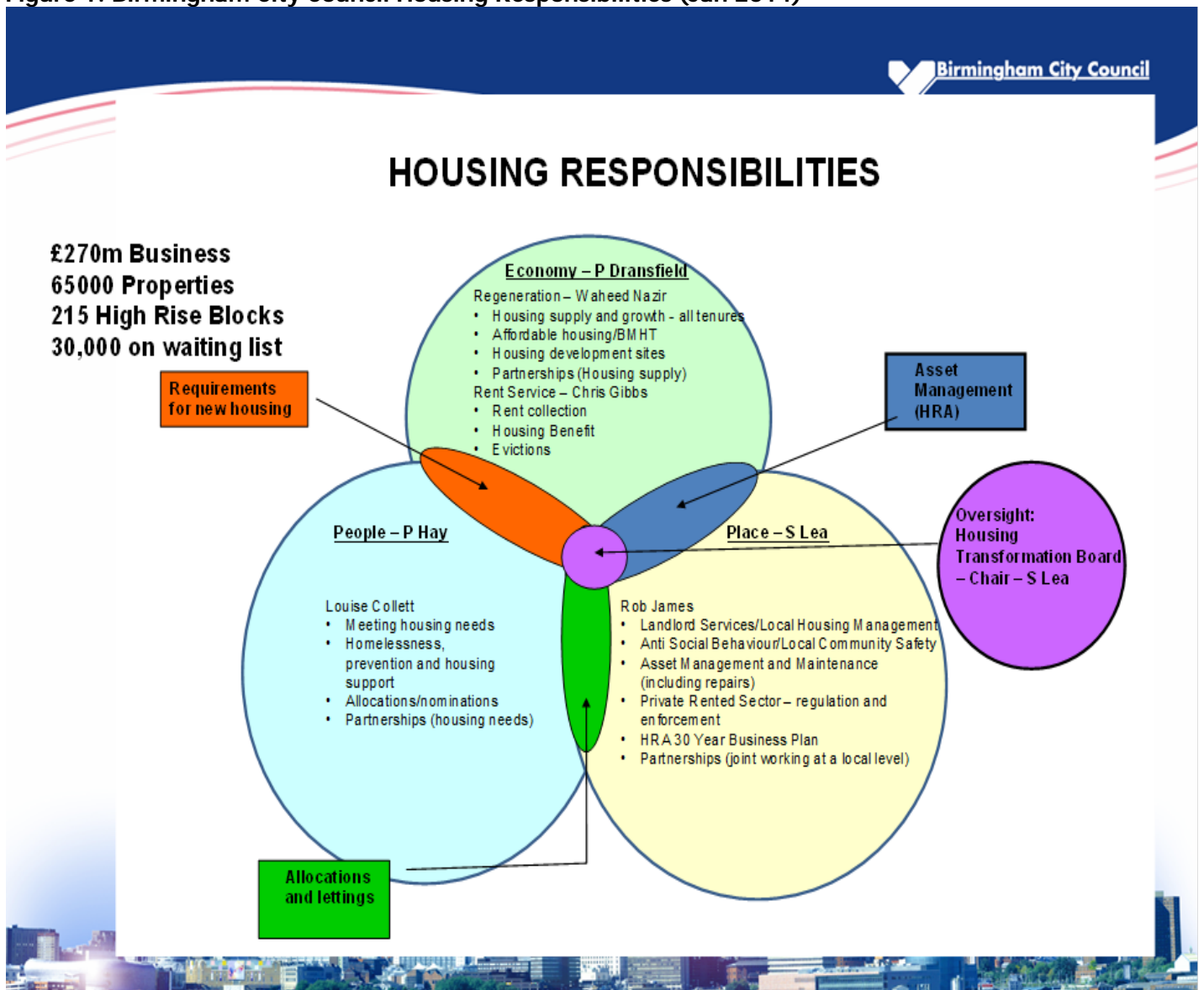
² See <https://www.gov.uk/right-to-acquire-buying-housing-association-home>



1.1.6 Many aspects of Council work on and related to housing have changed significantly since May 2012. The Council has gained new responsibilities for public health including the leadership of new Health and Wellbeing Boards from April 2013. City Council restructuring of longstanding functions has included a new commitment to devolving a range of powers to District Committees and the sharing of housing staff and functions across three directorates which are:

- People (incorporating what was previously the Adults and Communities directorate);
- Place (including the former Local Services and elements of the Development and Culture directorates) and
- Economy (including the previous Corporate Resources and elements of the previous Development and Culture directorates).

Figure 1: Birmingham City Council Housing Responsibilities (Jan 2014)





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- 1.1.7 Closer joint working between local authorities and housing associations is viewed by many stakeholders as essential, not least in managing the impacts of recent welfare reforms³ and changes in housing policy. These include housing provisions in the Localism Act which focus, in part, on devolving policy to a more local level, for example by giving local authorities greater freedom to set priorities and criteria for their social housing registers.
- 1.1.8 At this time of unprecedented financial uncertainty for the City Council with the effect of significantly decreased staffing resources as well as budget, our starting point for the Inquiry was how important it is that Councillors explore possibilities for different types of partnership working.

1.2 Aims of the Inquiry

- 1.2.1 Our Inquiry aim has been simple, that is to seek stakeholder views on what needs to happen to make the most of opportunities for working with Housing Associations through a brief overview. NB the terms 'Housing Associations', 'Registered Providers' and 'Registered Social Landlords' are used interchangeably throughout this report in recognition of how they were used by Inquiry witnesses.
- 1.2.2 Our focus has been on encouraging a conversation with key Council Officers, the Executive, Housing Association Chief Executives or senior staff, members of the City Housing Liaison Board and Committee Members. In reporting Inquiry findings and making recommendations, alongside problems, we have considered what change is agreed to be possible and highlighted values, as they were expressed to us, of both the Council and Housing Association partners.
- 1.2.3 As a brief Inquiry there are some important aspects of working with Housing Associations that featured in evidence gathering but that we have been unable to look at in any depth, notably development issues. We hope to be able devote more time to the development issues identified during Inquiry sessions (see section 3.6 of this report) in our Committee's work programme at an appropriate time in the next municipal year to support the implementation of the Birmingham Development Plan (scheduled for adoption in early 2015 following public examination later this year).

1.3 Format for Evidence Gathering

- 1.3.1 Our short Inquiry comprised:

³ Notably the cap on Housing Benefit that an individual can claim and restrictions on entitlement as well as the payment of Housing Benefit to tenants directly (rather than landlords) introduced via The Welfare Reform Act 2012.



- An initial introductory item on national and local developments in housing at our Committee meeting held in November 2013;
- Two formal, web-streamed Committee meetings (held in December 2013 and January 2014) which were dedicated to evidence gathering; and
- A public call for evidence and invitation to all City Councillors to share their experience of working with Housing Associations.

1.4 Key Lines of Enquiry

1.4.1 Members of the Committee set the following key lines of enquiry for contributors to focus on in evidence gathering sessions:

- What is the current legal and policy framework within which the Council and Housing Associations operate?
- Which Housing Associations are operating in Birmingham, where and with what types of properties?
- What are the Council's current ambitions, priorities and plans for housing and how do these align with those of Housing Associations in the city?
- What are the opportunities for future Council working with Housing Associations?
- How can Housing Associations work directly with Councillors?
- What is the potential for alternative service delivery by Housing Associations, what is needed for this to happen and where might it be most feasible?

2 Findings

2.1 Birmingham Context

2.1.1 Based on Homes and Communities Agency data from March 2013⁴, there are at least 65 Housing Associations operating in Birmingham. In housing terms they:

- Manage 'general needs' properties for social rent;
- Provide low cost, shared-ownership homes; and
- Offer supported housing or accommodation for older people and other vulnerable groups such as people with learning difficulties, people with mental health problems and young people leaving care.

⁴ See <http://www.homesandcommunities.co.uk/ourwork/registered-provider-information>



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- 2.1.2 From 2011 figures⁵, Housing Associations are the principal provider of social housing in sixteen Birmingham wards and have a significant presence in many others as detailed in Appendix 2.
- 2.1.3 The five wards where they have the largest concentrations of stock (over 2000 general needs properties alone in each) are:
- Ladywood (2872 properties);
 - Lozells and East Handsworth (3398);
 - Sparkbrook (2174); and
 - Tyburn (3071).
- 2.1.4 And wards where Housing Association property numbers range between 1000 and around 2000 include:
- Aston (1638);
 - Bournville (2014);
 - Edgbaston (1495);
 - Moseley and Kings Heath (1809);
 - Soho(1820);
 - Washwood Heath (1313); and
 - Weoley (1301).
- 2.1.5 The proportion of social housing accommodation provided by housing associations has been steadily growing as registered providers themselves continue to grow. Nevertheless, the size of Registered Providers varies considerably from the largest – Midland Heart – with nearly 13,600 properties across all forms of tenure (including care and support and shared ownership) to small alms house providers and co-operatives with just a handful of properties.

2.2 A Changing Partnership

Limited Birmingham Social Housing Partnership

- 2.2.1 The City Council engages with Registered Providers through Birmingham Social Housing Partnership (BSHP) which acts as the 'trade body' for Housing Associations in the city. BSHP is a partnership of Registered Social Landlords working together in collaboration to influence housing delivery and is recognised nationally as a unique arrangement. It is managed by an elected board of chief executives and senior directors, many of whom gave evidence to our brief inquiry, who are

⁵ Provided to the Inquiry by the Council's Housing Policy team from their survey of Registered Providers.



collectively responsible for ensuring the successful functioning of BSHP and representing the views of members.

2.2.2 BSHP's objectives are to:

- Be a vehicle for discussion and negotiation with Birmingham City Council and other strategic bodies on all matters relating to the activities of social landlords operating in the city of Birmingham;
- Work together with the National Housing Federation to represent and promote the interests of its members;
- Provide a forum for discussion on matters of mutual interest and concern; and
- Disseminate information relevant to social activity in Birmingham.

City Housing Partnership

2.2.3 The City Housing Partnership (CHP) has been the joint officer-led City Council/Housing Association strategic voice for the housing sector since Autumn 2006. During this time its work has included shaping the housing agenda pursued by the City Council and Housing Associations and overseeing the delivery of the Working Neighbourhoods Fund.

2.2.4 CHP has provided the mechanism for engagement with Registered Providers at a strategic level through representation from BSHP on the CHP Board. It has largely been an officer body with Councillors involved latterly in a number of select committee style meetings to oversee the partnership's work.

2.2.5 The revised structure of the City Council from 2012 and associated changes for housing demanded a review of existing strategic housing partnership arrangements. The CHP in its existing form has not met for some months.

Future Strategic Partnership Arrangements

2.2.6 A more detailed proposal for the future shape of a Strategic Housing Partnership, recognising both the changing Council and changing shape of Housing Associations, is currently being developed. This draws on the work of three workshops with invited Housing Associations held between July and October 2013 on the following themes:

- Development;
- Health, Housing and Social Care (including homelessness); and
- Local Housing Management.

2.2.7 Regrettably a draft proposal was not available for consideration during our Inquiry as we were advised that more detailed discussion was needed between teams on cross-directorate aspects of working. This reflects Housing Association experience shared with our Committee that it is at manager (more so than chief officer) and operational level, especially where work requires Council



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input across several areas of service, where it is typically most difficult to “make things happen”. Registered Providers highlighted particular difficulties in identifying which officers have lead and supporting responsibilities within the Council relevant to their work as more staff leave the authority.

- 2.2.8 Both Housing Associations and Council Officers we heard from recognised the continuing need for a strategic-level partnership structure, in addition to local District or neighbourhood-level arrangements, to coordinate work and to make the most of “the opportunity waiting to happen” which they saw from their renewed commitment to partnership working. They saw a need for any overarching structure to allow for flexible membership to reflect the diversity of providers operating in the city, in terms of size, history and specialisms. It was clear from both Council and Housing Association representatives that a ‘one size fits all’ arrangement would not be effective. Council Officers have undertaken to circulate the draft proposal widely to ensure all interested parties have opportunity to influence the final arrangements.
- 2.2.9 While Housing Associations who took part in themed discussions expressed their wish for closer working in a number of areas, officers emphasised that many Registered Providers work with several authorities across several regions which may limit capacity to meet the engagement aspirations identified in evidence gathering. For example Midland Heart, as one of the largest housing and regeneration groups in the country, operates across 54 local authority areas although over 42% of all its stock is located within Birmingham.
- 2.2.10 Equally all local authorities are seeking to work more closely with Housing Associations at this time of unprecedented financial challenge for local government which requires the City being clear on its offer and terms for engagement. Reduced capacity in all organisations and some sense of historic mistrust between parts of the Council and Housing Associations, potentially linked to misconceptions of Housing Associations resources, particularly surpluses, were identified as issues to be worked through jointly.
- 2.2.11 Nevertheless the willingness of Registered Providers, Cabinet Members and lead officers to develop partnership working was clear from session discussions and the next year was seen as critical to developing relationships and governance. BSHP representatives noted a change in working and willingness to work differently in the last two years which they welcomed,
- We’re hearing very different levels of noise from this administration at all levels and a different sense of political will.⁶**
- 2.2.12 There was no consensus on how Councillors might best engage with a future Strategic Housing Partnership but all partners saw this involvement as an important aspect of the successor body.
- 2.2.13 We were encouraged by collective agreement on the need to alter the focus of joint planning towards strategic working and planning ahead for early interventions over responsive activities. However all witnesses recognised the continued need for neighbourhood-level ‘troubleshooting.’

⁶ Evidence gathering session – 20th January 2014.



2.3 Devolution and District Housing Panels

2.3.1 The Council has identified services at local level as being central to everything it delivers and localism has been identified as a driver for increased co-operation between local authorities and Housing Associations in many parts of the country. District Committees have devolved powers in the following areas relevant to this Inquiry:

- Letting and Empty Properties;
- Neighbourhood Safety and tackling Anti-Social Behaviour;
- Tenancy Conditions and Enforcement;
- Neighbourhoods – Caretaking and Cleaning; and
- Neighbourhood Support Services - Family and Elderly Services.

2.3.2 From presentations we heard, District Housing Panels (DHPs) will play an important role within District governance arrangements. Their remit will be to have oversight of strategic housing matters for the District. Housing Liaison Boards (HLBs) and the City HLB will continue to provide the central link between housing services and Council tenants.

2.3.3 In view of capacity issues, Housing Associations were clear on their wish to be a part of selected DHPs, typically in the Districts where they own most stock or have particular interests relating to specialist provision. Representatives of BSHP proposed that there may be scope for one Housing Association to take a lead role with others supporting as secondary partners in some District structures. It was anticipated that Registered Providers would be invited directly to District Housing Panels and District Committees as appropriate.

2.3.4 One related possibility we heard was that of Housing Economic Areas, which in some cases could be aligned with Birmingham's Economic zones. The aim of these would be to ally Housing Registered Provider resources with the areas where the Council is planning to target greatest resources, notably in identified areas of high deprivation. Housing Associations saw the concept as also inviting community organisations and private companies to be significant partners, in line with the cross-party *Standing Up For Birmingham* campaign, linking housing management functions with other important community assets such as libraries and community centres.

2.3.5 This indicates the extent to which Registered Providers saw their role as including contributing to wider policy and projects, that is beyond traditional housing issues, at District Committees

We've barely touched on other areas of our work here. We are not just housing providers.⁷

2.3.6 For example, Castle Vale Community Housing Association (CVCHA) cited their work in providing youth services on Castle Vale which they considered to be meeting needs that were no longer

⁷ Evidence gathering session – 20th January 2014



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being met from Council services. However this work could be being delivered with greater impact and alignment to other Council services with more involvement from the relevant District.

- 2.3.7 Housing Associations highlighted employment and skills as areas for more effective joint working and co-ordination for greater impact. For example both Midland Heart and the City Council have well-developed apprenticeship programmes with established track records and we recognise that Housing Associations are also major city employers.
- 2.3.8 Lastly, Registered Providers proposed that the potential opportunities offered through shared technology as well as platforms for lettings and housing registers should receive further consideration. We heard that Midland Heart has tested the concept of a shared platform in two local authority areas with a further two in the pipeline. This shared approach can offer opportunities to share IT and administration costs while protecting the unique aims and objectives of partner organisations.

2.4 Neighbourhood Working

- 2.4.1 Sitting alongside DHPs, there will be a different approach to neighbourhood management in the city as part of a new Neighbourhood Strategy, *Transforming Place: Working together for better neighbourhoods*, which recognises a range of place based interventions driven by the Council, partners and communities themselves including the development of three guide neighbourhoods: Castle Vale, Balsall Heath and Perry Common. Joint working at neighbourhood level is nothing new; in this instance, integration of plans and resources (where possible) with a focus on place management as a whole, over individual housing functions and specialisms, is the shared aspiration. The strategy is due to be presented to Cabinet in spring 2014.
- 2.4.2 We heard both Council Officers and Housing Associations emphasise the potential for new opportunities for neighbourhood management in selected localities where Registered Providers have concentrations of stock with associated local knowledge and relationships. New approaches were of particular interest to Housing Associations who own and manage the majority of social housing in some wards as detailed in Appendix 2.
- 2.4.3 We note that Housing Associations have been leaders in neighbourhood management over the last decade, for example, CVCHA in Castle Vale and that their learning and expertise can be applied elsewhere in the city. We also note that Neighbourhood Housing Management Teams will be located in each District comprising a Neighbourhood Housing Manager supported by Neighbourhood Housing Officers (who may be resourced by Registered Providers as well as the Council). We welcome emerging plans to negotiate joint neighbourhood management arrangements with relevant Registered Providers which may include joint resourcing of lead neighbourhood managers.
- 2.4.4 Areas identified for the City and Housing Associations to work on together more collaboratively included:



- *Community Safety* – for example sharing and aligning tenancy enforcement resources and expertise more cost effectively particularly around Anti-Social Behaviour and more complex cases linked to wider 'Think Family' work being undertaken alongside third sector partners and neighbourhood policing teams. There was particular interest in revisiting the involvement of Housing Associations in neighbourhood tasking;
- *Environmental Co-ordination and interventions* – including clean-ups and maintenance, particularly as part of work under the 'Our Place' initiative (previously Neighbourhood Community Budget);
- *Making best use of available housing stock and housing mobility* – although this process has already begun with the establishment of the West Midlands Best Use of Stock group in 2012, it was considered that considerable scope remains to develop this further at both neighbourhood level and through tenancy strategies and policies to improve problems of overcrowding and under-occupation.

2.4.5 One example of West Midlands Best Use of Stock Group success we heard about was joint working between the Council's Audit function (Birmingham Audit) and Registered Providers, which has developed over the last 4 years, to identify and manage social housing fraud. This includes identifying cases of people: having more than one tenancy; sub-letting their property and acquiring a Right-To-Buy property unlawfully. An initial data sharing agreement between Midland Heart and Birmingham Audit developed into an anti-fraud group, through BSHP, which now includes 23 members. Work is underpinned by an anti-fraud strategy for both Birmingham City Council along with other West Midlands local authorities and is currently a unique arrangement in the UK.

2.5 Health and Wellbeing Links

2.5.1 The size and range of Birmingham's Health and Social Care economy presents both significant challenges and opportunities for future partnership working notably in embedding Health and Wellbeing Board priorities. However there are a number of these against which Registered Providers can further contribute to delivering outcomes.

2.5.2 The Cabinet Member for Health and Wellbeing set out a commitment to work with all providers on health-related housing issues. These included:

- Extra Care for older and vulnerable adults;
- Enhanced Enablement and Re-ablement⁸ - again for older and vulnerable adults; and

⁸ Where people receive bespoke support such as intensive physiotherapy in Extra Care Housing, typically following an extended hospital stay, to enable them to continue living in their own homes – distinct to Extra Care provision



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- Work with people who are homeless.

- 2.5.3 He emphasised that although he had inherited an arrangement whereby the Extra Care Charitable Trust (ECCT) was delivering the city's 4 Extra Care Villages and his assessment was that delivery so far has been impressive, more Extra Care provision (over Sheltered Housing although Extra Care was not the only envisaged model for supported housing) was needed. He saw potential for Registered Providers to be able to deliver equivalent future provision elsewhere in the city.
- 2.5.4 At the same time, the Cabinet Member issued a challenge to Registered Providers in the city to deliver accessible culturally appropriate Extra Care provision that truly reflects Birmingham's cultural diversity. He referenced Panelcroft in Newtown as Extra Care provision (operated by ECCT) for a largely African Caribbean community and stated his interest in possibilities for additional Extra Care models in areas of the city with other particular demographics such as Sparkbrook which has a large resident community from the Asian sub-continent.
- 2.5.5 Housing Associations referenced various recent joint work on health-related provision. This included work with Trident Housing in securing funding for a Housing Pathway project for homeless people who present to A&E departments to help them to move out of hospital into more settled accommodation quickly. Midland Heart highlighted their recent work for Heart of England (NHS) Foundation Trust to provide a reablement service at Good Hope Hospital which provides beds for up to 6 week interventions. Unlike a traditional model of reablement, Midland Heart provides a non-clinical intervention in that all admissions to the service are treated as medically fit and that, if necessary, can access primary care such as GPs through a surgery. They were confident that there is scope for further integrated care schemes of this type to be established and managed across other parts of the city.
- 2.5.6 There was interest from Registered Providers in delivering all or part of the City's homelessness service and delivering homelessness prevention services as part of a wider arrangement.
- 2.5.7 While the brief nature of our Inquiry did not allow for detailed exploration, Housing Association social and wellbeing committees were considered to be under-used by the Council. Working more closely with them in developing plans could be useful in several areas including mental health.

2.6 Development Issues

- 2.6.1 While development aspects of housing were, intentionally, not within the terms of reference for our inquiry, Housing Associations stressed the importance of development to their core business. Committee members were also concerned that future home building reflects the identified and future needs of local areas for example larger homes to house larger families in inner city wards. Registered Providers emphasised that they saw positive signs in the draft Birmingham Development Plan to support different ways of working.
- 2.6.2 Nevertheless, most of the new homes planned within it will be on brownfield sites which require subsidies to be viable. This marks a shift from recent development schemes where there was



comparatively little competition for sites and homes could be built relatively cheaply. As the Housing Market appears to improve with associated increases in labour, land and materials costs, Registered Providers were concerned that they were perceived as “greedy land grabbers...looking for subsidy”⁹ which may have contributed historically to mistrust in joint working. Housing Associations receive some funding from the Homes and Communities Agency (HCA) for new development. However the majority of capital for new affordable homes comes from private sector loans or organisation reserves. Levels of future subsidies from both Housing Associations and the Council were identified as a central challenge for future partnership working particularly in the current financial climate.

- 2.6.3 There was a view from Housing Associations that Birmingham received lower levels of subsidy from HCA funding than some neighbouring authorities despite greater levels of housing need. Higher levels of subsidy elsewhere made it easier for Housing Associations to develop new homes in these areas.
- 2.6.4 BSHP representatives proposed that over the last decade Birmingham has lost out on a range of resources, most recently HCA funding, for a range of reasons including: land availability; planning and complexity of schemes as HCA monies were awarded to local authorities perceived as most likely to spend it to profile. Witnesses referenced HCA concerns about the feasibility of some schemes in the city, “I suspect they just see challenges in Birmingham...”¹⁰. As the City and all developing Housing Associations seek to obtain grant funds from the latest HCA programme for the delivery of affordable housing which launched on January 27th of this year and runs from 2015-18, all Registered Providers were clear on the need for joint lobbying and greater coordination of working to secure the best deal for Birmingham.
- 2.6.5 At the same time Housing Associations stressed the need for a new conversation in Birmingham about development land and consideration of all options with an emphasis on advance, coordinated and strategic joint planning. They did not want to be limited to developing on their own land at a smaller scale than in other areas or “picking up schemes that have gone bump...at a very late stage”¹¹. So, while free land was not seen as a reasonable option in the current financial climate, other possibilities such as: improved access to land locally; deferred payment or changing the capital value to revenue streams via a commitment to rent levels and links to other services, for example neighbourhood management, were seen as worthy of serious consideration by the Council.
- 2.6.6 The development issues identified notwithstanding, work in Stockland Green with CVCHA, led by Councillor Penny Holbrook, was highlighted as an innovative example of joint working at a micro level.

⁹ Evidence gathering session – 20th January 2014

¹⁰ Evidence gathering session – 20th January 2014

¹¹ Evidence gathering session – 20th January 2014



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Joint working in Stockland Green – Case Study

CVCHA's access to capital with Cllr Holbrook's local leadership is enabling two empty, run-down properties in private ownership (which had been purchased via the Right-To-Buy scheme) to be returned to social housing. While the project is very small-scale it is considered to be stretching the possibilities of partnership working in a very positive way.

Community representatives in Stockland Green (SGOHT) came together after recognising the opportunity to increase the amount of quality housing stock in the area and bring added value to the community through community activities such as training for young people in repairing homes. At the same time as a response to the growth of speculative investor purchasing properties contributing to the problem of absentee landlords and risking the sustainability of Castle Vale as a neighbourhood; CVCHA has been involved in purchasing properties and letting them at a market rent. As a wider aim, CVCHA is committed to supporting other areas in Birmingham in developing community led projects that will provide sustainability at a local level.

SGOHT and CVCHA recognised their mutual aims and formed a partnership which will purchase homes on the private market and deliver them back into social housing. It will also develop the community in particular by promoting training opportunities for young people in the local area. Kingsbury Training, a local training provider has been appointed to carry out the refurbishment and is currently working on its second property for the partnership.

The partnership has recently appointed a development coordinator to advance its aims, particularly those around community development, and intends to:

- Expand the project with the purchase of a further 5 properties in Stockland Green over the next 3 months;
- Explore opportunities for developing a lettings agency;
- Develop a business and neighbourhood plan and access appropriate funding opportunities to support this; and
- Identify wider community developments particularly with young people.

2.7 Opportunities for joint procurement

2.7.1 Housing Associations were as supportive of exploring possibilities from joint procurement for both greater cost efficiencies and maximising social impact, in view of their significant spending power (albeit with reduced budgets), as City procurement leads. The latter set out three main areas in which they saw greatest benefit for Registered Providers:

- Making financial savings and secure greater value for money via collaborative purchasing;
- Accessing City Council framework agreements that have repeatable demand in the social housing sector for example repairs and maintenance and utilities; and
- Working with the City Council as a contracting authority and Buy for Good as an independent organisation (constituted as a Community Interest Company) who are well-placed to deliver tailored procurement on their behalf.

2.7.2 Registered Providers who gave evidence to the Inquiry were unaware of the new West Midlands-wide Buy for Good initiative and organisation prior to evidence gathering, although it numbers several Housing Associations among its board members. Nevertheless they were interested in its



potential role to support making the most of limited resources and using their purchasing power locally.

2.8 Joint work on tenant engagement

2.8.1 Tenant engagement, via co-regulation, is a statutory requirement for the Council and Registered Providers¹². This includes provider support for tenants to scrutinise services and we heard the potential for the Council to learn from some Registered Providers' approach to this. Nevertheless, even without the legislative underpinning to work, witnesses recognised the importance of tenant engagement in:

- Enabling housing providers to provide a better service tailored more effectively to tenants needs;
- Building a partnership with tenants and residents to improve neighbourhoods; and
- Contributing to developing social capital to build sustainable and resilient neighbourhoods.

2.8.2 All parties, including representatives of existing Housing Liaison Boards in the city or HLBs (as the foundation of the Council's formalised framework for co-regulation – recognising that HLBs do not and are unlikely to ever cover the whole city) valued joint work undertaken so far and stated their enthusiasm for continued joint working to encourage inclusive and sustainable tenant engagement. This included reinforcing tenant engagement within the changing approach to neighbourhood management as well as, at a very practical level, aligning training and sharing learning as appropriate. With the stated willingness of Registered Providers to participate more fully in wider developing District structures (in areas that fit with their stock profile), witnesses saw potential for developing local hubs in some areas which was likely to include bringing respective structures for tenant engagement closer together.

¹² Via the Regulatory Framework for Social Housing in England 2012 which takes account of the Localism Act



3 Recommendations

3.1 A clear framework for engagement

- 3.1.1 The central theme from evidence gathering was the need for a clear and integrated framework for future partnership working with Housing Associations to support a shift in the relationship between the City and BSHP members and so enable greater coordination to make best use of collective resources at all levels. The concept of 'Team Birmingham' resonated strongly with both Cabinet Members and BHSP representatives with an emphasis on all parties being true partners and involving others in planning discussions at the earliest possible stage. Registered Providers recognised that responsibility for strategy did not lie solely with the City and that they could contribute more to policy development at a very early stage by sharing ideas from the outset.
- 3.1.2 Housing Associations saw this framework including three tiers of working:
- Strategic;
 - District; and
 - Neighbourhood.
- 3.1.3 From evidence gathering, Council discussions appear to have focused on the potential role of Housing Associations in District Housing Panels while perhaps overlooking their prospective contribution to the wider work of District Committees as area decision-making bodies. The remit of District Committees encompasses several areas which are core business for Housing Associations and in which they have a wealth of experience, for example employment and training. Accordingly we see a need for the position of Registered Providers at District Level to be jointly agreed with BSHP members as part of the overall partnership framework.
- 3.1.4 Linked to the role of Registered Providers at District level, the role of Councillors in working with Housing Associations whether at District, Ward or Neighbourhood level as well as members of Housing Association Boards was unclear. BSHP offered, during evidence gathering, to host an event to clarify their range of provision, share their ideas and to explore options for direct working with Councillors. We recognise that the local focus, connections and insight of Housing Associations, when aligned with Councillor input, will be very important to changing local services.

	Recommendation	Responsibility	Completion Date
R01	That a clear & integrated framework for partnership working with Registered Providers at: <ul style="list-style-type: none"> - Strategic - District (including District Committees as well as District Housing Panels) and - Neighbourhood levels (including Ward 	Leader of the Council Executive Members for Local Services City Housing Partnership Executive Board and BSHP Executive Board	September 2014



	Committees) be agreed jointly with Birmingham Social Housing Partnership (BSHP) members.	in partnership	
R02	That BSHP hosts a workshop, supported by the Council, to develop working with Councillors at all levels within the context of the new framework (as stated at R01) for partnership working.	Deputy Leader of the Council and BSHP Executive Board	October 2014

3.1.5 At a very practical level, a need for clarity of lead responsibilities at management and operational level and supporting contact details was apparent from evidence gathering from both the City and Housing Associations. This is particularly important as radical staffing changes take place within the Council and historic links disappear. We welcome the recognition from Registered Providers during Inquiry discussion that routes of contact for Councillors are not always clear (due to different organisational structures) and their commitment to making known dedicated contact details for Councillors.

	Recommendation	Responsibility	Completion Date
R03	That clear structure charts for housing-related areas and other relevant departmental contact information be shared with Housing Associations and updated regularly (as part of a wider commitment to a more joined-approach to working with Housing Associations and recognising continuing change within Council staffing).	Deputy Leader of the Council	May 2014
R04	That the Councillor guide to BHSP be refreshed to include dedicated contacts for BSHP organisations and clear routes of contact for Councillors and that both be kept up-to-date.	BSHP Executive Board	September 2014

3.2 Getting the best deal for Birmingham

3.2.1 While all local authorities are experiencing unprecedented financial challenges, both Cabinet Members and Housing Association leads made clear that Birmingham has fared less well than many of its counterparts in securing public funds essential for housing development. The city is losing more of its general funds than other local authorities. In the 2014/15 financial settlement for local government, in Birmingham the average cut in Spending Power (as defined by the Government) per dwelling is £145.33 whereas across England the cut is £71.44 per dwelling and indicative figures for 2015/16 are more severe still. Our witnesses advised that Birmingham has also not been awarded the HCA funds a city of its need might have expected in previous programmes.



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3.2.2 There was consensus that consistent, joint lobbying of the HCA was needed to ensure that Birmingham obtains its fair share of funds during the 2015-18 programme. This in turn requires the City and the Associations to be able to demonstrate that their proposed development schemes are both workable and worthwhile. To enable this to happen it is clear that joint working between the Council and the Associations on the principles set out in the Housing Growth Plan approved by Cabinet in October 2013 is needed to ensure that HCA grant to the city is maximised. While the deadline for the closing of the main bidding round (which will determine up to 75% of grant monies) is on 30 April 2014, continued work will be needed to make the most of bidding opportunities after this date as they arise during the programme via 'continuous market engagement'.

	Recommendation	Responsibility	Completion Date
R05	That the framework outlined in R01 includes a commitment from both the Executive and BSHP Executive Board to a new conversation and developing a new offer to address the development issues identified by Housing Associations during the Inquiry with a shared focus on strategic planning.	Leader of the Council Cabinet Member for Development, Jobs and Skills Executive Members for Local Services and BSHP Executive Board	September 2014
R06	That the Executive and BSHP lobby the Homes and Communities Agency jointly to enable Birmingham to secure a greater and proportionate share of Housing Grants monies	Leader of the Council and BSHP Executive Board	June 2014

3.3 Exploring the potential for shared services

3.3.1 We heard that there is considerable scope for improving problems facing the Council through joining and sharing services more consistently and efficiently. We also heard a commitment from Housing Associations to try to do this jointly, across all of the communities in which they work, to maximise resources for outcomes for as many residents as possible, for example by directing efficiencies in to the maintenance and support of community facilities.

3.3.2 Committee members support the exploration of using a shared platform with Registered Providers locally for lettings and housing registers. We see likely benefits to customers in having access to both their local scheme but also a wider scheme of pooled Registered Provider stock, including low cost home ownership and options for mutual exchanges.

3.3.3 Potential benefits to us and partner organisations are that while each organisation will be able to preserve its own allocation scheme, there will be a pooled housing register and shared IT and administrative arrangements. These are likely to support best use of local housing stock with improved local intelligence and closer working as well as improving efficiency and so reducing cost to the Council.



3.3.4 A specific area for joint/shared services which BSHP representatives recommended was joint feasibility work on possibilities for lead neighbourhood managers in selected areas of the city, particularly where partnership working is already well-developed (for example, Lozells and East Handsworth). In these cases, a single organisation would act as lead neighbourhood manager where they are the landlord with the majority of social housing stock in a particular area.

3.3.5 We look forward to early sight of proposals for Joint Neighbourhood Management Arrangements (JMAs) prior to their planned publication in summer 2014 as outlined in the draft *Transforming Place* strategy document. In the meantime, in view of broad agreement from witnesses on the benefits in principle from joint neighbourhood management schemes in appropriate areas, we support a pilot scheme or schemes being undertaken to work through how to deliver the City's new neighbourhood strategy most effectively.

	Recommendation	Responsibility	Completion Date
R07	That the potential for shared services – both neighbourhood-specific & service-specific – be explored in detail with BSHP members.	Leader of the Council Deputy Leader of the Council Cabinet Member for Health and Wellbeing Executive Members for Local Services and BSHP Executive Board	October 2014
R08	That a joint neighbourhood management scheme be piloted to inform ongoing work on the feasibility of lead neighbourhood managers with BSHP members in appropriate localities	Deputy Leader Executive Members for Local Services	October 2014

3.4 Opportunities for joint procurement

3.4.1 The idea of there being potential from joint procurement for both the Council and partners is not new. What has changed in recent years, and supports the prioritisation of staffing resources to undertake dedicated work on joint procurement options, is the much increased urgency to deliver as well as demonstrate value for money (in view of reduced resources all round) and the introduction of the Social Value Act¹³. The latter places a duty on local authorities and Housing Associations (along with a range of other bodies) to consider how they procure might improve the economic, social and environmental well-being of their areas.

3.4.2 While we see social value in the Council clearly aligned, in principle, to Executive priorities through the Business Charter for Social Responsibility we see a need now for cross-sector working to make

¹³ The Public Services (Social Value) Act 2012 went live on 1st January 2013. The Act applies to all public service contracts and framework service agreements to which the 2006 Regulations apply i.e. those contracts above the EU threshold (currently £173,934 over the life of the contract)



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the most of opportunities from joint procurement not just for increased efficiencies but increased benefit to supporting local economies at a time of reduced resources for localities. We also see a role for joint learning opportunities between Council and Housing Association procurement staff to ensure a shared understanding of how to most effectively procure services that will deliver the most social value for their communities. These could take place in conversation with tenants and wider communities in neighbourhoods (using existing tenant engagement structures) to support a local emphasis on social value.

	Recommendation	Responsibility	Completion Date
R09	That dedicated work on opportunities for joint procurement be undertaken with BSHP members with an emphasis on supporting local economies.	Cabinet Member for Commissioning, Contracting and Improvement and BSHP Executive	October 2014

3.5 Reporting back to Committee

	Recommendation	Responsibility	Completion Date
R10	That an assessment of progress against the recommendations and suggestions made in this report should be presented to the Partnership, Contract Performance and Third Sector Overview and Scrutiny Committee and Housing Transformation Board	Deputy Leader	November 2014



Appendix 1 – List of contributors

We would like to thank all those that provided oral and/or written evidence to this Inquiry including:

Jas Bains	Chief Executive, Ashram (Accord Group)
Councillor Steve Bedser	Cabinet Member for Health and Wellbeing, Birmingham City Council
Ruth Cooke	CEO, Midland Heart
Jonathan Driffill	Managing Director, Friendship Care and Housing
Kate Fitzsimons	Chief Executive, Buy for Good
Joan Goodwin	Chair, City Housing Liaison Board
Fiona Hughes	Integrated Service Head, Birmingham City Council
Rob James	Director, Birmingham City Council
Philippa Jones	Executive Director, Bromford
Nigel Kletz	Assistant Director, Procurement
Anthony McCool	Director of Care and Support, Trident Housing
Derek Novell	Chair, South Yardley Housing Liaison Board
Anne-Marie Powell	Head of Integrated Service, Birmingham City Council
Peter Richmond	Chairman Birmingham Social Housing Partnership (BSHP) and Director Castle Vale Community Housing Association (CVCHA)
Eric Shipton	Chair, Sutton Coldfield Housing Liaison Board
Councillor Ian Ward	Deputy Leader, Birmingham City Council

