

## **SCOPING BRIEF TO INFORM A POTENTIAL COMMITTEE INQUIRY INTO HOUSING**

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### **Introduction**

1. This is the first of two briefing papers aimed at assisting the Committee in determining the terms of reference for a potential inquiry into housing. This first paper provides an overview of some of the issues the Committee has already noted as part of its consideration of the key issues paper published by the [Commission on the Future of Housing in Northern Ireland](#)<sup>1</sup>. The second briefing paper, which will be provided to the Committee in due course, will consider a number of potential alternative models for financing social housing.
2. The purpose of this first paper is simply to further familiarise the Committee with some of the key concepts outlined in the Commission's paper and to provide contextual and illustrative examples of developments in other jurisdictions. This briefing paper by no means is intended to provide a comprehensive analysis of the issues and the Committee may wish to seek further research in these areas, or any additional areas, that it is most interested in.
3. For ease of reference the paper is divided into sections a broad overview of the following issues is provided:
  - Enhancing the role of the strategic housing authority (p1-3);
  - Separating the landlord function from the strategic housing role (i.e. large scale social housing stock transfers in other jurisdictions) (p3-6);
  - The future role and regulation of housing associations (i.e. small scale stock transfers, developments in regulatory reform in other jurisdictions, harnessing the potential of procurement partnerships) (p7-12);
  - Maximising the availability of the existing social housing stock (i.e. developments in 'Right to Buy', tackling social housing fraud and empty homes; Choice-Based Lettings; Mutual Exchange Schemes) (p12-17);
  - Public land use (i.e. initiatives in other jurisdictions, the identification of potential sites, streamlining planning processes, Community Land Trusts) (p17-20);
  - The promotion of 'Mixed Community Housing' (p19-21).

### **Section One: Enhancing the Role of the Strategic Housing Authority**

4. The Commission on the Future of Housing [Key Issues Paper](#) examines the potential future strategic role of the Northern Ireland Housing Executive (NIHE). The Commission see the future of the NIHE as pivotal in Northern Ireland's

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<sup>1</sup> See [www.nihousingcommission.cih.co.uk/](http://www.nihousingcommission.cih.co.uk/)

housing future. Some contributors to the Commission's discussions have recommended that NIHE's role should *"increasingly be that of a strategic housing enabler, facilitating inward investment into housing, enabling and commissioning development and promoting effective delivery"*<sup>2</sup>. There has been some suggestion that there may at least be a prima facie case for the NIHE to have a stronger strategic focus, assuming a role similar to that of the [Homes and Communities Agency](#) (HCA)<sup>3</sup>. The purpose of this section is to provide the Committee with a broad overview of the remit of the HCA<sup>4</sup>.

### Homes and Communities Agency

5. The HCA is the new housing and regeneration agency for England which became operational in December 2008. It is a non-departmental public body sponsored by the Department for Communities and Local Government with an annual investment budget of £5bn. It has nearly 1,000 members of staff based in 21 offices across nine regions with two corporate centres in London and Warrington. The key driver behind the creation of the HCA was the need for a "modern and streamlined delivery chain" which makes the best use of private investment, public subsidy, land, assets and skills to deliver more houses and mixed communities<sup>5</sup>.
6. The HCA brings together under one organisation:
  - The **investment functions** of the former Housing Corporation;
  - The **regeneration functions and assets** of 'English Partners' the former regeneration agency for England;
  - A number of **delivery programmes** inherited from the Department of Communities and Local Government such as Decent Homes, mixed communities, Gypsy and Traveller Site Grant, Housing Market Renewal; Thames Gateway Delivery; Places of Change Programme; Vulnerable People; and
  - The former Academy for Sustainable Communities – the new **Skills and Knowledge** team within HCA assists those within the housing and regeneration industry with courses and resources to improve knowledge and support for organisations to boost local employment.
7. In terms of governance arrangements, HCA is managed by a Board of 11 Members appointed by the Secretary of State for Communities and Local Government. The HCA is assisted in its work by a number of cross-cutting Advisory Boards which include Design and Sustainability; Equality and Diversity; Housing Finance; Rural Housing; and Vulnerable and Older People. The HCA has a wide range of specific powers relating to the provision, facilitation and acquisition (including compulsory purchase, regeneration, development and effective use of land). It also has powers to establish companies; provide

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<sup>2</sup> Commission on the Future of Housing in Northern Ireland (2009) The Future of Housing in Northern Ireland: A Key Issues Paper from the Independent Commission, p51.

[www.cih.org/documents/news/Key%20Issues%20Paper%20November%202009.pdf](http://www.cih.org/documents/news/Key%20Issues%20Paper%20November%202009.pdf)

<sup>3</sup> Ibid, p51.

<sup>4</sup> Information on the role and remit of the HCA has been extracted from the HCA website, [www.homesandcommunities.co.uk/](http://www.homesandcommunities.co.uk/)

<sup>5</sup> CLG, Delivering Housing and Regeneration: Communities England and the future of social housing regulation, June 2007, annex B cited in House of Commons Library Research Paper (2007) Housing and Regeneration Bill, p8. [www.parliament.uk/commons/lib/research/rp2007/rp07-079.pdf](http://www.parliament.uk/commons/lib/research/rp2007/rp07-079.pdf)

financial assistance; provide or facilitate services for communities; and undertake advisory, training, research and information services.

8. One of the most important functions of the HCA is to increase the supply of affordable homes in England. This is primarily carried out through the National Affordable Housing Programme (NAHP) which involves the HCA working in partnership with a number of 'Investment Partners' such as HAs, developers, local authorities, Arms Length Management Organisations (ALMOs), and local authority led Special Purpose Vehicles etc. The HCA's main strategic focus is on the financing of affordable housing and unlike the NIHE does not have a significant landlord function. Rather this function is exercised by local authorities and as is increasingly the case, Housing Associations and other bodies. The next section of this paper explores the separation of the landlord from the strategic role in further detail.
9. When the concept of a single housing and regeneration agency for England was first introduced there appeared to be general support in the housing industry for such a development. It was felt that it would bring together various funding streams and result in improved processes for stakeholders who would liaise with one organisation with a single set of objectives<sup>6</sup>. In terms of the future of the HCA, however, there is some *speculation* in the media that it could potentially be axed if the Conservatives took power at the next election<sup>7 8</sup>.
10. Essentially the HCA brings under one organisation many of the functions currently under the remit of different statutory bodies in Northern Ireland particularly DSD and NIHE. **The Committee may wish to consider in further detail the merits and barriers of developing a single housing and regeneration agency for Northern Ireland.** This should perhaps include mapping out a clear vision of the role of a potential new agency and the impact that would have on the remit of both DSD and NIHE in relation to housing and regeneration. **This Committee may also wish to consider how a potential new strategic housing and regeneration agency would fit into the community planning process and post-RPA structures.**

## **Section Two: Separating the Landlord Function from the Strategic Housing Role**

11. One of the main mechanisms by which the landlord function can be separated from the strategic housing function is via large scale housing stock transfer. Large-scale transfer of former council housing stock into housing association ownership has been a common feature in Great Britain over the last two decades. More than 1.3m council homes have been transferred to Housing Association (HA) ownership between 1988-2008 with HAs poised to become the majority social housing providers at the national level<sup>9</sup>. Research conducted on behalf of the Joseph Rowntree Foundation (JRF) highlights that the transfer policy was

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<sup>6</sup> House of Commons Library Research Paper (2007) Op. cit. p14.

<sup>7</sup> Public Finance News. 'Tories could axe Homes and Communities Agency'.

[www.publicfinance.co.uk/features/2009/11/tories-could-axe-homes-and-communities-agency/](http://www.publicfinance.co.uk/features/2009/11/tories-could-axe-homes-and-communities-agency/)

<sup>8</sup> Regeneration and Renewal. 'Tory threat to axe super-quango'.

[www.regen.net/news/ByDiscipline/Housing/871761/Tory-threat-axe-super-quango/](http://www.regen.net/news/ByDiscipline/Housing/871761/Tory-threat-axe-super-quango/)

<sup>9</sup> Pawson, H., Davidson, E., Morgan, J., Smith, R. & Edwards (2009) The Impacts of Housing Stock Transfers in Urban Britain: Summary Paper Joseph Rowntree Foundation

[www.jrf.org.uk/publications/impacts-housing-stock-transfers-urban-britain](http://www.jrf.org.uk/publications/impacts-housing-stock-transfers-urban-britain)

aimed at addressing a number of issues including poor repair and maintenance standards, reversing neighbourhood decline, and in some circumstances, remedying a “legacy of mediocre housing management”<sup>10</sup>. The National Housing Federation further maintain that the aim of stock transfer was to enable greater investment in tenants’ homes which many councils could not achieve due to financial restrictions on borrowing capacity. Stock transfer facilitated the introduction of private finance given that HAs are not subject to the same borrowing constraints as councils<sup>11</sup>.

12. The JRF research highlights the fact that virtually all HAs assuming ownership of former council stock have been newly created social landlords, i.e. what it terms ‘second generation housing associations’. The research maintains that in relation to the positive impact on the social housing sector, second generation HAs have, for example:

- implemented stock upgrade standards which tend to be superior to those officially prescribed in the Decent Homes Standard;
- stimulated tenant involvement in organisational decision-making;
- transformed the organisational culture of housing associations, i.e. by providing a less hierarchical, more inclusive and customer focused ethos; and
- have become involved in neighbourhood regeneration, including social and economic renewal, to a much greater degree than first anticipated at the time of transfer. Many HAs, for example, have developed community facilities and contributed to community services<sup>12</sup>.

13. Before large scale stock transfers take place in England a local authority must obtain the Secretary of State’s permission. The Secretary of State will not give permission unless satisfied that a majority of affected tenants do not oppose transfer. The Housing and Regeneration Act 2008 provides tenants with a stronger say in stock transfer by making a tenant ballot mandatory. Previously there was no statutory duty on local authorities to conduct a ballot before seeking consent to stock transfer. However, in practice a ballot has been always carried out but this has not prevented disputes arising over the ballot/consultation process<sup>13</sup>.

14. Although the vast majority of ballots are successful, not all tenants have agreed to stock transfer. In 2005, for example, Edinburgh City Council tenants narrowly voted against HAs taking over the council housing stock (around 23,000 homes)<sup>14</sup>. However, Glasgow City Council was successful in transferring its housing stock to the newly formed Glasgow Housing Association (GHA). GHA is reported to be one of the largest social landlords in Europe (with around 60,000 tenants). The stock transfer process in Glasgow has, however, had a number of difficulties and involved an extensive tenant information campaign and MORI

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<sup>10</sup> Ibid, p2.

<sup>11</sup> National Housing Federation (2008) The Facts About Stock Transfer, p2.  
[www.housing.org.uk/Uploads/File/Facts%20about%20stock%20transfer%20-%20Nov%2008new2.pdf](http://www.housing.org.uk/Uploads/File/Facts%20about%20stock%20transfer%20-%20Nov%2008new2.pdf)

<sup>12</sup> Pawson, H., Davidson, E., Morgan, J., Smith, R. & Edwards (2009) The Impacts of Housing Stock Transfers in Urban Britain, p1. Joseph Rowntree Foundation [www.jrf.org.uk/publications/impacts-housing-stock-transfers-urban-britain](http://www.jrf.org.uk/publications/impacts-housing-stock-transfers-urban-britain)

<sup>13</sup> House of Commons Library (2007) Housing and Regeneration Bill, p53.  
[www.parliament.uk/commons/lib/research/rp2007/rp07-079.pdf](http://www.parliament.uk/commons/lib/research/rp2007/rp07-079.pdf)

<sup>14</sup> BBC News. ‘Residents reject housing transfer’. 15 December 2005.  
<http://news.bbc.co.uk/1/hi/scotland/4530106.stm>

opinion polls. As an incentive to tenants, the Scottish First Minister announced that Glasgow's housing debt of £900m would be written off if tenants agreed to the transfer<sup>15</sup>. GHA is currently involved in a 'second stage transfer' programme which will once again see tenants vote to decide upon further transfer of housing stock from GHA to smaller community based HAs<sup>16</sup>.

### Arms Length Management Organisations (ALMOs)

15. In addition to transferring ownership and management of council housing stock to Housing Associations, another option has been for councils to transfer the management of stock to Arms Length Management Organisations (ALMOs). An ALMO is a company set up by a local authority to manage and improve all or part of its housing stock. The purpose of ALMOs is to provide local authorities with greater opportunities to concentrate on their strategic housing role, leaving ALMOs to manage the day-to-day landlord function (e.g. bringing council housing up to the Decent Homes Standard; collecting rents and dealing with arrears). ALMOs are owned by local authorities but managed by a board of directors which is comprised of tenants, local authority nominees and independent members<sup>17</sup>.
16. A key question for ALMOs is what future role they will play in social housing once the Decent Homes Standard targets are met. One London council (Hillingdon) is reported to have recently voted to become the first to wind up its ALMO and return properties to council management. The vast majority of tenants are said to be in favour of this move and the council has stated that in light of the current recession it cannot justify running a separate company to manage housing when it could be done "in house"<sup>18</sup>.
17. A report by the National Federation of ALMOs has warned that ALMOs face an uncertain future unless they can reinvent themselves beyond delivering the Decent Homes Programme<sup>19</sup>. The report maintains that the remit of ALMOs could include other activities such as delivering new services for the council and other organisations (e.g. services for the unemployed); participating in wider regeneration activities; and property ownership and new build<sup>20</sup>.
18. In recent years high performing ALMOs have been eligible to bid directly for funding to build new social and affordable homes. However, a number of ALMOs had been involved in this process previously through investment partnership arrangements with other Registered Social Landlords<sup>21</sup>. It has also been suggested that community ownership could refresh ALMOs further with greater

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<sup>15</sup> Glasgow Housing Association Press Release. 'First Minister's debt announcement is boost to GHA'. 19 September 2001. [www.gha.org.uk/content/default.asp?page=s25\\_1&newsid=1621&newsType=](http://www.gha.org.uk/content/default.asp?page=s25_1&newsid=1621&newsType=)

<sup>16</sup> Glasgow Housing Association Press Release. 'SST – Another major milestone'. 1 February 2010. [www.gha.org.uk/content/default.asp?page=s25\\_1&newsid=3454&back=s25](http://www.gha.org.uk/content/default.asp?page=s25_1&newsid=3454&back=s25)

<sup>17</sup> Information extracted from the Homes and Communities website - [www.homesandcommunities.co.uk/arms\\_length\\_management\\_organisations](http://www.homesandcommunities.co.uk/arms_length_management_organisations)

<sup>18</sup> Inside Housing. 'London council will be first to close ALMO'. 19 February 2010. [www.insidehousing.co.uk/story.aspx?storycode=6508654](http://www.insidehousing.co.uk/story.aspx?storycode=6508654)

<sup>19</sup> Local Government Chronicle. 'ALMOs urged to evolve to survive'. [www.lgcplus.com/news/almos-urged-to-evolve-to-survive/2017298.article](http://www.lgcplus.com/news/almos-urged-to-evolve-to-survive/2017298.article)

<sup>20</sup> National Federation of ALMOs (2009) A future for ALMOs – within local communities, p7. [www.almos.org.uk/news\\_docs.php?subtypeid=24](http://www.almos.org.uk/news_docs.php?subtypeid=24)

<sup>21</sup> Housemark (2009) ALMOs and New Build: Lessons learnt from the first ALMOs to receive NAHP funding. [www.housemark.co.uk/hmresour.nsf/lookup/ALMOs\\_and\\_New\\_Build.pdf/\\$File/ALMOs\\_and\\_New\\_Build.pdf](http://www.housemark.co.uk/hmresour.nsf/lookup/ALMOs_and_New_Build.pdf/$File/ALMOs_and_New_Build.pdf)

community and tenant involvement in management and in developing different approaches such as Community Land Trusts<sup>22</sup>. A number of ALMOs are evolving in other directions, for example, there is a proposal that Bolton Council's ALMO be transformed into a new HA and, subject to tenant's approval, to transfer housing stock to the new body<sup>23</sup>.

### Opposing Views – the 'Privatisation' of Council Housing

19. There has of course been vocal opposition to large scale transfers in Great Britain, with some viewing stock transfer as the 'privatisation' of council housing. The House of Commons Council Housing Group, for example, which is a group with a cross-party membership of MPs, outlined this view in a [report](#) on its inquiry into the future of council housing investment. The report argues that Registered Social Landlords (RSLs) such as Housing Associations have failed to deliver on new homes, maintaining that:

"The grim failure of current housing policy reliant on the private market reinforces the case for government to invest in first class council housing.

Difficulties are mounting – repossessions, overcrowding and council waiting lists mount, while house building collapses, and the pledge to make all 'social' homes decent by 2010 is missed for at least one in ten homes.

.....And even before the credit crunch Registered Social Landlords (RSLs) had failed to deliver the new homes needed. They were the government's chosen vehicle to drive through housing deregulation over recent years but now face a collective deficit. RSLs private borrowing, land and development speculation and dependence on the private sale and rent market has exposed them to market failure – the same whirlpool as the rest of the private housing market"<sup>24</sup>

20. There is a renewed effort by Government in other jurisdictions, partly as a consequence of the economic downturn, to encourage local authorities to once again invest in affordable housing. In September 2009, for example, the Housing Minister John Healy launched the second phase of the biggest council house building programme in England for almost two decades. The Minister has written to all council leaders in England encouraging them to consider submitting bids to deliver around £180m of investment that could fund construction of a further 1,200 new council homes<sup>25</sup>. Similarly, the Scottish Government has announced increased investment to support the construction of local authority homes as part of a wider package of support for affordable housing in the economic downturn<sup>26</sup>.

## **Section Three: The Future Role and Regulation of Housing Associations – Some Key Issues**

<sup>22</sup> National Federation of ALMOs (2009) Op. Cit., p9-10.

<sup>23</sup> 'Bolton raises question of stock transfer'. 18 January 2010.

[www.housingexcellence.co.uk/news/bolton-raises-question-stock-transfer-490703](http://www.housingexcellence.co.uk/news/bolton-raises-question-stock-transfer-490703)

<sup>24</sup> House of Commons Council Housing Group (2009) Council Housing – Time to Invest, p4.

[www.support4councilhousing.org.uk/report/resources/HOCCHG\\_TimeToInvest.pdf](http://www.support4councilhousing.org.uk/report/resources/HOCCHG_TimeToInvest.pdf)

<sup>25</sup> Department for Communities and Local Government. 'John Healy – Over £180 million further investment in for more council housing'. [www.communities.gov.uk/news/corporate/1346486](http://www.communities.gov.uk/news/corporate/1346486)

<sup>26</sup> Scottish Government. 'More cash for council homes'. [www.scotland.gov.uk/News/Releases/2009/04/17114704](http://www.scotland.gov.uk/News/Releases/2009/04/17114704)

21. One of the many options for the potential future role for Registered Housing Associations in Northern Ireland could lie within the large scale transfer of NIHE housing stock. As the previous section outlines, this has certainly been the direction of housing policy in other jurisdictions although local authority investment in housing is making somewhat of a resurgence. Similar to other jurisdictions, one would assume that final decision making on any transfer would ultimately rest with the tenants themselves.
22. In the short term, however, another option to be explored is the potential for smaller scale voluntary stock transfers. Interestingly, it appears that small-scale transfers are not a new development in Northern Ireland. For example, the Minister for Social Development has highlighted that the NIHE is in the process of considering the potential transfer of NIHE homes in Rinmore (Derry/Londonderry) to a local housing association<sup>27</sup>. There is also a suggestion that there is potential under existing legislation for small scale stock transfers to be facilitated further<sup>28</sup>.
23. Evidence from other jurisdictions suggests that while 'traditional' Housing Associations are the predominant recipients of small scale stock transfer, a number of other innovative options are also available. One alternative is the Community Gateway Model which involves the development of tenant/community led housing associations. The Gateway Model provides a process by which council housing stock is transferred to an enabling body which allows tenants to pursue a step by step approach to controlling their communities<sup>29</sup>. Preston Council was the first local authority in England to pursue stock transfer through the Community Gateway approach. The Board of the Community Gateway Association in Preston is comprised of 15 members – seven tenants, three representatives from Preston City Council and five independent members<sup>30</sup>.
24. With regard to the general issues around the impact of stock transfer, a report by the National Assembly for Wales Local Government and Housing Committee on housing stock transfer in Wales provides an insightful series of questions **which the Committee may wish to consider in relation to potential stock transfer in Northern Ireland**<sup>31</sup>:

- Should there be a maximum or a minimum size of stock transfer?
- What role might stock transfer play in community regeneration and sustainability?
- What are the advantages and disadvantages of the emerging model of community-ownership associations? Do they provide sufficient flexibility to be adapted to meet

<sup>27</sup> AQW 3275/10 Mr Simon Hamilton to the Minister for Social Development and AQW 1769/10 Mr Mark Durkan to the Minister for Social Development.

<sup>28</sup> See Northern Ireland Assembly Official Report. Northern Ireland Federation of Housing Associations evidence to the Committee for Social Development on the Commission for on the Future of Housing Northern Ireland. 7 January 2010.  
[www.niassembly.gov.uk/record/committees2009/SocialDevelopment/100107\\_CommissionFutureHousing.htm](http://www.niassembly.gov.uk/record/committees2009/SocialDevelopment/100107_CommissionFutureHousing.htm)

<sup>29</sup> Chartered Institute of Housing. Growing Confidence: Introducing the Community Gateway Model.  
[www.cih.org/policy/ComGate.pdf](http://www.cih.org/policy/ComGate.pdf)

<sup>30</sup> For further information see [www.community-gateway.co.uk/about/index.aspx?section=6](http://www.community-gateway.co.uk/about/index.aspx?section=6)

<sup>31</sup> National Assembly for Wales (2001) Local Government and Housing Committee Final Report: Policy Review of Housing Stock Transfer.  
[www.assemblywales.org/3B023D3E000460B20000123D00000000.pdf](http://www.assemblywales.org/3B023D3E000460B20000123D00000000.pdf)

- the needs of local communities?
- Are there other stock transfer models which should be considered?
- What processes are needed to engage with communities in relation to stock transfer?
- Within current public sector borrowing rules, are there any options other than stock transfer which would deliver investment on a scale necessary to overcome a backlog of repairs and essential maintenance?

### Developments in Regulatory Reform

25. The key issues papers from the Independent Commission on the Future for Housing highlights that the regulation of landlord activities in Northern Ireland is spread across a number of different regulators, i.e. the Department for Social Development has regulatory powers over the NIHE and HAs; both the Department and NIHE exercise regulatory influence over HAs. In other jurisdictions there has been a separation in recent years of the regulatory function from Government Departments and a move towards 'domain regulation' that covers all social housing (i.e. both local authority and HA) with comparable regulation<sup>32</sup>. This section looks briefly at developments in Scotland in relation to the creation of the Scottish Housing Regulator and in England through the creation of the new Tenant Services Authority.

#### **Scotland**

26. 'Communities Scotland' an executive agency of the Scottish Government with strategic responsibility for housing (including RLS regulation), communities and regeneration was abolished on the 1 April 2008. The work of Communities Scotland Regulation and Inspection division was transferred to the new [Scottish Housing Regulator](#). The Scottish Housing Regulator is operationally independent but is accountable to Scottish Ministers. The remit of the Regulator is to both register and regulate Registered Social Landlords (RSLs) and to inspect the housing and homelessness services provided by local authorities.

27. In terms of its registration function, the Regulator maintains a **public register of social landlords** (including housing associations, co-ownership societies but not local authorities). The register provides key information on RSLs including their legal status; associated organisations; address and contact details; allocation policy; annual accounts; performance profile; and the local authority areas in which they operate. RSLs are required to keep all information on the register up to date and an important feature of the register is that information can be **viewed and searched** online by tenants and the wider general public via the Regulator's website.

28. One of the Regulators main regulatory activities is to inspect RSLs and provide an independent external assessment of the effectiveness of housing service delivery. The Regulator takes a **risk based** approach to inspection in that it no longer undertakes cyclical inspections of RSLs<sup>33</sup>. The Regulator also makes recommendations for improvement and, where necessary, will use statutory powers to intervene to protect the interests of tenants. Again it should be

<sup>32</sup> Commission on the Future of Housing in Northern Ireland (2009). A Key Issues Paper from the Independent Commission, p27.

<sup>33</sup> Scottish Parliament Question for Written Answer S3W-29915, Mr John Wilson MSP to the Minister for Housing, Alex Neil. 6 January 2010.

stressed that an important aspect of regulation is that inspection reports are **published online** and can be viewed by tenants and other stakeholders.

29. In addition to registration and regulation, the Regulator states that it is also committed to helping RSLs assess and improve the services they provide. The Regulator publishes [benchmarking](#) information and statistics on issues such as rent, repairs, evictions, arrears management etc. This facilitates a process by which RSLs can compare and contrast their performance with other RSLs and tenants can compare the services they receive with those of other RSLs.

### England

30. The new [Tenant Services Authority](#) (TSA), the independent regulator of affordable housing came into operation on the 1 December 2008. The TSA took over the now defunct Housing Corporation's responsibilities for regulating Housing Associations. Subject to further debate in Parliament it is expected that by April 2010 the TSA will regulate all social housing providers including local authority landlords and ALMOs<sup>34</sup>.

31. The TSA has ten statutory objectives set out under the Housing and Regeneration Act 2008<sup>35</sup>:

- To encourage and support a supply of well-managed social housing, of appropriate quality, sufficient to meet reasonable demands;
- To ensure that actual or potential tenants of social housing have an appropriate degree of choice and protection;
- To ensure that tenants of social housing have the opportunity to be involved in its management;
- To ensure that registered providers of social housing perform their functions efficiently, effectively and economically;
- To ensure that registered providers of social housing are financially viable and properly managed;
- To encourage registered providers of social housing to contribute to the environmental, social and economic wellbeing of the areas in which housing is situated;
- To encourage investment in social housing, including promoting the availability of financial services to registered providers of social housing;
- To avoid the imposition of an unreasonable burden on public funds;
- To guard against the misuse of public funds; and
- To regulate in a manner which minimises interference and is proportionate, consistent, transparent and accountable.

32. The TSA has set out its top priorities over the next three years in its draft corporate plan. One of these priorities is to **secure a fair deal for tenants** by, enhancing opportunities for tenants to make choices on how services are managed, by promoting standards in landlord service delivery, and providing tenants with more opportunities to scrutinise their landlord's performance. In relation to scrutinising landlord performance, in December 2009 the TSA launched a [landlord comparison portal](#) as part of the TSA website. The portal is designed to enable tenants to compare the performance of HAs in their area (e.g. rent levels, tenant satisfaction with repairs and maintenance or satisfaction with

<sup>34</sup> Tenant Services Authority, Frequently Asked Questions.  
[www.tenantservicesauthority.org/server/show/nav.00i008](http://www.tenantservicesauthority.org/server/show/nav.00i008)

<sup>35</sup> Tenant Services Authority. Draft Corporate Plan 2010-2013, p25.  
[www.tenantservicesauthority.org/upload/doc/Draft\\_corporate\\_plan\\_2010-13\\_20100219115230.doc](http://www.tenantservicesauthority.org/upload/doc/Draft_corporate_plan_2010-13_20100219115230.doc)

opportunities to participate in decision-making). It is hoped that by opening up accountability and transparency the portal will illustrate the need for improvement from some housing associations<sup>36</sup>.

33. The TSA has only been in operation just over a year but has been involved in a wide range of initiatives. For example,
- the development of a **new regulatory framework** for social housing including the 'National Conversation' initiative which involved widespread **consultation with tenants**;
  - the setting up of a specialist team to explore ways of tackling **anti-social behaviour**;
  - consultation with **young people** on their neighbourhood-s, communities and social housing;
  - a **diversity plan** for promoting equality and good relations for social housing landlords and tenants; and
  - developing plans for a national register of social housing **tower blocks** following a number of fatal fires in England.
34. However, not all feedback on the setting up of the TSA has been positive. Research commissioned by the Chartered Institute of Housing, for example, indicates that many housing organisations may be under-prepared to meet the challenges of the TSAs new regulatory framework of social housing which is to be introduced within the next few months. It is reported that the Council of Mortgage Lenders has also expressed reservations about the tight time-scale for introducing the new regulations.<sup>37</sup>

#### Harnessing the Potential Procurement Partnerships

35. The '[Procurement Strategy for the Social Housing Development Programme](#)'<sup>38</sup> was launched by the Minister for Social Development in October 2008. The Strategy outlined plans to consolidate housing association procurement activity through the creation of four procurement groups, together with the use of longer term contracts through framework agreements. To assist the Committee in its deliberations a previous Assembly [research paper](#) provided a broad overview of procurement partnership and other collaborative arrangements for social and affordable housing in England and Scotland.
36. It is important to note that the move towards procurement groups in the social housing sector is not occurring in a policy vacuum. Rather it is the result of a number of reviews (e.g. Egan, Gershon) which called for efficiency savings in the social housing and construction sectors. In England, the response to this has been the establishment of the '**Investment Partners**' programme which was piloted in 2003. This programme brings together groups of housing associations, local authorities and Arms Length Management Organisations to build new social and affordable housing in their areas.

<sup>36</sup> Tenants Services Authority News Release. 'New TSA landlord comparison website shines light on housing association performance'. 1 December 2009.

[www.tenantservicesauthority.org/server/show/ConWebDoc.19868/changeNav/14570](http://www.tenantservicesauthority.org/server/show/ConWebDoc.19868/changeNav/14570)

<sup>37</sup> Inside Housing. 'Mortgage lenders seek reassurance over TSA scrutiny of landlords'. 26 February 2010. [www.insidehousing.co.uk/story.aspx?storycode=6508711](http://www.insidehousing.co.uk/story.aspx?storycode=6508711)

<sup>38</sup> Department for Social Development (2008) Procurement Strategy for the Social Housing Development Programme. [www.dsdni.gov.uk/hsdiv-procurement-strategy.pdf](http://www.dsdni.gov.uk/hsdiv-procurement-strategy.pdf)

37. Other forms of consortia have also emerged in England through the **Efficiency Challenge Fund**. These are groups of housing associations, local authorities and Arms Length Management Organisations which come together to jointly procure services such as gas and heating services, external and internal painting, lift servicing and repairs, grounds maintenance, supply of kitchen units etc.
38. In Scotland, a number of ad hoc social housing procurement partnerships have also emerged in recent years. The Scottish Government has, however, sought to roll out such procurement partnerships on a national basis. In December 2008 the Scottish Government launched a consultation on the matter with proposals for the creation of such groups with each led by a mandatory lead developer. Initial responses from stakeholders suggested that social landlords were not opposed in general to the establishment of procurement groups and welcomed the provision of a longer term funding programme. However, housing associations in particular expressed strong reservations about imposing a 'Lead Developer' role on the groups.

#### Procurement Partnerships as a Vehicle for Rationalising the Social Housing Sector?

39. There have been an increasing number of large scale housing association mergers in recent years particularly in England. An Investment Partnering pilot evaluation report suggests that the sector has seen considerable rationalisation with the consolidation of many housing associations via mergers or membership of larger groups and that this may, at least partially be driven by the Investment Partnering Programme<sup>39</sup>. It is suggested that many smaller housing associations or 'specialist' housing associations fear that entering into a strategic partnership might be taken as an indication of a future willingness to merge or join a group structure.
40. A report commissioned by the Housing Corporation maintains, however, that there is no set pattern to these types of mergers and that no two mergers are the same. It also highlighted the loaded nature of the term 'merger' stating that it appears to imply a loss of sovereignty for one or more of the housing associations entering into such arrangements. The report maintains that this is not necessarily the case<sup>40</sup>. Nevertheless, there has been criticism by some smaller HAs against the rise of 'mega-associations'. For example, the [PlaceShapers Group](#), a lobby group of 50 community based housing associations maintain that such mergers have a tendency to lose the "ability to engage properly because of excessive scale or spread"<sup>41 42</sup>.
41. A study published by the Chartered Institute of Housing in 2006, highlighted that there are both costs and benefits associated with the formation of Housing Association mergers, groups and non-constitutional partners. The pros and cons of such formations are outlined in detail in the [report](#)<sup>43</sup>. It is evident that one of the main issues for Northern Ireland in procurement partnerships and potential

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<sup>39</sup> Chartered Institute of Housing & Tribal (2005) op. cit. p29.

<sup>40</sup> Housing Corporation (2003) Mergers, due diligence and housing associations.

[www.housingcorp.gov.uk/upload/pdf/44mergers.pdf](http://www.housingcorp.gov.uk/upload/pdf/44mergers.pdf)

<sup>41</sup> PlaceShapers website, [www.placeshapers.org/?ob=1&id=14](http://www.placeshapers.org/?ob=1&id=14)

<sup>42</sup> See also Inside Housing, 'Collective Departure', 13 June 2008.

[www.insidehousing.co.uk/story.aspx?storycode=6500064](http://www.insidehousing.co.uk/story.aspx?storycode=6500064)

<sup>43</sup> Davies, A., Lupton, M., & McRoberts, D. (2006) The costs and benefits of groups, mergers and partnerships. Published by Chartered Institute of Housing and Tribal, funded by the Housing Corporation. [www.cih.org/policy/CostsBenefits.pdf](http://www.cih.org/policy/CostsBenefits.pdf)

rationalisation is to achieve economies of scale and efficiency savings whilst maintaining the level of service and expertise developed by those housing associations providing 'specialist' accommodation.

42. In addition to creating efficiency savings, procurement partnerships are encouraged to become engaged in addressing skills shortages and developing pathways into sustainable employment for young people, minority ethnic groups and other vulnerable groups. They are also encouraged to support the development of local small and medium size enterprises. Many consortia also use efficiency savings to fund community regeneration initiatives, including making improvements to the physical environment of their communities (e.g. using profits to fund graffiti removal, tree planting, repair and clean-up of parks and play areas). **As procurement partnerships become more established in Northern Ireland the Committee may wish to explore in further detail how the partnerships will approach these tasks.**

#### **Section Four: Maximising the Availability of Existing Social Housing Stock**

43. This section explores recent developments in 'Right to Buy' and provides a broad overview of Empty Homes, Unlawful Subletting, Choice-Based Lettings and Mutual Exchange Initiatives in other jurisdictions.

##### Developments in 'Right to Buy'

44. Many Northern Ireland Housing Executive and Housing Association tenants have a statutory right to buy their home providing they have a minimum five year tenancy with a recognised social housing provider (known as the House Sales Scheme in Northern Ireland). There are of course a number of exceptions to this in that certain tenants (i.e. those found to be engaging in anti-social behaviour) and certain dwelling types (e.g. sheltered dwellings, majority of one/two bedroom bungalows) are not eligible for the House Sales Scheme<sup>44</sup>. An extension to the House Sales Scheme to provide an [equity sharing option](#) for tenants who wished to buy their home but were unable to afford the full costs was announced by the Minister in February 2008<sup>45</sup>. During the last 10 years over 36,000 homes have been sold to social housing tenants in Northern Ireland<sup>46</sup>.
45. In other jurisdictions there has been a move to prevent the decline in social housing stock by amending aspects of the various 'Right to Buy'/'Right to Acquire' schemes, as well as maximising the availability of existing social housing stock through anti-fraud and empty homes initiatives. New reforms for 'Right to Buy' (RTB) in **Scotland**, for example, were outlined in the new [Housing \(Scotland\) Bill](#) introduced in the Scottish Parliament on 13 January 2010<sup>47</sup>.

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<sup>44</sup> Northern Ireland Housing Executive (2009) House Sales: Incorporating Equity Sharing – A Tenant's Guide. [www.nihe.gov.uk/house\\_sales\\_incorporating\\_equity\\_sharing\\_tenants\\_guide.pdf](http://www.nihe.gov.uk/house_sales_incorporating_equity_sharing_tenants_guide.pdf)

<sup>45</sup> See Department for Social Development website for further information on the House Sales Scheme Equity Sharing Option. [www.dsdni.gov.uk/index/hsdiv-housing/hsdiv-housing-house-sales-equity.htm](http://www.dsdni.gov.uk/index/hsdiv-housing/hsdiv-housing-house-sales-equity.htm)

<sup>46</sup> Statistics taken from AQW 3428/10, Question from Mr Simon Hamilton to the Minister for Social Development. Tabled 8 December 2009.

<sup>47</sup> Housing (Scotland) Bill, [www.scotland.gov.uk/Topics/Built-Environment/Housing/16342/safeguarding](http://www.scotland.gov.uk/Topics/Built-Environment/Housing/16342/safeguarding)

46. It is claimed that in general terms, long-standing tenants' entitlement to RTB will be relatively unaffected. However, there will be an end to RTB for new supply social housing and an end to RTB for new social housing tenants, including those returning after a voluntary break from social-renting. In addition to this, there are also proposed reforms for 'pressured areas'. Under current legislation a local authority can request that Ministers designate any part of its area as a 'pressured area' for up to five years. An area can be designated as such if demand for social housing in that area significantly outweighs (or is likely to outweigh) supply.
47. There are three elements to this particular reform, i.e.<sup>48</sup>:
- Extending the scope of designations to allow for particular **housing types** (as well as areas) to be designated as pressured (e.g. placing restrictions on RTB for large family homes in areas where there is a high demand for such properties);
  - Extending the five year maximum for a designation to **ten years** to enable local authorities to safeguard existing stock and match local housing need in a more targeted way; and
  - **Removing the requirement** for local authorities to have to make a proposal for designation to Ministers. However, in designating an area local authorities will have to meet many requirements (e.g. following guidance issued by Ministers, consult with every relevant social landlord and tenant representative organisation in that areas etc).
48. The stated policy objective of the proposed reforms is to "*safeguard social rented properties so that they are available to tenants for rent over the lifetime of the properties*". The Scottish Government estimate that if the reforms were implemented in full, for the period 2012 to 2022, it would retain in the social housing sector between 10,000 and 18,000 houses that otherwise would be lost through RTB<sup>49</sup>. The most significant issue arising from the reforms is in terms of equal opportunities and there are concerns that restricting RTB would further limit home ownership opportunities for people with disabilities, lower income and younger households<sup>50</sup>.
49. Restricting the sale of local authority social housing has also been at the forefront of housing policy in **Wales**. In July 2008, the Welsh Assembly Government issued a [consultation paper](#)<sup>51</sup> on proposals to suspend, for a limited time period, RTB for local authority housing stock in areas of housing pressure. The consultation also proposed that if Registered Social Landlords (e.g. a Housing Association) sought to suspend RTB for its own properties, that the RSLs would be expected to liaise with the local authority on the need for suspension. On 30 November 2009, Jocelyn Davies AM, the Deputy Minister for Housing, laid down an Order to provide Welsh Ministers with the legislative competence to reform RTB<sup>52</sup>. In recent oral evidence to the House of Commons Welsh Affairs

<sup>48</sup> Housing (Scotland) Bill, Policy Memorandum, pp30-35. [www.scottish.parliament.uk/s3/bills/36-Housing/b36s3-introd-pm.pdf](http://www.scottish.parliament.uk/s3/bills/36-Housing/b36s3-introd-pm.pdf)

<sup>49</sup> Housing (Scotland) Bill – Right to Buy Reforms. Equality Impact Assessment.

<sup>50</sup> Housing (Scotland) Bill, Policy Memorandum, pp36.

<sup>51</sup> Welsh Assembly Government (2008) Proposed Assembly Measure to Suspend the Right to Buy and Right to Acquire in Areas of Housing Pressure.

<sup>52</sup> National Assembly for Wales News Release. 'Welsh Ministers should be able to suspend 'Right to Buy'', says Assembly Committee. 2 February 2010. [www.assemblywales.org/newhome/new-news-third-assembly.htm?act=dis&id=164762&ds=2/2010](http://www.assemblywales.org/newhome/new-news-third-assembly.htm?act=dis&id=164762&ds=2/2010)

Committee, Jocelyn Davies maintained that the Welsh administration had at present no intentions to abolish RTB in its entirety<sup>53</sup>.

50. The 'Right to Buy' policy in **England** came into effect on 3 October 1980, soon after the Conservative Party took office in 1979. There have been a number of amendments to the RTB scheme since its inception, for example<sup>54</sup>:

- In February 1999 the maximum discounts available to tenants were adjusted to take account of regional differences.
- In March 1999 the Government announced a financial incentive to help councils 'buy back' dwellings from owners facing difficulties.
- In March 2003 the discounts were reduced to £16,000 in 41 local authorities that were under the greatest housing pressure in terms of homelessness and high local housing prices.
- The Housing and Regeneration Act which received Royal Assent in July 2008 introduced further changes to modernise RTB, e.g. permitting social landlords to offer equity loans or purchase equity shares to help leaseholders pay service charges on council flats.

51. The Government have taken a number of steps to replenish social housing stock in England. In addition to encouraging the construction of new social and affordable housing, the Department for Communities and Local Government has placed an emphasis on maximising the current social housing stock through other initiatives such as the national campaign on **tackling unlawful social housing subletting and occupancy**.

52. On 30 November 2009, the Housing Minister launched "the first ever national crackdown on tenancy cheats to recover up to 10,000 council and housing association homes fraudulently sublet". This is partly in response to an Audit Commission report which suggested that the number of social homes unlawfully acquired or sublet could range from one in 100 to as many as one in 20 in some inner city areas.

53. It is reported that 147 councils have signed up to the initiative including every council in London. £4m has been allocated to help councils work alongside housing associations to set up anti-fraud initiatives including special hotlines, cash rewards for members of the public for information leading to the recovery of a social property, and "crack squads" to investigate allegations of fraud. The Department for Communities and Local Government highlight that the average cost of recovering a property from a fraudulent tenant could be as little as £3,000 whilst the total cost of building a new council or housing association home is over £100,000<sup>55</sup>.

54. The Department are also supportive of other developments aimed at maximising social housing stock such as providing investment for **empty homes initiatives**.

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<sup>53</sup> House of Commons Welsh Affairs Committee (2010) Proposed National Assembly for Wales (Legislative Competence) (Housing and Local Government) Order 2010, relating to Sustainable Housing, p14. [www.publications.parliament.uk/pa/cm200910/cmselect/cmwelaf/186/186.pdf](http://www.publications.parliament.uk/pa/cm200910/cmselect/cmwelaf/186/186.pdf)

<sup>54</sup> Information extracted from the Department for Communities and Local Government website - [www.communities.gov.uk/housing/buyingselling/ownershipschemes/righttobuy/](http://www.communities.gov.uk/housing/buyingselling/ownershipschemes/righttobuy/)

<sup>55</sup> Department for Communities and Local Government News Release. 'John Healy calls time on tenancy cheats. 30 November 2009'. [www.communities.gov.uk/news/corporate/1397396](http://www.communities.gov.uk/news/corporate/1397396) see also 'Tackling unlawful subletting and occupancy: Good practice guidance for social landlords', [www.communities.gov.uk/publications/housing/housingfraudguidance](http://www.communities.gov.uk/publications/housing/housingfraudguidance)

The Government is working in co-operation with the [Empty Homes Agency](#) (an English campaigning charity) to encourage local authorities to both deal with their own empty properties and adopt measures to bring privately owned empty properties back into use as part of their strategic housing approach<sup>56</sup>. Recent developments in this area include an announcement on 5 February 2010, by the Housing Minister John Healy, of £1m funding for 17 council areas in England experiencing high levels of anti-social behaviour. The funding will be used to train frontline council staff and specialist teams in bringing empty homes back into use. It will also involve action to renovate derelict houses for letting as social homes and the use of private funding to turn empty homes into affordable homes<sup>57</sup>.

### Choiced-based Lettings (CBL)

55. Choice-Based Lettings (CBL) has had an increasing influence in the social housing allocations agenda in England since the late 1990s<sup>58</sup>. The Department for Communities and Local Government provides the following broad illustration of how CBL operates:

**“Choice-Based Lettings (CBL) replaces the traditional way of allocating housing under which housing officers seek to match applicants who have priority on the waiting list to available vacancies.**

**CBL allows applicants for social housing (and existing tenants seeking a move) to apply for available vacancies which are advertised widely (e.g. in the local newspaper or on a website).**

**Applicants can see the full range of available properties and can bid (i.e. apply) for any home to which they are matched (e.g. a single person would not be eligible for a three-bedroom house). The successful bidder is the one with the highest priority under the scheme. Authorities provide feedback that helps applicants to assess their chances of success in subsequent applications.”<sup>59</sup>**

56. The Department for Communities and Local Government has set a target to ensure that all local authorities in England have adopted CBL by 2010. Furthermore, it wishes to see an extension of CBL schemes so that they not only include social housing but also low cost home ownership and private rented accommodation. The Department further recognises that housing markets do not necessarily follow local authority boundaries and seek to ensure that, where possible, schemes are developed on a regional or sub-regional basis<sup>60</sup>. Since the CBL programme began in 2005 more than £6.5m has been given to local authorities to provide CBL schemes. A further £0.5m funding allocation for CBL was announced by the Housing Minister John Healy in January 2010. To date

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<sup>56</sup> See [www.communities.gov.uk/housing/housingmanagementcare/emptyhomes/](http://www.communities.gov.uk/housing/housingmanagementcare/emptyhomes/)

<sup>57</sup> Department for Communities and Local Government News Release. ‘Cash for crackdown on empty homes and anti-social behaviour’. [www.communities.gov.uk/news/corporate/1458623](http://www.communities.gov.uk/news/corporate/1458623)

<sup>58</sup> Brown, T. & Yates, N. (2005) Allocations and Lettings – Taking Customer Choice Forward in England, cited at [www.choicemoves.org.uk/pp/gold/viewgold.asp?id=938](http://www.choicemoves.org.uk/pp/gold/viewgold.asp?id=938)

<sup>59</sup> For further information on Choice-Based Lettings in England see [www.communities.gov.uk/housing/housingmanagementcare/choicebasedlettings/](http://www.communities.gov.uk/housing/housingmanagementcare/choicebasedlettings/)

<sup>60</sup> Information extracted from the Department for Communities and Local Government website - [www.communities.gov.uk/housing/housingmanagementcare/choicebasedlettings/](http://www.communities.gov.uk/housing/housingmanagementcare/choicebasedlettings/)

over 80% of local authorities in England (or 265 local authorities) have now a CBL scheme in place or in development<sup>61</sup>.

57. A [Choice-Based Lettings Code of Guidance](#) was published in August 2008 which provides guidance on implementing CBL schemes. The guidance maintains that providing applicants with a greater choice of accommodation is the best means to ensure sustainable tenancies and to build “settled, viable and inclusive communities”<sup>62</sup>. [Research](#) commissioned by the Department for Communities and Local Government into the long term impact of CBL claims that such schemes lead to improvements in tenancy sustainment and tenant satisfaction; encourages applicants to think more flexibly about their housing choices; and reduces rather than compounds ethnic segregation<sup>63</sup>. However, there are also suggestions that there is a danger that CBL could either fail to challenge, or reinforce existing patterns of segregation as applicants for social housing tend to express a preference for housing in the same neighbourhood or locality<sup>64</sup>. It has also been suggested that CBL schemes are only suitable for areas which do not experience high housing demand.
58. The development of CBL in other jurisdictions has been somewhat slower than in England. However, there has been a growing interest in CBL in Scotland and a number of local authorities have schemes in place<sup>65</sup>. The City of Edinburgh Council, for example, works in partnership with 12 partner housing associations and co-operatives to rent houses through a CBL scheme known as ‘[EH – Your Key to Choice](#)’<sup>66</sup>. Similarly, Glasgow Housing Association offers a CBL pilot scheme known as ‘[Homechoice](#)’<sup>67</sup> which operates in the west of the city (properties in the rest of the city continue to be let through the existing points based letting system). CBL has also been recently piloted in South Dublin. There are 104 properties involved in the scheme which are owned by South Dublin County Council. The houses are managed by Helm Housing and the properties have been allocated exclusively to persons on the Council waiting list via a CBL initiative<sup>68</sup>.

#### ‘Mutual Exchange’ of Social Housing

59. In addition to CBL, there are a number of websites which promote the ‘mutual exchange’ of local authority and housing association properties; a process by which tenants agree to ‘swop’ homes<sup>69</sup>. Exchanges usually require permission from the social landlords involved. Research conducted by the Joseph Rowntree Foundation highlights that exchanges tend to be most commonly pursued by

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<sup>61</sup> Department for Communities and Local Government Press Release. ‘John Healy offers more housing choice for tenants’. 20 January 2010. [www.communities.gov.uk/news/corporate/1440873](http://www.communities.gov.uk/news/corporate/1440873)

<sup>62</sup> Department for Communities and Local Government (2008) Allocation of Accommodation: Code of Guidance for Local Housing Authorities, p10.

[www.communities.gov.uk/documents/housing/pdf/choicecodeguidance](http://www.communities.gov.uk/documents/housing/pdf/choicecodeguidance)

<sup>63</sup> Department for Communities and Local Government (2006) Monitoring the Longer Term Impact of Choice Based Lettings. [www.communities.gov.uk/documents/housing/pdf/152143.pdf](http://www.communities.gov.uk/documents/housing/pdf/152143.pdf)

<sup>64</sup> Chartered Institute of Housing (2003) Offering Communities Real Choice: Lettings and Community Cohesion, p10. [www.cih.org/policy/CommunityCohesion.pdf](http://www.cih.org/policy/CommunityCohesion.pdf)

<sup>65</sup> Scottish Parliament Information Centre (2007) The Allocation of Social Rented Housing. [www.scottish.parliament.uk/business/research/briefings-07/SB07-67.pdf](http://www.scottish.parliament.uk/business/research/briefings-07/SB07-67.pdf)

<sup>66</sup> For further information on the scheme see <http://keytochoice.scotsman.com/how.cfm>

<sup>67</sup> For further information on Homechoice see <https://homechoice.gha.org.uk/AboutHomeChoice.aspx>

<sup>68</sup> Helm Housing Choice-Based Lettings Pilot in South Dublin.

[www.helmhousing.org/newsItem.php?news=36](http://www.helmhousing.org/newsItem.php?news=36)

<sup>69</sup> For example, [www.houseexchange.org.uk/](http://www.houseexchange.org.uk/), [www.homeswapper.co.uk/](http://www.homeswapper.co.uk/)

households with dependent children, particularly lone parents. The research also found that most exchanges take place over relatively small distances and that word of mouth was the most common means of finding out about potential exchanges.

60. For the small number of long distance moves, advertisements in newspaper and exchange websites are the most important means of sourcing potential exchanges<sup>70</sup>. Some local authorities actively promote house exchange, for example, Edinburgh City Council's promotion of ['Edinburgh House Exchange'](#) a website offering a free service to existing local authority, housing association and housing co-operative tenants which allows applicants to search a database of properties that match their requirements<sup>71</sup>.

### **Section Five: Public Land Use and Affordable Housing**

61. Maximising the use of land in public ownership for social and affordable housing is an issue that has received greater attention in recent years. The Minister for Social Development has confirmed that DSD and NIHE are exploring, for potential social housing development, the land bank that both bodies have in joint ownership<sup>72</sup>. This section explores briefly some recent developments in public land use in other jurisdictions.

#### **England – The Public Land Initiative (PLI)**

62. In England, the Homes and Communities Agency are taking forward a [Public Land Initiative \(PLI\)](#) which was announced in June 2009 as part of the Prime Minister's Housing Pledge. PLI is designed to bring new construction players into the housing market using land in public ownership. Rather than sell the land outright to developers, public land owners will make their land available on a 'deferred payment' basis.
63. In return for the reduced risk gained by removing the cost of buying a site, developers will be expected to take a lower profit margin. The completed homes can be transferred to a Registered Social Landlord (RSL) to a Private Rental Sector Initiative partner, or sold on the open market to individuals. PLI is open to organisations on the Homes and Communities Agency 'Delivery Partner Panel' a group of 28 pre-selected housing associations, developers and consortia divided over three regions<sup>73</sup>.
64. The initiative aims to deliver 1,250 homes in the next three years, 500 of which should be affordable homes. The aim is that these properties should be Code for Sustainable Homes Level Four and that they should follow the Building for Life

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<sup>70</sup> Jones, M. & Sinclair, F. (2002) Mutual Exchange as a Means of Moving Homes for Tenants. Joseph Rowntree Foundation. [www.jrf.org.uk/publications/mutual-exchange-means-moving-home-tenants](http://www.jrf.org.uk/publications/mutual-exchange-means-moving-home-tenants)

<sup>71</sup> For further information see on Edinburgh House Exchange see [www.houseexchange.org.uk/default.aspx?lid=521](http://www.houseexchange.org.uk/default.aspx?lid=521)

<sup>72</sup> Assembly Question for Oral Answer, AQO 737/10, Mr Paul Butler to the Minister for Social Development. 9 February 2010. [www.niassembly.gov.uk/record/reports2009/100209.htm#AQO737/10](http://www.niassembly.gov.uk/record/reports2009/100209.htm#AQO737/10)

<sup>73</sup> Inside Housing. 'HCA appoints development panel members'. 8 January 2010. [www.insidehousing.co.uk/story.aspx?storycode=6508039](http://www.insidehousing.co.uk/story.aspx?storycode=6508039)

ethos<sup>74</sup>. [Building for Life](#) is a national standard for well designed homes and neighbourhoods which emphasises the importance of new housing being placed in proximity to community facilities (e.g. shops, schools, parks) or exploring ways in which large scale developments can include such facilities. Other key features of Building for Life include the housing development's proximity to public transport, the aspirations of surrounding local communities, whether the development can support mixed tenure housing (i.e. social, privately rented, owner-occupied and shared ownership) and the environmental impact of the development<sup>75</sup>.

65. The first three sites under the PLI have just been announced by the Minister for Housing. Two sites are owned by the Homes and Communities Agency and the third by a local authority and a Regional Development Agency. It is expected that a total of 500 homes will be built on these subject to planning permission. The Minister has also made clear that he expects other public bodies to follow suit and identify land that they could make available for housebuilding<sup>76</sup>.

#### Reforming the Planning System and the Identification of Suitable Publicly-Owned Sites

66. Accelerating the planning process for major housing developments has also moved up the political agenda in Northern Ireland. In England, the Department for Communities and Local Government has put in place a number of measures in recent years to improve and streamline the planning process. This has included the setting of national targets for the speed of Local Authority planning decision-making on applications, and the allocation of £68m annually in Planning Delivery Grant to Local Authorities as an award for meeting targets (i.e. 13 week target for decisions). Local Authorities are also encouraged to hold pre-application discussions with developers.
67. However, the House of Commons Public Accounts Committee has noted that there are a number of concerns with this approach including, for example, some Local Authorities not deploying sufficient experienced and senior staff to take part in pre-application discussions. The report further maintains that the time taken by some statutory consultees to respond to an application (e.g. Environment Agency, Highways Agency) was holding up the process<sup>77</sup>.
68. **The Committee may wish to explore how the planning process in Northern Ireland could be improved or amended to speed up housing building in general but particularly house building on publicly-owned land. The Committee may also wish to assess if there is a potential need for improvement in the interaction between, and mechanisms by which, Government Departments and other public bodies (e.g. local councils) in Northern Ireland come together to identify and discuss potential publicly-owned sites suitable for**

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<sup>74</sup> Information extracted from the Homes and Communities website, [www.homesandcommunities.co.uk/public-land-initiative](http://www.homesandcommunities.co.uk/public-land-initiative)

<sup>75</sup> For further information on Building for Life see [www.buildingforlife.org](http://www.buildingforlife.org)

<sup>76</sup> Homes and Communities Agency News Release. 'Healy: New sites will lay the foundations for a new deal in housebuilding'. 17 February 2010. [www.homesandcommunities.co.uk/healey-sites-deal-housebuilding.htm](http://www.homesandcommunities.co.uk/healey-sites-deal-housebuilding.htm)

<sup>77</sup> House of Commons Public Accounts Committee (2009) Planning for Homes: Speeding up Planning Applications for Major Housing Developments in England. [www.publications.parliament.uk/pa/cm200809/cmselect/cmpublicacc/236/23602.htm](http://www.publications.parliament.uk/pa/cm200809/cmselect/cmpublicacc/236/23602.htm)

**housebuilding.** Provided below are just two examples of how this relationship is managed in other jurisdictions.

69. In relation to identifying publicly owned land, the Homes and Communities Agency for England manages a Register of Surplus Public Sector Land which provides information on the availability of surplus land in England and a wide range of public-sector organisations supply information to the register<sup>78</sup>.
70. With regards to improving communications between public bodies, the Welsh Assembly Government has put in place a 'Protocol for the Disposal of Land for Affordable Housing'. This protocol reflects a commitment by the Welsh Assembly Government to consider how surplus publicly-owned land to assist in the delivery of affordable homes. A Working Group comprising of representatives from various Government Departments meets on a quarterly basis to discuss the development of potential land. The protocol requires that Departments and others disposing land are obliged to consult the Assembly Government's Housing Directorate for advice on whether there is a housing need which could be met by the site in question<sup>79 80</sup>.

### Some Other Innovative Ideas for Land Use

71. Interest in community management and ownership of assets has gained momentum in recent years. One of the most popular vehicles for promoting this is Community Land Trusts (CLTs). A CLT is a local community controlled organisation set up to own and manage land and other assets (e.g. affordable housing, community facilities) in perpetuity for the benefit of the community<sup>81</sup>. CLTs can, for example, be companies limited by guarantee or community benefit industrial and provident societies. In many cases land is either bought or gifted from private landowners and public authorities. Although the land can be developed by the CLT some CLTs opt to work in partnerships with housing associations to build and manage homes on their behalf<sup>82</sup>.
72. It has been suggested that CLTs offer a number of benefits including encouraging community cohesion and empowerment by enabling local people to influence the economic, social and environmental regeneration of their neighbourhoods. The other benefit is that CLTs hold in perpetuity a growing pool of equity which can be recycled for the benefit of the same community<sup>83</sup>. However, it should also be noted that there is little published evidence on the risks and barriers connected to the general issue of community ownership and management of assets including

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<sup>78</sup> For further information on the Surplus Public Sector Land Register see [www.homesandcommunities.co.uk/Surplus\\_public\\_sector\\_land](http://www.homesandcommunities.co.uk/Surplus_public_sector_land)

<sup>79</sup> Welsh Assembly Government News Release. 'First Minister launches initiative to release land for affordable housing'. 29 March 2007.  
<http://adjudicationpanelwales.com/news/archivepress/officefirstminspres/2007/1420576/?jsessionid=YCLsLnQX2wqQhLQdDX2y8NsTmjDF0R0YdQwv2jxZjnWMWQXwJB6M!-875933534?lang=en&ts=2>

<sup>80</sup> For further information on the Protocol see

<http://wales.gov.uk/topics/housingandcommunity/housing/publications/protocoldisposeland?lang=en>

<sup>81</sup> Department for Communities and Local Government (2008) Community Land Trusts: a consultation, p7. [www.communities.gov.uk/documents/housing/pdf/communitylandtrusts.pdf](http://www.communities.gov.uk/documents/housing/pdf/communitylandtrusts.pdf)

<sup>82</sup> Inside Housing. 'Community Land Trusts'. 16 September 2008.

[www.insidehousing.co.uk/story.aspx?storycode=6501137](http://www.insidehousing.co.uk/story.aspx?storycode=6501137)

<sup>83</sup> Northern Consortium, [www.northern-consortium.org.uk/assets/northern%20futures/briefs,reports,toolkits/briefing%20paper%20-%20clt.pdf](http://www.northern-consortium.org.uk/assets/northern%20futures/briefs,reports,toolkits/briefing%20paper%20-%20clt.pdf)

public assets (e.g. when assets turn into unmanageable liabilities) and that further work may be needed in this area<sup>84</sup>.

73. Although not public land, the concept of harnessing the potential of church-owned land has been put forward by the National Housing Federation (body representing HAs in England. Research by the Federation suggests that if each 9,600 rural Anglican churches sold or leased land, or church buildings, a tenth of the 100,000 affordable rural homes needed in England could be delivered. The Federation further maintains that with a number of rural churches at risk of closure, because of low attendances, the selling of land, for new homes, could help many safeguard their future – with the money raised being used to pay for desperately needed repairs or the construction of new places of worship<sup>85</sup>. **Exploring whether there is potential to harness the contribution of churches in Northern Ireland may be beneficial.**

### **Section Six: Developing ‘Mixed Communities’**

74. The promotion of mixed tenure housing and mixed communities are by no means new concepts for Northern Ireland. There are already a number of excellent local examples of both mixed tenure housing developments and housing developments with a ‘Shared Future’ ethos. But it is clear that there is much scope for further growth in ‘mixed communities’.

75. A report published by the Housing Corporation provides the following useful illustration of the multi-dimensional nature of ‘mixed communities’<sup>86</sup>:

**“A place may be mixed in terms of its buildings, their built form, size, designated uses, tenure (if housing), market value or rent levels. Inner urban areas, for example, may contain a variety of building types and residential and commercial uses. Residential areas may be made up almost exclusively of one built form, size or tenure of homes. These housing characteristics can be targeted by policy, particularly new developments, with tools including planning policy and subsidies for housing building and neighbourhood regeneration.**

**A place may be mixed in terms of the people who live there, by their social characteristics and attitudes....Less commonly, research and policy has also been concerned with the special mixing of genders, religions and people of different physical disabilities.”**

76. There are many benefits associated with mixed communities. Research conducted by the Joseph Rowntree Foundation, for example, found that mixed mixed tenure/income communities can attract young families into areas particularly if they are situated close to good schools and other amenities. However, the research also maintains that not all types of mixed communities are achievable in all areas and that in neighbourhoods with the

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<sup>84</sup> Aiken, M., Cairns, B. & Thake, S. (2008) Community Ownership and Management of Assets – Summary Paper, p3. [www.jrf.org.uk/sites/files/jrf/2336.pdf](http://www.jrf.org.uk/sites/files/jrf/2336.pdf)

<sup>85</sup> National Housing Federation. ‘Rural churches urged to use spare land for affordable housing’. [www.housing.org.uk/default.aspx?tabid=1104&mid=2142&ctl=Details&ArticleID=2642](http://www.housing.org.uk/default.aspx?tabid=1104&mid=2142&ctl=Details&ArticleID=2642)

<sup>86</sup> Tunstall, R. & Fenton, A. (2006) In the mix: A review of mixed income, mixed tenure and mixed communities, p6. [www.housingcorp.gov.uk/upload/pdf/in\\_the\\_mix\\_web.pdf](http://www.housingcorp.gov.uk/upload/pdf/in_the_mix_web.pdf)

highest levels of deprivation will often need the commitment of intensive resources before significant private investment can occur<sup>87</sup>.

77. The development of mixed communities is just one aspect of community regeneration and empowerment. **The Committee may wish to consider in greater detail a number of other relevant issues such as**<sup>88</sup>:

- the linkages between mixed tenure housing and regeneration programmes;
- the financial aspects of mixed community housing (both in terms of financing developments and the long term affordability issues for tenants and local residents);
- the potential role for local neighbourhood management of community assets;
- the impact of buy to let activity and the House Sales Scheme within mixed community developments;
- Identifying planning process barriers and identifying how the planning process could be adapted to encourage the development of both mixed tenure housing and other facilities, e.g. shops, play facilities, schools; and
- The integration of innovative housing and living spaces for an aging population including issues around the design of new building housing.

February 2010

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<sup>87</sup> Joseph Rowntree Foundation (2006) Mixed Communities: Success and Sustainability: Summary Paper, p3. [www.jrf.org.uk/sites/files/jrf/0176.pdf](http://www.jrf.org.uk/sites/files/jrf/0176.pdf)

<sup>88</sup> Examples of issues extracted from Department for Communities and Local Government (2009) Delivering Mixed Communities – Learning the Lessons from Existing Programmes. [www.communities.gov.uk/documents/housing/pdf/1185658.pdf](http://www.communities.gov.uk/documents/housing/pdf/1185658.pdf)