Most landlords accept the case for involving tenants

• Most landlords offer their tenants a range of ways to get involved
• Regulation and inspection have played a key role in promoting tenant involvement

Most landlords and tenants prefer ‘involvement’ to ‘empowerment’

• The term ‘empowerment’ is not part of most landlords’ or tenants’ everyday language
• Landlords and tenants often prefer ‘involvement’ and ‘participation’
• Only a small minority of tenants aspire to empowerment by seeking involvement in the governance of their landlord

Some landlords are developing a robust approach to scrutiny as their response to co-regulation

• Co-regulation requires a new relationship between regulator, landlord and tenant
• Some landlords see new, or enhanced, arrangements to scrutinise their landlord as the appropriate response
• Tenants welcome such opportunities to hold their landlord to account, but remain concerned about regulation having adequate external sanctions

By late 2009, the sector was not prepared for co-regulation and was concerned about the costs of building the necessary capacity

• Some tenants and landlords are confused about what the new framework means. They rely on existing arrangements and wait for the outcome of pilot schemes and consultations
• Some tenants and landlords are concerned that new arrangements for holding landlords to account will result in further costs
• Landlords with dispersed stock, and housing associations with group structures, are concerned about the application of different local standards

Summary
This discussion paper is the result of the first joint research project between the Audit Commission and the Tenant Services Authority (TSA). The project set out to assess the progress of social landlords in involving their tenants and to highlight the similarities and differences in approaches across the sector. The results of the research are also being used by the TSA and the Audit Commission to develop our approaches to national and local standards and inspection.

This paper provides a snapshot of progress on tenant involvement and identifies the key challenges for social landlords in engaging with their tenants under co-regulation. It is intended to stimulate discussion in the sector and to provide information and good practice examples for policy makers, landlords and tenants.

The paper has five main parts. They:

- explain the role of tenant involvement in social housing
- discuss the language of empowerment
- describe what tenants want from their landlords
- assess the progress landlords have made since 2004
- consider the impact of the regulatory changes

Research for this project was carried out between October 2009 and January 2010 and involved interviews with tenants, landlords and key stakeholders. Our detailed methodology can be found in Appendix 1.

This new work follows a series of joint research projects undertaken by the Audit Commission and the Housing Corporation, the predecessor to the TSA. The most recent, Better Buys: Improving Housing Association Procurement Practice, was published in February 2008. This study updates the findings in the 2004 joint report, Housing: Improving Services Through Resident Involvement.
The role of tenant involvement

Tenant involvement is well established in social housing

6 Involving tenants in running their homes and communities is an accepted principle in social housing. Tenant involvement, led by policy changes, the growth of a consumer-culture and the failings of some landlords, is normal practice in a way it was not ten years ago. Landlords have different drivers for involving tenants. For some, there is a commitment to the principle of involvement, for others they are seeking to comply with regulation and inspection frameworks.

7 Nearly one fifth of English households are tenants of the social housing sector\(^1\). Housing associations provide 2.4 million homes, and councils provide 1.8 million homes. A small minority of households are formally involved in service design, management or delivery. Only 3 per cent of people living in all tenures surveyed in 2008 were members of a tenants’ group or decision-making committee\(^2\).

8 Much involvement in service design and provision is informal. It often goes unrecorded. Many tenants will get involved in choosing a new kitchen, or responding to a survey. Some will also take part in more strategic decisions about asset disposal or appointing new housing staff. Involvement is, for the higher performing landlords, part of their everyday work and, as a result, is seldom costed.

The costs and benefits of tenant involvement

9 Councils and ALMOs do collect some data on their spending on involvement, but spending per household is relatively low, compared with the £2,000\(^3\) spent on overall management and maintenance services (figure 1). And it is falling. For ALMOs, this reflects high initial set-up costs required to demonstrate significant levels of involvement and support by tenants through ballots. Less comprehensive data on housing associations indicates higher levels of spending on involvement (£30 per household) and a rising trend\(^4\). The higher costs for associations are likely to be the result of their higher salaries\(^5\) and more geographically dispersed stock. Some rural associations covering large areas spend a third of their tenant involvement budget on travel.

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\(^3\) In 2007-08, all councils that submitted data to Cipfa Statistics spent £1,988.57 per household per annum on housing management through their management and maintenance allowance part of HRA.

\(^4\) Based on a limited sample of 39 housing associations in 2008/09, who provided information for the cost question. The data was collected by HouseMark for benchmarking purposes. Source: HouseMark: Resident Involvement Benchmarking Service: Analysis of Results 2008-09, HouseMark, 2009, page 11.

Figure 1 Spending on involvement is decreasing for councils and ALMOs


Figure 2 Spend on tenant involvement is not linked to satisfaction

The recession brings its own pressures, but also presents opportunities for new types of involvement. Tenants have helped landlords identify less valuable services that could be priorities for cutting without a significant impact (see case study 7 on page 21).

Many landlords understand that successful involvement does not depend on spending lots of money. Tenant satisfaction with opportunities for involvement does not correlate with how much landlords spend on participation activity (figure 2).

Relatively small amounts of time and money invested in the right approaches can yield significant benefits for landlords, tenants and the wider community, as we found in the report Housing: Improving Services Through Resident Involvement (figure 3) (table 1). For example, an effective approach to involving tenants can improve voids (the level of empty properties), turnover of tenancies and rent arrears. It can lead to improvements in an individual’s skills and employability. And it can strengthen links between neighbours (social capital) which can translate into more sustainable places and better community cohesion. But success relies on tenants being willing to invest their own

Figure 3 Benefits accrue to landlords, tenants and the wider community

![Benefits diagram]

Source: Audit Commission and Housing Corporation, Housing: Improving Services Through Resident Involvement, 2004

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6 Audit Commission, Housing: Improving Services Through Resident Involvement, June 2004.
Landlords need to recognise the value of this and not take it for granted.

Conclusion

Tenant involvement improves social housing and communities. It can reduce waste, focus management resources better, ensure that information flows to those who can use it and hold providers to account. As budgets come under greater pressure, landlords must be clear about the costs and benefits of involvement activity. This will require them to prioritise the activities that work.

‘If we had to do what the residents do on the organisation’s behalf our costs would be much higher.’

Director of Housing

Table 1 Involving tenants can yield significant benefits

- Avoiding design faults in new build schemes by testing plans with tenants
- Using a tenant panel to redesign a rent statement led to a significant reduction in the number of telephone queries
- Responding to tenant concerns about anti-social behaviour (ASB) on an estate by setting up a summer football club, leading to fewer reports of ASB, less vandalism and lower turnover on the estate
- Involving residents in a hostel for men with mental health and alcohol dependency problems in redecorating their accommodation. This led to reduced landlord costs, an improved atmosphere, a reduction in violent incidents, and time-saving for the local police
- Involvement in housing association boards or tenant groups led to greater engagement in local democracy, improved skills and in some cases new jobs for active tenants
The language of ‘empowerment’ is confusing

14 Many people are uncertain about how to describe tenants’ participation in the design, management and delivery of social housing. People who live in social housing are described as residents, tenants, customers and service users. The ways they interact with landlords are described as involvement, empowerment, participation or engagement.

15 Across social housing, there are differing opinions about whether these different terms are important and helpful, or a distraction. Some see the language as laden with meaning, others feel the debate to be unproductive and sometimes divisive.

‘We use “resident” because it is more inclusive/neutral and is “tenure-blind”.’
Tenant

‘We don’t care about the language, it is the way we are treated and the services we receive that is important.’
Tenant

16 Changing terms reflect changes in government policies on the roles of service users and citizens, and the move towards increasingly devolved forms of service delivery. The government continues to use the term ‘empowerment’ to describe how landlords should involve communities7. The language is also used in the Secretary of State’s direction to the TSA and the TSA’s national standard for involvement and empowerment8.

17 But empowerment implies a level of joint responsibility for services that does not usually exist outside the mutual sector. The term is not part of most landlords’ or tenants’ everyday language. Only a minority of tenants aspire to empowerment by seeking involvement in the governance of their landlord (box 1). Most landlords and tenants prefer to talk about ‘involvement’ and ‘participation’ (figure 4).

18 The diversity of language reflects the diversity of the sector. Some landlords are interested in becoming more accountable to their tenants, or aim to increase social capital as part of their

Box 1 Only a minority of tenants aspire to real empowerment

- Fifty per cent of tenants were not interested in any form of involvement.
- Of the tenants who were interested, the most popular involvement opportunities were:
  - responding to surveys (20%)
  - site surgeries (14%)
  - tenant and residents associations (13% of all tenants)
- Nine per cent of tenants were interested in becoming a tenant board member

Source: Tenant Services Authority, Existing Tenants Survey 2008: Tenant Involvement, Tenant Services Authority, 2009, page 9

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8 Tenant involvement is an area on which the government has power to direct the TSA in relation to its regulatory standards.
social housing mission. They may be more comfortable with the term 'empowerment'. Other landlords take a more consumerist approach: customer involvement is a sign of good business practice. A small but significant subset is the tenant-managed organisations, housing co-operatives, and community gateway associations, which by definition align themselves with the empowerment agenda. These are democratically and legally owned and controlled by a service-user membership.  

Tenants are also diverse. They have a range of views and often hold strong preferences about how they like to engage. This diversity is a challenge for policy and regulation. For example, what is 'good' will vary from place to place. The development of local standards by the TSA recognises that challenge.
What do tenants want?

Research provides a strong evidence base

20 Landlords must design involvement activities that are relevant to their own, and their tenants’, objectives. There is a wealth of evidence about what tenants need and want from their landlords (Appendix 2). This research can be drawn on to design approaches and assess their effectiveness.

21 Tenants consistently want landlords to deliver a range of services, with a good repairs and maintenance service being particularly important. In addition, tenants want landlords to:

- keep them informed and involved
- provide good quality housing
- deliver a good estate management service
- deal with anti-social behaviour

22 Tenants also feel that landlords need to be accountable to their tenants and make involvement personal, by getting to know their tenants, communicating with them and listening to them9.

Tenants’ satisfaction with services

23 The sector is debating the best way to collect satisfaction data in social housing. But whatever source is used, it is clear that tenants’ overall satisfaction with services provided by their landlords is high. In 2008, 81% of tenants were satisfied or very satisfied with overall services10. This compares favourably with satisfaction scores for other services. For example, in the same year, 69% of people were very or fairly satisfied with libraries and 55% of people were very or fairly satisfied with bus services11.

24 Tenant satisfaction levels have not varied significantly since 2000. There are, however, differences across the sector (figure 5). Housing association tenants are more likely to be satisfied than tenants of retained council housing stock. This reflects the socio-economic profile of housing association tenants, with more being in employment12, and the age and condition of their stock, with higher proportions having been built after 1964 and meeting

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12 Housing association tenants are more likely to be in full or part-time employment compared to tenants of council retained housing stock. Source: Tenant Services Authority and Communities and Local Government, Continuous Recording of Lettings (CORE) 2008-09.
the decent homes standard\textsuperscript{13}, TSA's National Conversation with tenants showed satisfaction rates to be even higher in the cooperative and mutual sectors\textsuperscript{14}, reflecting their distinctive model of involvement and their ability to tailor services very closely to tenants' preferences.

\textbf{25} The main driver of overall tenant satisfaction is the repairs and maintenance service\textsuperscript{15}. Whatever form of involvement is developed, landlords still have to get basic services right.

\textbf{26} However, satisfaction data must be treated with caution as high satisfaction does not necessarily mean good services. Audit Commission inspections found tenants reporting high levels of satisfaction in the Standardised Tenant Satisfaction Survey (STATUS) surveys\textsuperscript{16}, despite significant weaknesses in the service. Problems included poor customer service procedures, a lack of tenant involvement, a high percentage of properties not meeting the decent homes standard and failure to meet some statutory duties. In at least one case, inspectors have attributed high satisfaction levels to low expectations, as tenants had limited opportunities to make comparisons with a 'good' or 'excellent' service elsewhere\textsuperscript{17}.

\textbf{Satisfaction with involvement opportunities}

\textbf{27} Satisfaction with landlords' efforts to involve tenants is lower than satisfaction with overall services. Just over half the tenants surveyed in 2008 were very, or fairly, satisfied with the participation opportunities provided by their landlord\textsuperscript{18}. There is a strong relationship between tenants' satisfaction with overall services and satisfaction with opportunities to participate (figure 6)\textsuperscript{19}. People will be satisfied with opportunities to participate if they like the

\textsuperscript{13} Housing associations own and/or manage more modern dwellings than councils. The majority of dwellings owned and/or managed by councils were built before 1965. Source: Communities and Local Government, English House Condition Survey 2007, 2007. Councils own and/or manage more non-decent housing stock compared to housing associations Source: Council retained housing stock (including stock owned by local authorities in another district), Communities and Local Government, Business Plan Statistical Appendix 2001 to 2009. Registered social landlords housing stock, Housing Corporation and Tenant Services Authority, Regulatory and Statistical Return (RSR) 2002 to 2009.


\textsuperscript{16} The Standardised Tenant Satisfaction Survey.


\textsuperscript{19} Figure 7 shows a strong relationship between satisfaction with overall services and satisfaction with opportunities to participate: R squared equals 0.6404 (councils), 0.8876 (housing associations), 0.4829 (ALMOs), 0.8641 (LSVT).
Figure 5 **Satisfaction varies across the sector and according to source**

![Graph showing tenant satisfaction with landlord](image)

- Council housing tenants
- Housing association tenants
- All social sector tenants
- All tenants (Existing Tenants Survey 2008)
- Tenant management organisation (TMO) tenants (National Conversation - postal survey)
- Co-operative tenants (National Conversation - postal survey)


Figure 5 shows tenants’ overall satisfaction with their landlord according to the Survey of English Housing, which is the best source of time series data and includes council housing and housing association tenants. This data shows that in 2007-08, 72% of social tenants were satisfied with their landlord. More up to date information is available from the Existing Tenants Survey 2008 which found that 81% of tenants were satisfied or very satisfied with the overall services provided by their landlords. That survey was based on a large sample of tenants and provides the most current information but does not include time series data for council housing tenants.

**Table 2** Drivers of tenants’ satisfaction with services and participation

<table>
<thead>
<tr>
<th>Drivers of satisfaction with services</th>
<th>Drivers of satisfaction with participation opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenants saw social housing as a ‘good type of tenure’</td>
<td>Tenants said that their landlord took their views into account</td>
</tr>
<tr>
<td>Tenants’ satisfaction with repairs and maintenance service</td>
<td>Tenants felt that their neighbourhood had a ‘strong sense of community cohesion’</td>
</tr>
<tr>
<td>Tenants said that their landlord kept their home in a decent condition</td>
<td>Tenants’ satisfaction with repairs and maintenance service</td>
</tr>
</tbody>
</table>

Source: Tenant Services Authority, Existing Tenants Survey 2008

*Analysis based upon a correlation model that explains how much each factor is related to each other factor.*
overall service that they are receiving. Again, the repairs and maintenance service is the key determinant\textsuperscript{21}.

\textbf{Figure 6} \textit{Satisfaction with opportunities to participate is driven by satisfaction with overall services}\textsuperscript{22}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{Figure6.png}
\caption{Tenants' satisfaction with participation opportunities in 2006/07 (all tenants) (%)}
\end{figure}

\textbf{28} Other factors affect customer satisfaction, such as tenants’ confidence that their landlord takes their views into account and that their neighbourhood has a ‘strong sense of community cohesion’ (table 2).


\textsuperscript{22} Tenant satisfaction with participation opportunities – all tenants in 2006-07(BV75a) and tenant satisfaction with overall landlord services – all tenants in 2006-07 (Bv74a) for retained council housing and ALMOs sourced from Communities and Local Government, Best Value Survey of Local Housing 2006-07, Communities and Local Government, 2006-07. Tenant satisfaction with participation opportunities – all tenants in 2006-07 (GNP123) and tenant satisfaction with overall landlord services (GNP122) for housing associations and LSVTs, sourced from Housing Corporation, Landlord performance indicators, Housing Corporation, 2006-07.
Is anyone listening?

29 There are obstacles to effective participation, even when it is offered. Many tenants fear that their involvement will not achieve real change and that affects their willingness to get involved. While the proportion of tenants who do not think their landlord takes their views into account has fallen, this is still the case for around 20% of tenants (figure 7). Landlords therefore need to be careful to tell tenants what is happening in response to their views.

30 Tenants of council-retained stock and housing associations are more likely to think that their landlord does not take their views into account than tenants who rent from private landlords (figure 7). This suggests that, in the private rented sector, tenants feel more in control.

Tenants’ motivation for involvement

31 Tenants have different reasons for becoming involved with their landlord. Those tenants who are interested in being involved on an individual basis are more likely to:

- have a good relationship with their landlord
- be satisfied with their landlord
- have previous experience of tenant involvement

32 But, traditionally, tenants were motivated to become involved on a collective basis because they were not happy with the services provided, or were worried about issues in their local area, and there is evidence that this motivation is also still a key factor. Research with tenants for this project suggested that they often got involved to tackle particular local issues such as problems on estates. One council found that it was much easier to engage a representative cross-section of tenants on estate-based issues than it was on more generic issues affecting all areas.
Figure 7  A fifth of tenants of social landlords believe that their landlord does not take their views into account

![Graph showing tenants' views](image)

Source: Communities and Local Government, Survey of English Housing, 1994-95 to 2007-08

33 No matter how hard landlords try, there is an effective ceiling for the proportion of tenants who want to become involved\(^\text{26}\). Only a small proportion will be consistently involved with their landlord. For the others, there are several barriers to participation. Tenants:

- may be happy with the services provided by their landlord
- do not understand the role of tenant involvement
- perceive that their participation will take up a lot of their time
- perceive active tenants to be ‘nosey’ or ‘busybodies’\(^\text{27}\)

34 In addition, satisfaction with services and involvement varies between groups (figure 8). Older people are the most satisfied with both services and opportunities to participate. Landlords are increasingly learning to segment their market to respond to different perceptions.

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Conclusion

The chapter notes that satisfaction with social housing services is relatively high. However, in some cases this is because tenants’ expectations are low. Nevertheless, landlords can use satisfaction data to track their direction of travel and to ascertain what is important to tenants. It is more difficult to establish what motivates or prevents tenants in becoming involved. This is complex and although a menu approach will help, landlords’ key focus should be on getting services, in particular, repairs and maintenance, right.
How are landlords doing?

Changes since 2004

36 Most landlords now offer a menu of opportunities for tenant involvement (table 3). The best landlords develop their offer by understanding the profile of their tenants and listening to what they have said about how they want to be involved.

37 The menu of involvement allows tenants to choose activities that suit them. This is very different from 2004 when, in many places, the only option for tenants was a traditional resident group or panel.

38 By offering a menu of involvement, landlords can:

- access a greater volume and variety of opinion (case study 1)
- engage people with strategic budgeting decisions (case study 2)
- design approaches that are more inclusive and representative (see paragraphs 39 to 41)

Table 3 The menu of involvement

<table>
<thead>
<tr>
<th>Individual feedback</th>
<th>by letter, email, phone, website or office</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mystery shopper</td>
<td>check service quality for landlord</td>
</tr>
<tr>
<td>Estate champions</td>
<td>involved in regular estate inspections</td>
</tr>
<tr>
<td>Focus groups</td>
<td>focused on a particular issue</td>
</tr>
<tr>
<td>Communications forum</td>
<td>web-based discussion forum</td>
</tr>
<tr>
<td>Surveys</td>
<td>residents invited to give feedback on services</td>
</tr>
<tr>
<td>Residents' associations</td>
<td>elected and constituted area-based groups</td>
</tr>
<tr>
<td>Residents' panel</td>
<td>consulted about policies, procedures, services and initiatives</td>
</tr>
<tr>
<td>Formal structures</td>
<td>group board, resident board, neighbourhood committees</td>
</tr>
</tbody>
</table>

Source: Audit Commission, based on London and Quadrant Housing Association’s ‘ten ways to be involved’

28 Data from fieldwork, 2009.
Tenant involvement Assessing landlords’ progress 17

Case study 1: A menu of involvement reaches more tenants
Southern Housing Group carries out 14 service area surveys by telephone and post each year, capturing views from 10,000 of its 25,000 households. In 2009-10, the landlord spent £8,000 on that survey. Its residents’ conference events attracted around 200 residents in 2009 and there are two residents on the group board.

Involvement in each of these different activities attracts residents with differing time commitments, abilities and talents. The options mean that residents can choose environments that they can feel comfortable in and they give the landlord a rich and balanced source of information.

Source: Audit Commission fieldwork 2009

Case study 2: New approaches engage tenants in strategic budgeting decisions
Sandwell Homes is using innovative methods to engage and inform residents. For example, it has developed a series of interactive games. The games are focused on specific aspects and areas and include a ‘price is right’ budget-setting game. Residents indicated that they found the games fun but also an aid to learning and decision making. Electronic pads have been used to engage tenants at meetings and to get instant feedback. This is increasing the effectiveness of engagement with residents. The interactive game cost £5,500 and can involve up to 80 people. Sandwell Homes has recovered its costs in three years by hiring the game and pads out to other housing organisations.

Source: Audit Commission, Sandwell Homes ALMO Inspection Report, November 2008

Reaching hard to reach groups

39 The menu approach also makes it easier to involve previously ‘hard to reach’ groups. Landlords find that designing activities around specific groups, for example families (case study 3) or young people (case study 4), allows them to access views that were previously unknown.

Case studies 3 and 4: Tailored activities can reach previously uninvolved tenants

Case study 3
Devon and Cornwall Housing took over a local adventure park for the day. It deliberately chose a ‘family friendly’ venue as it had found families difficult to engage with in the past.

During the morning, residents used electronic handsets to answer questions on subjects including their satisfaction with repairs and maintenance to helping the association set its priorities for the future. Each household was given token money to spend on new services. Residents had an opportunity to visit stands and talk to active tenants and community partners.

At lunchtime, residents and staff were free to have lunch and visit the adventure park.

The total cost of the event was £8,500, which the housing association deemed good value for money when carrying out an impact assessment of the event. The day was successful, particularly with families. Over 50% of the households involved...
had never taken part in any consultation with the association before. Devon and Cornwall Housing has used this exercise and its annual resident satisfaction survey to guide its corporate business plan.

**Case study 4**
Nomade5 had high levels of rent arrears, turnover of tenancies, and anti-social behaviour in schemes with high levels of young tenants. Nomade5 worked with a group of young tenants, attracted by the offer of free pizzas, to develop a welfare advice and budgeting pack for new, young tenants. The finished pack included a tailored clip folder to enable young tenants to add other materials to the pack. Nomade5 ordered 1,000 copies of the pack, reflecting expected demand from young tenants. The landlord met the £11,500 cost of the pack through grant funding.

All new young tenants now receive the pack at the start of their tenancy. The association has identified benefits including reduced turnover and lower management costs. The people that originally developed the pack have become a permanent young people’s involvement group, giving the association a continued means of engagement.

Source: Audit Commission fieldwork 2009

**Case studies 5 and 6: Making involvement inclusive**

**Case study 5**
Southern Housing Group uses a mix of methods to find out what matters to residents. It identifies which groups are under-represented in survey responses and its other involvement work and then targets future consultation.

Its approach is to take consultation to the people. Face-to-face consultations with black and minority ethnic communities will be based in community venues and conducted in preferred languages. The Association also has a disability forum to help it understand the needs and experiences of people with different disabilities.

**Case study 6**
London and Quadrant Housing Association (L&Q) recognises that preferences for involvement differ between communities. In Enfield, L&Q employed a Turkish outreach worker to work with the local community and set up a tenant group. The group provides a focal point for the landlord’s engagement with the community. It also runs a homework club, language classes and a food cooperative.

Source: Audit Commission fieldwork 2009

40 Landlords are using similar methods to engage with black and minority ethnic communities. They design involvement around existing activities and preferences and set up new networks in recognition of the establishment of new communities (case studies 5 and 6).

41 Technological advances have also helped landlords to involve their tenants. The ability to be involved through email means that those who are housebound or have family responsibilities can still be involved and contribute their opinions and ideas (box 2). And using new technology can be a cost effective option (figure 9).
Box 2 Improving access through technology

- Thames Valley Housing asked its tenants about their preferred format for a newsletter. Those with internet access preferred to receive news online rather than paper copies. Customers also wanted more services online and the opportunity to give feedback through the Association’s website.
- Gentoo Sunderland uses podcasts created by tenants to publicise and showcase how residents can be involved with their landlord.
- Accord Group uses Twitter to publicise events or awards or any other news about the Association. It also uses Twitter to ask for opinions.
- Ashram, part of the Accord Housing Group, uses podcasts and film clips to highlight issues that are of importance to their tenants. It has also launched socialbreakfast.org as a new national online forum to help young people to engage with politicians, civic leaders, stakeholders and policy decision makers about issues that matter to them and on their terms. Caldmore Housing, another part of the Accord Group, has its own tenants’ association with its own web page and facility for blogging.

Source: Audit Commission fieldwork 2009

Figure 9 Annual expenditure per property of social housing organisations on communications in 2008-09

Newsletters are the most expensive form of communication, while texting and e-forums are the cheapest.

Assessing impact

Our 2004 study, Housing: Improving Services Through Resident Involvement, suggested that housing associations had very little awareness of the costs and benefits of tenant involvement\(^{29}\). Today landlords, partly driven by regulation, are making more effort to assess the impact of involvement.

**Figure 10 Assessing the impact of involvement**

Simple graphics can help assess, and communicate, impact.

Soha Housing (South Oxfordshire Housing Association) uses this visual format for their impact assessment report sent to staff and tenants. A more detailed analysis with value for money scores lies behind the impact report.

The impact report is designed to show tenants that they can change the Association's policies and practices.

![So What?](image)

Source: Soha, Audit Commission fieldwork 2009

\(^{29}\) Audit Commission, Housing: Improving Services Through Resident Involvement, Audit Commission, 2004.
the impact of different tenant involvement activities (figure 10).

43 Knowing the costs and benefits of tenant involvement is the basis for action. Landlords can use impact assessments to streamline their services in line with tenants' needs (case studies 7 and 8).

Case studies 7 and 8: Involvement with impact

Case study 7
Devon and Cornwall Housing Trust consulted on priorities for services to tenants. It found that a financial inclusion specialist it funded had not been well used by their tenants and was not what tenants wanted. Tenants’ main demand was for a service they could use to report antisocial behaviour 24 hours a day, and provide them with advice. Funding from the financial inclusion specialist was redirected to the 24-hour antisocial behaviour advice line.

Case study 8
Guinness Northern Counties was concerned about the lack of access to some properties to carry out gas safety checks. It planned to commission a DVD to persuade tenants of the importance of allowing access for gas safety checks. Residents reviewed this proposal and decided that it was not worth the money, so the DVD was not commissioned.

Instead, the Association used newsletters and its website to raise awareness of the dangers of not allowing access for gas safety checks. The landlord has a gas safety team and involves customers in gas safety awareness training. Customers also receive updates about the gas safety service at the customer panel.

Source: Audit Commission fieldwork 2009

You said, we did

44 An important response to tenants’ concern that ‘nothing will be done’ is for landlords to provide feedback. But despite progress in involving tenants, few landlords are effective at communicating the results of consultation to tenants.

45 A few landlords use ‘you said - we did’ features in tenant newsletters. This is a simple and effective way of giving feedback, as featured in the Accord Group’s newsletter on page 22.

46 There are good reasons to ensure the feedback loop is complete. Feedback encourages tenants to feel their contributions are worthwhile and increases the likelihood of them continuing to be involved.

Drivers for change

47 Three factors motivate landlords to engage in constructive tenant involvement: demand from tenants; organisational change; and regulatory activity. These drivers are not mutually exclusive.

48 Demand from tenants was one of the factors for over half the landlords contacted for this project: they had responded to tenants’ increasing aspirations for a voice.
Accord Group's newsletter

We take your complaints and requests seriously, so in every edition of Accord News, we will explain how we are improving our services.

Recently, you told us you want to know how our repairs and planned maintenance services are performing. So, from this month, performance information is on our website, in reception areas and in this newsletter.

The performance ‘dashboard’ will show you information on a number of services including repairs and planned maintenance.

It will also show you how we are performing against our target and much more.

The Watch

Like all housing associations, Accord has various performance targets it aims to meet. This table shows how we shaped up in terms of repairs compared to our targets.

✓ Well done! We are performing well against our target.
✗ Must try better! We need to improve.

<table>
<thead>
<tr>
<th>Repairs</th>
<th>January 2009</th>
<th>Target</th>
<th>Performance against target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency repairs completed</td>
<td>95%</td>
<td>95%</td>
<td>✗</td>
</tr>
<tr>
<td>Urgent repairs completed</td>
<td>96%</td>
<td>96%</td>
<td>✓</td>
</tr>
<tr>
<td>Routine repairs completed</td>
<td>99%</td>
<td>96%</td>
<td>✓</td>
</tr>
</tbody>
</table>

Source: Accord Group, Accord News, April 2009
‘Tenants are definitely the driver for change and we are now shaping the organisation to tenant priorities.’
Resident Involvement Manager

Major changes, such as mergers or takeovers, were also an important driver of tenant involvement. Such organisational changes posed challenges for tenant involvement. Often landlords had failed to plan how involvement was going to work in the new organisation. As a result, they experienced early conflict between the approaches or ethos of different organisations, followed by inertia and then the emergence of new ways of working.

‘The two tenant movements were at loggerheads so we had to disband them and create something new which is only just starting to work after nearly a year.’
Head of Property and Customer Services

Regulatory activity by the TSA and the Audit Commission was the most significant factor motivating landlords to involve tenants. Three quarters of the tenants and landlords we spoke to were clear that improvements in involvement had followed such external requirements. While this may be a positive message illustrating the benefits of regulation and inspection, it does raise questions about the extent to which involvement is a compliance issue rather than one of a culture change. If compliance is the main driver for landlords, there is a risk that the co-regulation approach adopted in 2010 could lead to less effective involvement. Co-regulation relies on tenants holding their landlords to account and ensuring involvement. Tenant organisations welcome this shift but still want a regulator that can drive change when landlords fail to comply.

‘I welcome the greater role for tenants but we still need a regulator with teeth.’
Michael Gelling, Chair, Tenants and Residents Organisations of England (TAROE)

Conclusion

There have been significant improvements in the degree and quality of tenant involvement. Most landlords offer a menu of involvement opportunities that allow tenants to participate in ways and at levels which suit them on issues that interest them.

Landlords have also made progress in involving previously ‘hard to reach groups’. A greater number of landlords carry out impact assessments of their work around tenant involvement. But the main drivers of these changes have been regulation and inspection (for example, requirements through the Audit Commission’s housing inspections). The question remains: how far are landlords committed to the involvement of tenants?
A greater role for tenants?

The policy context

53 The Audit Commission, the Housing Corporation previously and now the TSA have consistently said that tenants should have opportunities to be involved in running their housing and be clear about the routes open to them.

54 The 2007 Cave Review of social housing developed the idea of co-regulation for social housing. Co-regulation means that tenants play a greater role in holding landlords to account, while the regulator (the TSA) will only intervene where standards are being breached.

55 This new relationship is based on a framework of national and local standards. The national standards specify outcomes for all landlords (box 3). The local standards reflect the priorities of local communities.

Box 3 The national standard for tenant involvement and empowerment

Required outcomes

1 Customer service, choice and complaints
   Registered providers shall:
   • provide choices, information and communication that is appropriate to the diverse needs of their tenants in the delivery of all standards
   • have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly

2 Involvement and empowerment
   Registered providers shall support co-regulation with their tenants by:
   • offering all tenants a wide range of opportunities to be involved in the management of their housing, including the ability to influence strategic priorities, the formulation of housing-related policies and the delivery of housing-related services
   • consulting with their tenants and acting reasonably in providing them with opportunities to agree local offers for service delivery


• providing tenants with a range of opportunities to influence how providers meet all the TSA’s standards, and to scrutinise their performance against all standards and in the development of the annual report
• providing support to tenants to build their capacity to be more effectively involved

3 Understanding and responding to the diverse needs of tenants
Registered providers shall:

• treat all tenants with fairness and respect
• demonstrate that they understand the different needs of their tenants, including in relation to the seven equality strands and tenants with additional support needs

Registered providers shall set out in an annual report for tenants how they are meeting these obligations and how they intend to meet them in the future. The provider shall then meet the commitments it has made to its tenants. Registered providers shall take the obligations of the Tenant Involvement and Empowerment Standard into account in setting out how they are meeting and intend to meet all the other TSA standards.


How well prepared are organisations?

56 This new approach requires social housing landlords to involve tenants and to be clear why they are involving them.
57 It is deliberately under-specified to leave room for landlords and tenants to define the outcomes they want. The unintended consequence is that co-regulation is not well understood by tenants or landlords. Landlords have not been sure whether to develop new arrangements, continue with existing structures and processes, or wait for the outcomes of the TSA consultation and the Tenant Excellence Fund pilots (figure 11).

Scrutiny and co-regulation

58 One way of developing a new approach is to create a formal scrutiny role for tenants. This is modelled on the scrutiny arrangements that are well established in Parliament and local government (table 5) and is based on four principles:
• providing a ‘critical friend’ challenge to executive policy-makers and decision makers
• enabling the voice and concerns of the public and its communities to be heard
• being carried out by ‘independent minded governors’ who lead and own the scrutiny process
• driving improvement in public services

32 Sourced from the Centre for Public Scrutiny website: http://www.cfps.org.uk/about-us/
In practice many landlords are sticking with the status quo for the time being.

A minority have developed new arrangements

Many are waiting for Tenant Excellence Fund local standards pilot findings

Most are relying on existing arrangements

Source: Audit Commission fieldwork 2009

## Table 5 Two models of scrutiny

<table>
<thead>
<tr>
<th>Central government</th>
<th>Overview and scrutiny committees:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select committees:</td>
<td>The government has to respond to parliamentary select committee reports and recommendations within two months. If government responses are inadequate, the committee can publish a new report or refer the issue to the Liaison Committee which will then pursue a debate in the House of Commons. Select Committees meet in public and advertise their inquiries on the parliament website.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Local government</th>
<th>Overview and scrutiny committees:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overview and scrutiny committees:</td>
<td>Overview and scrutiny committees hold the council executive to account and can assist with policy development. The committees can investigate and research issues and make recommendations for action. Overview and scrutiny committees meet in public, and can hold formal public hearings.</td>
</tr>
</tbody>
</table>

Source: Audit Commission 2010
Some landlords have developed scrutiny arrangements that follow these constitutional models (case study 9).

**Case study 9**
Salix Homes, the ALMO in Salford, has worked with tenants to develop a structure for customer scrutiny. The customer senate is made up of 13 customers representing both service specific and neighbourhood issues. It has a defined terms of reference, which sets out the scope of the senate’s powers.

The customer senate conducts four pieces of scrutiny work per year, looking at, for example, the services provided by the landlord’s customer contact centre. As a result of that report, an improvement plan was agreed to address poor performance and included market testing the contact centre. Should Salix Homes fail to deliver on the improvement plan,

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**Figure 12 A customer senate**
Salix Homes has developed a customer senate to carry out a scrutiny function.
the customer senate can serve a ‘notice of intent’ on the ALMO’s board, requiring it to refer the matter to Salford City Council for arbitration should the process fail. The customer senate has a number of distinctive features:

- Measures are in place to resolve disputes, by referring on to a third party
- Recruitment to the senate is, in part, through advertisement open to tenants from the seven neighbourhoods
- It provides access to independent advice, currently from the Tenant Participation Advisory Service (TPAS)
- It provides formal terms of reference that connect with the existing governance structure of Salix Homes

Source: Salix Homes, Audit Commission fieldwork 2009

These formal scrutiny models are part of a wider picture. Tenant inspectors and auditors, mystery shoppers and service review panels can all contribute to tenant scrutiny of their landlords. Other landlords have found that even rebranding their involvement activities as ‘scrutiny’ is helping to encourage more people, especially younger tenants, to get involved.

For councils, scrutiny is a well established function that examines the full range of local services. Rather than duplicate these structures, some councils have co-opted tenants onto existing scrutiny panels of elected members (case studies 10 and 11).

Case studies 10 and 11: Councils are adapting existing scrutiny arrangements to ensure that tenants have a voice

Case study 10

The London Borough of Wandsworth links resident participation to councillor scrutiny. The vice-chair of the borough-wide residents’ forum is a co-opted member of the Housing Overview and Scrutiny Committee. The residents’ forum gets a first look at papers for the scrutiny committee, and can feed in its views to the scrutiny committee via its vice-chair. The vice-chair can join in overview and scrutiny debates on a wide range of housing matters that have included: contract awards, service performance, and housing policy.

Source: Audit Commission fieldwork 2009

Case study 11

Cambridge City Council has set up the Housing Management Board (HMB) as a sub-committee of the Council’s community services scrutiny committee, and acts as the scrutiny committee for the housing service. HMB comprises elected members and six tenant members, including one leaseholder, who are elected by tenants and leaseholders of the Council. The HMB is responsible for monitoring performance, and considers issues relating to the council’s landlord function, before decisions are taken by the executive member for housing. This is an unusual structure for a local authority, bearing many similarities to the boards of housing associations in
terms of resident representation and involvement in decision making. In the case of Cambridge City Council, the HMB is making sure that residents have strong influence over strategic and operational issues, and allows them to influence decisions.


62 The tenants we spoke to were enthusiastic about scrutiny. They see it as a new approach and a powerful additional tool in holding landlords to account, particularly for those providing poor services. However, for it to work, they felt it would need the full support of the landlord and clarity about the extent and limits of the powers. Their view was that training would be required, which would have financial implications for landlords.

63 Other stakeholders and social housing providers had concerns over the skills, time and appetite of tenants for such an involved commitment in holding their landlords to account. For many landlords, co-regulation will require a considerable change in culture and activity and stakeholders told us that this will represent additional cost, particularly in relation to formulating local standards. The TSA recognises this, and the culture change required in some organisations. From April 2010, it will be funding some landlords who wish to pilot new arrangements for tenants to scrutinise their landlords.

The response through local standards

64 The TSA expects landlords and tenants to develop local standards with the aim of providing services aligned to their local needs and aspirations. Proposals for these standards need to be in place by October 2010 and should include:

- targets for delivery of services
- details of how these will be monitored and fed back to tenants
- tenant scrutiny methods and comparison with other providers
- mechanisms for recourse if local standards are not met

65 The standards should become the new basis for the relationship between tenants and their landlords. But because the sector is so diverse, there are many issues that need to be worked through.

66 For stock-retaining councils, ALMOs and large scale voluntary transfer landlords, the preparation of local standards should be relatively straightforward because their stock is, in the main, concentrated. Some councils told us that they expect their residents’ associations to lead on developing the standards.

67 For large group structures or housing associations with dispersed stock, the implementation of local standards poses the question: what does local mean? Landlords are
grappling with whether to develop an individual standard for each cluster of stock. This would potentially make their service highly tailored to local circumstances, but also very expensive. For example, landlords were worried about the cost of consulting tenants in each area and about the cost of performance monitoring and reporting across multiple local standards.

‘We work in 15 different authorities but we can only manage to have one set of local standards: anything else would be too unwieldy.’

Other large organisations were taking a more pragmatic approach. One organisation told us:

‘We work in 44 boroughs but we only have, say, ten properties in some boroughs. We have a priority estate programmes, a couple every two years and so we intend piloting local standards on those priority estates to begin with.’

And some landlords were more positive and could see that the new approach presented opportunities. One large regional association had decided to develop local standards for the whole group supplemented with some community of interest standards, for example, to apply to sheltered housing.

The TSA believes that landlords and their tenants should decide how to define and implement their local standards. But they may find the options set out in table 5 helpful as they finalise their approaches.

Table 5 Local standards: what does local mean?

| Standard set in one geographic place | Standards are set for the area, not the organisation. All (or most) landlords in a particular area, be they associations, councils or ALMOs, sign up to deliver uniform standards for particular services. Examples include Bristol, Norfolk and Halton. |
| Standard set in one organisation | 19 landlords piloting the approach are developing local standards that apply just to their own organisation. |
| Standard set for a specified group of tenants | Standards are set with and for a particular group of tenants. Endeavour and Your Homes Newcastle are working on a standard for services for older people. |
| Standard set for a specific category of provider | A uniform standard for governance of housing cooperatives is under development by the Confederation of Cooperative Homes. |

Source: Tenant Services Authority, based on analysis of 39 local standards pilots
Conclusion

71 Co-regulation requires much greater partnership working between landlord and tenant and greater trust and agreement in setting plans and targets. This is different from the previous regulatory regime, which was based on many rules, monitoring of compliance and enforcement via sanctions.

72 But to take the new regime forward potentially requires a more structured and formal role for tenants in scrutinising their landlords. Such arrangements need to be independent of the landlords, cover strategic issues as well as service delivery issues and have the power to oblige the ‘executive’, in the form of the landlord, to respond to recommendations.
It is clear that a focus on an issue by regulators gets results. We found there to be significant improvements in the way that landlords engage their tenants. This applies to councils, ALMOs and housing associations.

This improvement also reflects the transition from a paternalistic model of social housing to one with a focus on the customer or tenant. Creating the right culture is perhaps the most important way to achieve this change. It requires landlords to recruit people with the requisite customer focus, provide the right induction and training and ensure that user focus is built into all levels of the organisation. As well as incorporating tenant involvement into everyone's job descriptions, the performance management system and corporate plan, landlords need leaders who support the process and communicate a clear and consistent message about involving residents.

Some landlords are clearly getting this right and are working hard to involve their tenants in ways that provide value for money and yield results. Others can learn from these approaches. The aims of this paper are to provide a stock-take of progress and to continue the conversation about how to foster the right culture in landlords and how to support the enhanced role of tenants under the new co-regulation model. The biggest challenge for regulators and landlords is to create a culture that is committed to the principles of tenant involvement, not simply compliant with a set of rules.
Appendix 1
Methodology

Research for this project was carried out between October 2009 and January 2010. The research comprised:

- interviews with tenants, board members, directors responsible for tenant involvement and tenant involvement officers in nine fieldwork sites
- telephone interviews with directors or tenant involvement officers from nine organisations involved in the 2004 Audit Commission/Housing Corporation study on resident involvement
- focus groups with 43 Audit Commission tenant inspection advisors
- a literature review
- performance and satisfaction data analysis;
- matrix analysis of the key line of enquiry for resident involvement and various standard and accreditation schemes
- interviews with key stakeholders
- a review of inspection reports

Janet Williams project managed this project, supported by Rosamund Chester. Alison Parker provided administrative support. Katie Smith and Michael Hughes were, respectively, the head of studies and director for this study.
Appendix 2
There is a strong evidence base about what tenants want

<table>
<thead>
<tr>
<th>Year</th>
<th>Author(s)</th>
<th>Title</th>
<th>Research methods used</th>
</tr>
</thead>
</table>
| 2009 | TSA       | National Conversation Phase One Findings | • National survey  
• Representative face-to-face survey – 1,126 interviews  
• Paper consultation (including responses at local and regional events) – 23,441 responses  
• Online consultation – 1,725 responses  

Paper consultation provides a good evidence base for comparison with Existing Tenants Survey.

| 2009 | TSA       | Existing Tenants Survey 2008 | • National survey  
• 30-minute interviews conducted with tenants and shared owners  
• Coverage: 19,307 interviews with general needs tenants, 1,147 with shared owners and 808 with supported housing tenants  

Good sample size of survey. Provides a good source of evidence.

| 2009 | Ipsos MORI, Scotland and Professor Hal Pawson | Identifying the Priorities of Tenants of Social Landlords | • Research covers Scotland only  
• Literature review  
• Telephone survey with 500 tenants  
• Postal survey of Registered Tenant Organisations (RTOs) – 193 returns  
• Qualitative research with mainstream tenants and tenants' representatives  

Small sample size provides some limited comparisons with England.
<table>
<thead>
<tr>
<th>Year</th>
<th>Organization</th>
<th>Title</th>
<th>Methodology</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Joseph Rowntree Foundation</td>
<td>The Impacts of Housing Stock Transfers in Urban Britain</td>
<td>Analysis of secondary data, National survey of all 92 landlords that have undertaken a ‘second-generation stock transfer’ in England, Scotland and Wales from 1999 to 2004 – 48 responses, Detailed case study work with 10 landlords</td>
</tr>
<tr>
<td>2009</td>
<td>Ipsos MORI</td>
<td>Understanding Tenant Involvement</td>
<td>Research commissioned by TSA, 12 discussion groups of 8 to 11 participants (including prequestionnaire filled in by each tenant), 10 ‘paired’ in-depth interviews</td>
</tr>
<tr>
<td>1993 to 2008</td>
<td>Communities and Local Government</td>
<td>Survey of English Housing</td>
<td>Continuous national survey. Survey based on face to face interviews with 20,000 households on various housing issues, Survey based on financial year from 1993 to 2008</td>
</tr>
<tr>
<td>2006</td>
<td>Tenant Involvement Commission</td>
<td>What Tenants Want</td>
<td>Deliberative tenant forums, Consultations with ‘housing experts and providers’</td>
</tr>
</tbody>
</table>

Useful review of housing stock transfers but UK based rather than specific to England.

Well researched piece of work, provides detailed qualitative data about tenants' attitudes.

Robust survey providing useful information about housing at an England level.

Based on a limited sample but some useful qualitative data about tenants' attitudes.
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languages, on request.
Tenant involvement
Assessing landlords’ progress

This study provides a snapshot of progress on tenant involvement and identifies the key challenges for social landlords when engaging with their tenants under co-regulation. It is intended to stimulate discussion in the sector and to provide information and good practice examples for policy makers, landlords and tenants.

It is the result of the first joint research project between the Audit Commission and the Tenant Services Authority.