Report of the Director of Place

**Economy & Infrastructure Policy Development and Delivery Committee –
8th March 2018**

Swansea Council Co-Operative Housing

Purpose:	The report provides a summary of information and opportunities on Co-Operative Housing.
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For Information	

1. What is Co-Operative Housing?

Co-operative housing is about communities having democratic control over the decision-making of their homes, neighbourhoods and communities. There are many different forms of co-operative housing – that could apply to all forms of housing tenure (i.e. home ownership, shared ownership or rented housing – either at market or affordable rents). But in all forms of co-operative housing:

- There is a democratic community membership of a housing organisation where all members have an equal nominal share of usually £1 giving them the right to vote on matters affecting the co-op.
- The co-operative housing organisation has control over the homes in some way – and in some cases – collectively own and manage them.

2. Why do people live in Co-operative Housing?

Research has shown that where communities control their homes co-operatively, strong communities form and the members and residents in co-operative housing are usually more satisfied than in other forms of housing. They often make good common sense decisions, and they operate as strong community businesses.

Co-operative housing is for people who either want to live in a community and have a local community support network around them or for people who support a community ethos – i.e. that local communities should be able to take decisions about their homes. Co-operative housing is also about local people coming together to share their housing costs, usually making the housing more affordable for all.

- There are 7 key principles of Co-operative housing:
- Voluntary and open membership
- Member economic participation
- Democratic member control
- Autonomy and independence
- Education, training and information
- Co-operation amongst co-ops
- Concern for community

3. Who is it for?

Co-operative and Community-Led Housing can be for everyone:

- For people on different income levels
- For particular groups of people
- For different tenures (i.e. renting, owning or asset sharing)
- For building new homes or buying and adapting existing residential or other buildings.
- For managing existing homes, with the possibility of ownership.

Developing housing schemes take time. People involved may have to devote several years from when they have the initial idea of a scheme to when people move into new homes.

But the rewards are high. People who have been involved in developing new CCLH rarely regret it. There are fantastic new CCLH schemes being developed all over the country.

4. How are schemes developed?

There are three general ways that Co-operative schemes are developed, all three of which can produce strong outcomes:

4.1 Grass Roots

A group of people come together to make it happen.

- Some of the strongest co-operative and community-led housing organisations have been developed by grass roots communities coming together to make things happen.
- A community group taking the responsibility to tackle the challenges leads to bonds being formed in the group that can lead to a strong community.
- The community group taking the lead means that it will have more control over decisions about what homes are developed.
- But it can be very challenging doing things this way and it relies on there being some particularly driven individuals being involved.
- It can take a long time to make it happen and a number of challenges will need to be overcome. However, various support is available.
- A community group developing a CCLH scheme will usually want to get local authority support.
- A community group developing a CCLH scheme could make things easier by working with a housing association or some other developer. However, this might bring challenges around who has overall control of the homes developed.
- A community group that wants to take the responsibility for developing a CCLH scheme may find guidance produced by locality particularly useful. They may also be able to get advice from other national support organisations and from existing CCLH organisations.

Examples of grass roots:

- Lilac, Leads
- Ashley Vale, Bristol
- Cohousing, Lancaster

4.2 Existing Community Organisations

An existing housing co-operative, development trust or another community organisation develops a CCLH scheme:

- An existing community organisation may decide it wants to develop CCLH. A housing co-op or a tenant management organisation may want to increase the number of homes available. A development trust or another community organisation may want to extend what it does for its local community and create a stable rental income.
- Existing community organisations may employ staff who will be able to assist in progressing a CCLH scheme. Housing co-

ops or TMOs who buy services from service providers may be able to get assistance through them.

- An existing community organisation developing a CCLH scheme can extend their community-led ethos to the new homes. They will also have a track record of community-led governance and potentially assets that can be used.
- An existing community organisation developing a CCLH scheme will usually want to get local authority support.
- An existing community organisation developing a CCLH scheme may choose to work with a housing association or some other developer, but this might bring different challenges.
- Existing Community Organisations that want to take the responsibility for developing a CCLH scheme will find this guidance and guidance produced by locality particularly useful.

Examples of existing community organisation:

- Bushbury Arms, Wolverhampton
- Marlfield, Redditch
- Langrove Co-op, Merseyside

4.3   Top Down meets Bottom Up

A local authority, housing association or other organisation decide to set up a CCLH scheme and recruit the founder members as homes are developed:

- A local authority, housing association, another organisation, and/or a combination of these organisations may decide that it wishes to set up a CCLH scheme.
- The partners involved can decide that a housing scheme it is developing will be CCLH. This is how most of the UK's CCLH schemes were developed.
- This approach means that the initiating organisation has to recruit and develop founder members to form a CCLH group during the development period.
- It also means that the organisation needs to be prepared to enable the CCLH group to take power over decision-making about how the housing will be managed.
- If done right, this method of developing CCLH can lead to value for money management as well as provide considerable benefits for the community housed.
- This approach leads to individuals participating who otherwise might not get to hear about or be interested in CCLH options.

Examples of top down meets bottom up:

- Old Oak Housing Co-op, Carmarthen
- Overton Road Group, Preston

It is the latter of the three options that appeals to Swansea Council as an entry opportunity into Co-operative Housing and a site has been identified that is of relatively low value, not in the HRA and is able to provide the opportunity for considerable community development.

5. What Support is Available to Swansea Council?

The Welsh Government elected in 2016 has made a commitment to build 20,000 homes during the lifetime of the Government. It has made a housing pact with Community Housing Cymru, the trade body for housing associations in Wales and the Welsh Local Government Association about how to do this. The pact includes potential development of co-operative housing. The Welsh Government provides some capital funding for the development of affordable rented housing and low cost home ownership products, and is further exploring its loan (as opposed to grant) funding programmes to enable available funding go further.

The Welsh Government introduced a co-operative housing programme in 2012 which supported the development of a number of schemes and have renewed their support for the programme under the 2016 Government. This programme has provided flexible revenue funding to develop co-operative and community-led housing schemes through the Wales Co-operative Centre and capital funding through its mainstream programmes.

What this means is that viable co-operative and community-led housing schemes of a variety of types and tenures are likely to receive Welsh Government support.

Local Authorities can play a particularly important role in supporting CCLH and some have developed specific strategies to do so. The Co-operative Council's Innovation Network is currently implementing a Housing Commission to explore how local authority support could be more widely available to CCLH. So it may be possible to get some resource and other national, regional or Local Government support in the UK for co-operative and community-led housing, but getting support may be dependent on a number of local or other factors.

Associations currently supporting interested parties in Wales through the process include:

- Confederation of Co-operative Housing: The UK organisation for housing co-operatives, tenant-controlled housing organisations and regional federations. www.cch.coop.

- Wales Co-operative Centre: a co-operative development agency working across Wales to promote social, financial and digital inclusion through a range of projects. www.walescooperative.org.

6. What can Swansea Council offer to its Citizens?

As an entry point, the model of most interest to Swansea is Top Down, Bottom Up, working with a social landlord to gain their experience along the way. Swansea Council has explored a recent venture with Pobl and Carmarthenshire Council and Pobl has been extremely helpful, providing the team with lots of useful knowledge and experience.

This would be a great learning path, utilising experts who have already delivered a housing co-operative. Staff from Swansea Council could shadow such a process, bringing skills in house for future projects.

Working at grass roots level provides a more bespoke offering, and each proposal would have to be given specific consideration depending on the concept presented.

The opportunity to set up co-operative via existing community organisations is attractive and could be considered at a later date once expertise has been gained working with a third party. This model could be used to encourage better community engagement in existing Council tenant communities.

For any option to progress the proposal would have to affiliate itself with the Council manifesto commitments, the Corporate Plan and well-being objectives.

The Wales Co-operative Centre and the Confederation of Co-operative Housing offer great expertise and have already visited Swansea Council for an initial information sharing meeting.

Both could support any initial proposal to introduce Co-operative Housing to Swansea by means of previous experience; getting started, the policy context, making a visible scheme, developing a sustainable community group, developing the vision, creating policies and procedures, supporting new developments, helping with management and legal structures.

Other areas of support they can provide include:

- Access to expertise and advice about co-operative housing
- Skills development and training opportunities for members of co-operative housing schemes.
- Supplying networking opportunities and sharing good practice.

- Producing research that can inform the development of co-operative housing schemes.
- Developing guidance for future co-operative schemes.

7. Next Stages

- Gain internal opinion on first pilot approach – 'top down bottom up' – decide on registered social landlord partner and location.
- Create a Council policy on co-operative housing.

8. Equality and Engagement Implications

An initial EIA screening form was completed (**Appendix A**). There is no requirement for a full EIA form to be completed at this stage as no policy has yet been formulated and any likely implications are unknown.

9. Financial Implications

There are no financial implications associated with this report.

10. Legal Implications

Part 6 of the Housing (Wales) Act 2014 amended the Housing Act 1988 to allow mutual housing associations to grant assured tenancies. This assists in further developing co-operative housing in Wales and lifts the previous ban on fully mutual co-operatives from granting assured tenancies. The Act also creates an additional ground for possession to allow a lender to fully mutual co-operatives to end an assured tenancy to allow repossession on vacant possession value.

For Information

Background papers: None

Appendix A: EIA Screening Form

> **Please ensure that you refer to the Screening Form Guidance while completing this form. If you would like further guidance please contact your directorate support officer or the Access to Services team (see guidance for details).**

| **Section 1** |
| Which service area and directorate are you from? |
| Service Area: Property |
| Directorate: Place |

Q1(a) WHAT ARE YOU SCREENING FOR RELEVANCE?

Service/ Function Proposal	Policy/ Procedure	Project	Strategy	Plan	
☐	☐	☐	☒	☐	☐

(b) Please name and describe below

Consideration of a Co-operative Housing policy.

Q2(a) WHAT DOES Q1a RELATE TO?

Direct front line service delivery	Indirect front line service delivery	Indirect back room service delivery
☐ (H)	☒ (M)	☐ (L)

(b) DO YOUR CUSTOMERS/CLIENTS ACCESS THIS…?

Because they internal need to	Because they want to	Because it is automatically provided to everyone in Swansea	On an basis i.e. Staff
☐ (H)	☒ (M)	☐ (M)	☐ (L)

Q3 WHAT IS THE POTENTIAL IMPACT ON THE FOLLOWING…

	High Impact (H)	Medium Impact (M)	Low Impact (L)	Don't know (H)
Children/young people (0-18)	☐	☐	☐	☒
Any other age group (18+)	☐	☐	☐	☒
Disability	☐	☐	☐	☒
Gender reassignment	☐	☐	☐	☒
Marriage & civil partnership	☐	☐	☐	☒
Pregnancy and maternity	☐	☐	☐	☒

Race	☐	☐	☐	☒
Religion or (non-)belief	☐	☐	☐	☒
Sex ➡	☐	☐	☐	☒
Sexual Orientation ➡	☐	☐	☐	☒
Welsh Language ➡	☐	☐	☐	☒
Poverty/social exclusion ➡	☐	☐	☐	☒
Carers (inc. young carers) ➡	☐	☐	☐	☒
Community cohesion ➡	☒	☐	☐	☐

Q4   HAVE YOU / WILL YOU UNDERTAKE ANY PUBLIC CONSULTATION AND ENGAGEMENT RELATING TO THE INITIATIVE?

☐ **YES**   ☒ **NO**   *(If NO, you need to consider whether you should be undertaking consultation and engagement – please see the guidance)*

If yes, please provide details below

At this stage, we don't know what form this will take. Premature to consider.

Q5(a) HOW VISIBLE IS THIS INITIATIVE TO THE GENERAL PUBLIC?

High visibility	Medium visibility	Low visibility
☐ **(H)**	☒ **(M)**	☐ **(L)**

(b)   WHAT IS THE POTENTIAL RISK TO THE COUNCIL'S REPUTATION? *(Consider the following impacts – legal, financial, political, media, public perception etc…)*

High risk	Medium risk	Low risk
☐ **(H)**	☐ **(M)**	☒ **(L)**

Q6   Will this initiative have an impact (however minor) on any other Council service?

☒ **Yes**   ☐ **No**   **If yes, please provide details below**

Potentially will link into Housing but they will be involved in the process if matters proceed

Q7   HOW DID YOU SCORE?
Please tick the relevant box

MOSTLY H and/or M ⟶ **HIGH PRIORITY** ⟶ ☐ **EIA to be completed**

Please go to Section 2

MOSTLY L ⟶ **LOW PRIORITY /** ⟶ ☒ **Do not complete EIA**

NOT RELEVANT   **Please go to Q8**
                                    followed by Section
                                    2

Q8   **If you determine that this initiative is not relevant for a full EIA report, you must provide adequate explanation below. In relation to the Council's commitment to the UNCRC, your explanation must demonstrate that the initiative is designed / planned in the best interests of children (0-18 years). For Welsh language, we must maximise positive and minimise adverse effects on the language and its use. Your explanation must also show this where appropriate.**

At this stage consideration is simply being given to formulating a policy via PDDC – we will review this screening if this work is progressed, seeking advice from the Access to Services Team.

Section 2

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email – no electronic signatures or paper copies are needed.

Screening completed by:
Name: Geoff Bacon
Job title: Head of Property
Date: 22/2/18

Approval by Head of Service:
Name: Geoff Bacon
Position: Head of Property
Date: 22/2/18

Please return the completed form to <u>accesstoservices@swansea.gov.uk</u>