Power sharing, self-management and sustainable communities: lessons from the UK in new forms of landlord tenant relationships

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Abstract

Despite two decades of privatisation policies, the Social Housing Sector remains a substantial (23%) proportion of the UK’s total stock. During this period many public landlords experimented with different forms of management relationships with their tenants. Many sought more efficient and responsive means of delivering services. They often developed decentralised structures and consultative ‘customer care’ approaches. A few tried more radical approaches and enabled forms of power sharing and self-management to evolve. They treated tenants as co-partners in producing better services.

A ten year research study, using 40 participant observers as diary holders, tracked the practices and processes involved. The findings were encouraging, supporting the collaborative landlord approach. Not only were better services achieved, but better relationships established and considerable community development and regeneration observed, in all four case studies.

Sharing power was seen to be a ‘win-win’ game, with everyone more satisfied and considerable tenant empowerment achieved. The collaborative approach is now central to the new Government’s policies on Social Exclusion, Community Regeneration and Best Value in Housing Services. What are the key lessons for encouraging citizen participation and sustainable communities, and can landlords in the UK and USA aid empowerment processes and become successful and sustainable themselves?
Introduction

For the past two decades successive Conservative Governments in the UK have pursued privatisation policies, designed to ‘roll back’ the frontiers of state intervention, reduce public expenditure and realise the considerable asset value of publicly owned property and enterprises.

Despite the success of raising over £28 billion, more than any other privatisation measure, through encouraging over one and a half million social tenants to buy their own homes at considerable discounts, this sector remains a substantial proportion of the UK’s total housing stock of 23 million households.

Table 1: UK Households by Tenure in 1979 and in 1998

<table>
<thead>
<tr>
<th>Tenure</th>
<th>1979</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner occupied</td>
<td>54.5%</td>
<td>67.0%</td>
</tr>
<tr>
<td>Private Rented</td>
<td>13.3%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Social Rented</td>
<td>32.0%</td>
<td>23.0%</td>
</tr>
<tr>
<td>Co-op/other T.M.O.</td>
<td>0.2%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>


New Policies

The new Labour Government has for its first two years broadly adopted the spending plans of its predecessor, across almost all public services including housing. Under Blair’s leadership ‘New Labour’ has divested itself of old style nationalisation policies, and rejected the Conservative ideology of privatisation, aiming to find a ‘third way’. These policies, characterised more by their pragmatism than any particular ideology, are designed they claim, to ‘modernise’ Britain and its system of government.

In Employment policy, the ‘New Deal’ seeks to encourage employers to recruit and encourage those on welfare back into work. A new basic Minimum Wage will apply to almost all types of worker (around £3.60 or $6 per hour with some regional variations and exceptions).

In Social Policy, the government has shown signs of concern over concentrations of social exclusion and poverty in municipally owned social rented neighbourhoods. A Social Exclusion Unit, operating at Cabinet level has the task of co-ordinating a policy response to the problems it has identified within some 1370 of the UK’s most deprived neighbourhoods. So far inner city neighbourhoods with predominantly private sector landlords and low-income home-owners have not been targeted.

Releasing the Potential

The Unit’s report ‘Bringing Britain Together: A National Strategy for Neighbourhood Renewal’ [1], stresses a co-ordinated policy approach to tackle deprived neighbourhoods. The aim is to encourage public sector and voluntary
organisations to come closer together and help release the potential of communities, through empowerment of local people and the harnessing of their ideas and energies.

This local potential is to be achieved, in part, through encouraging landlords and tenant groups to work together as partners, in building sustainable communities. The knowledge, skills, confidence and self esteem gained through participation is now widely acknowledged [2], and several case studies [3] and reports [4] confirm that wider benefits can result.

Tenant Participation Compacts

The Government Department in charge of Housing and Local and Regional Government matters (D.E.T.R.) has produced new policy proposals [5]. They are insisting that public landlords, who are local authorities must agree an overall Tenant Participation Strategy or ‘Compact’ in the next twelve months.

Having drawn up and mutually agreed this set of proposals, the landlord and various local tenant groups are also expected to produce local plans of action. All signatories to the agreement should formally acknowledge their new partnership role by designing together these local plans known as neighbourhood Compacts.

Landlords have an April 2000 deadline to agree a Compact, to face the loss of Government investment authorisation (H.I.Ps). Those that respond will gain favourable treatment on investment and access to over £2 million in grant aid, known as ‘empowerment grants’.

New Roles for Social Landlords

These policy developments emphasise a considerable shift in view of what Government and tenants now expect of their social landlords. In summary they now not only have to be good landlords providing quality services and value for money (their performance to be regulated via the Government’s new ‘Best-value’ regime of monitoring and benchmarking), but also become partners with tenants in decision making and service improvements, and become partners with other public and voluntary bodies helping to build sustainable communities (known as ‘Housing Plus’ and Multi-Agency working).
Low Demand

A further incentive to many public sector landlords, especially in the northern and western regions of the UK, has been problems of low demand and difficulties of letting some of the less accessible and unmodernised properties. The estimated outstanding national bill for repair and maintenance, to raise the public sector stock to satisfactory standards exceeds £21 billion, and is growing. The bill in the private sector is thought to well exceed this [6].

It is now increasingly clear that landlords need to provide efficient and effective services, and be popular with their tenants. Successful communities, avoiding the spiral of decline, are far more likely to support their landlords’ business future. As a Chief Executive expressed it recently: ‘My tenants are my assets, and without them my buildings become liabilities’.

New Roles and Expectations

These are considerable and challenging. They overlap and demand new ways of working. An integrated approach of ‘joined-up thinking’, in the new Government’s jargon, is now essential. Many landlords and their professional staff may not have the necessary skills or aptitude to carry out these broader roles. Some may not have got the government’s message, or may not accept it or acknowledge its necessity and therefore resist change [7].

Lessons from Practice in the 1980s and 1990s

My research into new forms of Landlord-Tenant relationships focused on four main case studies [8]. Each were municipal, local authority based landlords, each trying to respond to the privatisation challenge, and a broadly unsympathetic, even hostile central government.

Figure 2

<table>
<thead>
<tr>
<th>PRIVATISATION</th>
<th>CUSTOMER CARE</th>
<th>POWER SHARING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right to Buy Trusts</td>
<td>Responsive Services</td>
<td>Offer Choice</td>
</tr>
<tr>
<td>Stock Transfer</td>
<td>Matched to Community Needs</td>
<td>Enable Local Participation</td>
</tr>
<tr>
<td>Encourage Owner Occupation</td>
<td>Negotiated Agreements</td>
<td>Community Dev.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tenant Empowerment</td>
</tr>
</tbody>
</table>

Old style paternalism best describes the attitudes of landlords and their professional staff in the 1960s and 1970s. Although rejected by those shaping
public policy, vestiges of these attitudes remain today an important barrier to radical change, amongst those responsible for the delivery of housing services.

This paper will focus on two of the four case studies, which shed the most light on future prospects for improved landlord-tenant relations: ‘Power-sharing’ experiments in Rochdale (N.W. England), and a slightly less radical ‘Accountable management’ approach in York (N.E. England).

Rochdale

During the early 1980s, a pioneering Chief Housing Officer, experimented with approaches to participation, based on his own community development experience gained in community regeneration schemes in Liverpool.

One Rochdale estate of 246 homes was proving problematic and stigmatised as a ‘dump’ estate. Tenants viewed as a problem by the municipal landlord often ended up filling empty properties on such unpopular estates. A £1.5 million district heating scheme failed and local fuel bills soared. Tenants anger at previous neglect and policy failure boiled over, and in 1981 they demanded a better deal. They could manage their estate better than the Housing Department. Simpson, the Chief Officer, responded and helped them form a self-management co-operative. Initially during 1983-1985 the estate was jointly managed with considerable professional support. From April 1985 after extensive training and development and local elections, the co-operative took over management.

Cloverhall Co-operative

This became within 5 years, a highly successful ‘Flagship’ scheme, despite an initial period of councillor suspicion and hostility. It became heralded by the council as their own achievement, and it so impressed government that the landlord received a disproportionate allocation (over seven times larger) of government grant (Estate Action) so helping many other estates. Cloverhall’s households benefited from capital expenditure in excess of £60,000 each, over the next ten years. Significantly, although uniformly praised, gaining new statues and a waiting list, other groups in Rochdale did not seek to copy its approach. The ‘hassle factor’ of heavy workload and responsibilities resting on the relatively few actively engaged volunteers, was seen as too demanding. Other groups sought to gain similar benefits, without the costs in time and effort apparent from the co-operative’s experience.

Hollin Estate Management Board

One such group from the Hollin estate, were helped by one of the four Tenant Participation workers, Simpson had appointed, to establish a joint committee. This shared local estate decision making with local councillors and was served by outside advisors and housing staff. A local budget gave them considerable local control. Such was the enthusiasm and drive released by the T.P. worker’s training and encouragement, that a local campaign was mounted to formally
transfer management powers away from the landlord, by creating an Estate Management Board. Again, after councillor resistance the local campaign succeeded. Formal management powers were transferred to the EMB, which remained subject to municipal regulation and property ownership.

Flexible Framework

The system of tenant involvement that evolved in Rochdale during 1985-95 was flexible and user-friendly. Sufficient power was on offer if tenants groups wanted it strongly enough. They could share in local decision making and via the representatives of their Tenants and Residents Federation, have a say in district policy making at the Housing Committee of the Council. The system also recognised that the demands of higher levels of involvement required significant training and support. It permitted tenants groups to ascend or descend a ladder of involvement, and to do so at their own pace via an easy step by step process. Tenants could choose the level of engagement with professionals and politicians, that they felt most comfortable with and matched their own stage of development.

Figure 3: Higher is not necessarily better

<table>
<thead>
<tr>
<th>POWER RELATIONSHIP</th>
<th>STATUS</th>
<th>MECHANISMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self Management</td>
<td>Co-operative</td>
<td>Constitution, Elections Budget</td>
</tr>
<tr>
<td>Formal Joint Management</td>
<td>Estate Management Board</td>
<td>Constitution, Elections Budget</td>
</tr>
<tr>
<td>Informal Joint Management</td>
<td>Estate Committee</td>
<td>Constitution, Elections Budget</td>
</tr>
<tr>
<td>Accountable Management</td>
<td>Estate Agreement</td>
<td>Mutually agreed plan</td>
</tr>
<tr>
<td>Consultative – 2 way</td>
<td>Tenants &amp; Residents Ass.</td>
<td>Regular Consultations</td>
</tr>
<tr>
<td>Informative – some listening</td>
<td>Informal Tenants Groups</td>
<td>Meetings, Campaigns</td>
</tr>
</tbody>
</table>

Workload and Responsibilities grow as Groups climb the Ladder.

Training, support and guidance, especially by housing staff were key ingredients in making this flexible system attractive and workable to tenants. Outsiders and other trainers and community development workers also played key roles in equipping groups for power sharing.

Accountable Management

This intermediate level of involvement appears to be basis of much of the current government’s initiatives. These agreements or compacts are very similar to an approach pioneered by York District Council at their Bell Farm estate, in the early 1990s. This will be examined after a discussion on research methodologies and findings.

Researching Rochdale

The Rochdale research study covered some eight neighbourhoods occupying the full range of power relationships.

At the start of the research in 1985, and on its completion in 1995, a survey of key participants, tenant activists, councillors and professionals attitudes was
undertaken. Had attitudes and relationships significantly changed? Did they perceive any significant shift in who exercised power locally? Throughout the ten year period various approaches to assessing ‘cultural change’ were adopted, including tracking critically incidents from the multiple perspectives of the key people involved.

For a three year period, this latter technique was aided by the use of fifty participant observers, from a net work of contacts who were all key players in the research arenas under observation. They volunteered to take part in the research study by keeping diaries of what they considered to be important events or discussions. By cross checking their diary entries and by follow up interviews the researcher was able to gain a multiple perspectives on key incidents occurring over 200 miles from its University base in SW England. The diary technique transformed a single researcher, with very limited observational opportunities and capacity, into a co-ordinator of a network of co-observers.

A shared interest enabled a voluntary, unpaid co-operative research effort to evolve. Some of the main stakeholders, politicians, professionals and tenant activists agreed to become part of the research team. They acted as participant observers and members of a mutual learning system, with the researcher at the hub.

Having approached and interested key actors in the broader issues under study (local democratic reform, the nature of power), as well as the research into efficiency and effectiveness of local management, the next step was to assess their willingness to become co-researchers.

The onerous nature of keeping fairly regular diary accounts of key events was stressed, however the majority of the forty diary holders did succeed in keeping fairly regular and useful accounts. The method proved an interesting and sometimes highly valuable supplement to the more traditional methods of regular visits, conversations, interviews, observations of meetings and committees, use of secondary sources, reports etc., which form the basis of most qualitative studies. Some of the features of diary based research were not easy to predict, but were largely beneficial to the research task.

Main Features

(i) A type of ‘contractual relationship’

This was symbolised by the handing over of the diary and instructions. The participant was accepting the role of actor-observer, whilst the researchers were accepting the role of co-ordinator of a growing network. There was a mutual understanding that each were partners in researching an area of common interest.

(ii) A sense of sharing the research experience

Reasonably regular discussions with diary holders resulted in a valuable exchange of information on the local neighbourhood and the state of play, throughout the district as a whole. A type of learning system had been established through mutual interest and interaction. However this was not without its dilemmas. As
Van Maanen [9] notes the participant observer role is ‘pure spy, part voyeur, part fan, part member’.

(iii) A wide ‘trawl’ characteristic

Such was the variety in the nature of information gathered, and the intermittent nature of the entries, that a diary technique might best be compared with a series of trawl nets. A feature of such nets, especially if using different meshes is that they drag up the most peculiar and unexpected items from a wide search area.

Practical Problems

This researcher has no wish to claim diaries are a panacea method. At best they are a valuable additional method of remote monitoring. Maintaining a regular contact by telephone was necessary as visits on a regular basis were not always possible. Setting up a network can be a long and arduous task, often reliant upon positive relationships developed through earlier contact.

Any large network could only be realistically constructed, if the researcher had a fairly long time horizon, and had done considerable groundwork beforehand.

Inevitably in any longitudinal study, participants drop out and move on from their original ‘action setting’. Some will lose interest or be deflected by other more pressing events. Drop out and irregular use will always render diaries as a useful, yet partial additional technique.

This researcher advocates the widest range of techniques that can be applied to a research situation should, resources willing, be applied. Simple survey techniques should not be undervalued. This study conducted an attitude survey initially in 1985, and then ten years later on completion, key actors were questioned on their perception of changing power relationships and provided the most provoking of all the research findings.

Nature of Power

Theoretical discussions on power tend to be focused on whether power has a finite, absolute quality, which is shared with others inevitably diminishes that held in the original powerholder’s grasp. Some theoreticians, such as Clegg [10], emphasise its relational rather than absolute qualities. Using analogies, such as describing power flowing through channels like water, or around circuits like electricity, Clegg sees power being shaped or channelled by those whose hands can gain access to it. The skilled intervenor can ensure the flow activates or triggers desired outcomes.

This emphasis on the behavioural aspects of power tends to make some more sympathetic to the viewpoint that sharing power could be a ‘win-win’ game, rather than a ‘zero-sum’ game that would be naturally less appealing to existing powerholders.
The results of this research project showed that, without exception and by all means of qualitative and quantitative analysis the increased involvement of tenants and other service users in decision making about their housing services, led to:

(i) Better decision making and better value for services. Improved response times, better quality work and reduced costs were all achieved.

(ii) Better relationships resulted if power was shared more equally and 'adult-adult' relationships established.

(iii) Tenants were empowered.

The process of encouraging and enabling new forms of participatory decision making and neighbourhood based housing management transformed power-relationships dramatically in favour of the least powerful group, the tenants.

Across the Rochdale case study neighbourhoods, all key actors participating in this survey saw a massive eight fold increase in power-holding by tenants.

All key actors felt significantly better about their relationships and the service outcomes, as the result of ten years of change and empowerment.

Figure 4
Who has the Power at the Neighbourhood level?

<table>
<thead>
<tr>
<th>COUNCILLORS</th>
<th>OFFICERS</th>
<th>TENANTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>High influence</td>
<td>70.3</td>
<td>91.5</td>
</tr>
<tr>
<td>Some influence</td>
<td>34</td>
<td>75</td>
</tr>
<tr>
<td>Low influence</td>
<td>0</td>
<td>10.5</td>
</tr>
</tbody>
</table>


23% decline 17% decline 8 fold increase

Figure 5
Changes in Relationships 1985-1995

<table>
<thead>
<tr>
<th>Level</th>
<th>1985</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very good (40)</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Good (72)</td>
<td>11.5</td>
<td>12</td>
</tr>
<tr>
<td>Mixed (24)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor (16)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Very poor (3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conflict (0)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The outcome in Rochdale showed all the characteristics of a ‘win-win’ game, with dramatically improved relationships, significantly improved services, and empowered tenants acting as partners in the management task.

Tenants associations grew. Groups took a realistic view as to their level of involvement. Only one group became a Co-operative, four others became Estate Management Boards, eight others Estate Committees, many were content with less demanding roles. Some simply negotiated agreements which became the basis for holding officials accountable for achieving certain targets. These agreements, often termed estate agreements have become a popular model elsewhere in the UK [11].

**Accountable Management**

Estate Agreements are formal documents setting out mutually derived and agreed targets for services. They can also list mutual expectations, both of the tenants by the landlord and vice versa. They reached their most developed form, in another northern town, the historic city of York.

In 1994 a £6 million regeneration project on their most problematic estate, Bell Farm, enabled the municipal landlord to experiment with local resident involvement.

Over eighteen months, some 160 meetings were held, and some eleven separate service agreements negotiated. These ranged from specific housing services such as repairs, to education and training for the unemployed, community policing, a dog warden scheme, street and open space cleaning, and care and support for the elderly [12].

Since 1995 these have become the focus of community partnership with the landlord and other key public agencies within the neighbourhood [13].

**Conclusions**

The success of such approaches has led to a considerable growth in these types of negotiated arrangements. Holding councillors and the professionals accountable for the achievement of service standards is now the key element of the UK government’s policy of ‘Best Value’. The expectation is that across all housing services municipal landlords will work with their tenants as partners and together ensure the improvement of local management performance and the forcing up of standards over time. So far private landlords have not been subject to these requirements.

The New Deal for Communities announced in February 1999 will have an affect across a number of the UK’s inner city areas. Some 17 ‘pathfinder areas’ have been selected for £800 million in government regeneration grants. In these areas public and private organisations will be expected to embrace the partnership approach. Ministers claim: ‘local people will seize this opportunity to confront their problems’, and ‘long term change in on the way’. Undoubtedly new and wider opportunities for citizen participation are opening up for some selected communities. The need is for this new approach and spirit to spread and become
a permanent cultural shift. For that to be achieved those that hold power at the
neighbourhood level, politicians and professionals alike must be prepared to share
more of it with the people they purport to serve.

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