Community governance for mixed tenure neighbourhoods

Involving local people in running their estates can have a real impact on bringing about transformation. This study by Martin Knox and David Alcock considered governance mechanisms in various neighbourhoods, to identify models of local involvement that could be applied to mixed tenure areas. Key findings were that:

- Several good examples of cross-tenure governance mechanisms involving local residents have been at the heart of transforming neighbourhoods. Involvement was best achieved through a legally constituted organisation with strong resident leadership and direct accountability to residents from all types of tenure.

- Governance organisations' chance of success was also increased through representation of local bodies such as the local authority, other statutory agencies, voluntary organisations, businesses and faith communities.

- Using a company limited by guarantee provided a framework that offered protection from liability, could undertake a full range of activities, and was sufficiently flexible to adapt to changes. Commonhold does not currently allow tenants to be fully involved. Tenant management organisations provided a useful governance framework, but at present are not widely applicable to mixed tenure areas. The role of a parish council structure may merit further investigation.

- Positive relationships between tenants and home owners were assisted by a fully integrated mix of homes rather than separate areas of tenanted and owner-occupied properties. Clear benefits were found where residents across all tenures were involved in estate design and layout. Use of high-quality materials and good design also had a long-term impact on neighbourhood sustainability.

- Many residents across tenures wanted to influence service delivery and ensure service providers' responsiveness to residents' views. Where neighbourhood management was willing to listen and consult with residents, it had a considerable impact on how residents viewed the services provided. In some areas, disillusionment with mainstream service providers ran very deep and could take significant time and effort to overcome.

- Residents supported a governance mechanism which could vigorously enforce covenants to maintain the area's physical appearance and combat antisocial behaviour. Each of the various legal mechanisms for imposing obligations on home owners had enforcement difficulties. However, some neighbourhoods have successfully used injunctions and antisocial behaviour orders.

Background

It is clear that mixed tenure is here to stay. Large estates of exclusively social rented dwellings are no longer being built. Right to Buy sales have made significant inroads, interchanging the tenure mix on existing estates. A diverse range of providers, including housing associations, are now engaged in the provision of social rented housing. Many of these dwellings stand side by side with fully owned and shared-ownership homes. Where new neighbourhoods are being built, diversification of tenure has become a key ingredient, whether for cross-subsidy reasons or under planning agreements under Section 106 of the Town and Country Planning Act 1990.

Over recent years, the importance of building involvement at neighbourhood level has been recognised. The neighbourhood has become a priority for action, particularly through the work of the Social Exclusion Unit, the New Deal for Communities and the Government's Neighbourhood Renewal Unit.

The research

The prime objective of the study was to consider different models of community-level governance currently in use across the country. The aim was to establish whether there were governance mechanisms that could empower residents to be actively involved in their neighbourhood, and could also cross the tenure divide between tenants and part and full owners. The study considered in detail the different legal models that exist for residents' involvement in community governance, and evaluated their effectiveness.

The research team visited a number of areas to assess whether there were mechanisms of neighbourhood involvement that sought to span tenures, and if so how effectively they achieved their aims.

A blueprint for action – the case studies

The team found that the following elements were all of significance in establishing community governance in mixed tenure areas.

Stakeholders

The Royds estate in Bradford, Stockfield in Birmingham and Manor and Castle in Sheffield showed the benefits of identifying early in the process the full range of stakeholders to be involved in a community-based initiative. These could include the local authority, other statutory agencies (particularly health, education and the police), any private companies involved, voluntary organisations, social landlords and – crucially – residents.

The team also visited Woodgate Valley in Birmingham as an example of an entirely different contribution to community governance, through the involvement of a particular faith community. The area showed the considerable impact that a faith group can have on a neighbourhood's well-being. It also demonstrated the importance of ensuring that faith communities are involved as significant stakeholders in any governance mechanism.

Involving residents early on

The team considered two neighbourhoods where residents participated in the planning stages of major regeneration involving either demolition or extensive refurbishment – Stockfield in Birmingham and Royds in Bradford. All concerned perceived early involvement by residents to have significantly improved the quality of life in the neighbourhoods. While both areas had their shortcomings, it was widely felt that the achievements of the regeneration initiatives would not have been so marked had not a group of potential or actual residents been drawn together, across tenures, to actively oversee the project.

Governance vehicle

The team considered in detail the range of structures available for resident-led organisations. A company limited by guarantee was probably the most effective way to allow residents to participate in, and even exercise control over, major decisions about their neighbourhood. It also protected the individual residents concerned from liability, while retaining the ability to involve a range of other stakeholders in the board of the company. Royds, Stockfield and Manor and Castle all used this model.

Parish councils were also considered as an alternative governance mechanism. They have a number of features which may make them a useful vehicle for community governance, while acknowledging the constraints under which they operate, as laid down by Parliament.

The team found that residents' perceptions were transformed where there was a majority of residents on the board of a governance structure, as in the Royds example. The Royds experience also illustrated the fact that other stakeholders needed to be involved in order to ensure that residents had access to appropriate advice, guidance and expertise. By contrast, in the Blackbird Leys estate in Oxford, the absence of a strong mechanism for involving residents in community governance has led to a feeling of disempowerment among some residents.

Accountability

Stockfield and Royds Community Associations are known nationally for their pioneering work on community governance. In both areas, an

independent legal vehicle was established, with residents directly involved in the board. Residents have a majority 'stake' in the company. Residents who are board members are directly accountable to the community by means of democratic elections. The team observed that this built a sense of legitimacy and accountability.

The work of the Manor Castle Development Trust on the Manor estate in Sheffield is also nationally well known for its achievements. However, the research team encountered alienation among some residents on the estate. There was also a perception that while a small number of residents were engaged in active participation with the Trust, others have been left behind by the regeneration process. This finding merely emphasised the long-term difficulty of turning round neighbourhoods which have suffered years of deprivation and poverty. Even the most laudable attempts to make progress could be regarded with suspicion and hostility unless truly 'owned' by a wide proportion of local residents.

Funding mechanism

Manor and Castle and Royds both showed the strength that control of core funding can bring to a resident-led organisation. Management companies (used in Poundbury in Dorset) and the parish council model both offer alternatives to this approach. In the case of Poundbury, the funding mechanism was an annual service charge on residents. Parish councils are able to levy precepts on council tax payers.

Relationship with mainstream service providers

Significantly, many residents across tenures wanted a greater influence over how services were provided. Churchill Gardens in Westminster had no formal mechanism for involving residents in any democratic structure. However, an innovative attempt to implement the principles of neighbourhood management has taken place through the involvement of Pinnacle psg, which manages the estate on behalf of Westminster City Council.

The team found that a strong local staff team with a presence based on the estate was able to respond quickly to the needs of residents. An active residents' group, while it did not have any formal influence, was able to engage directly with Pinnacle in a way that both residents and Pinnacle saw as being of mutual benefit. Residents on the estate commented favourably on the improvement in housing management since Pinnacle took over. The work at Churchill Gardens emphasised the importance of a locally accountable presence for major service providers in transforming the perceptions of residents in the neighbourhood.

High-quality design

In both Poundbury and the Bournville area of Birmingham, the philanthropic motivation of those responsible for the development of the community has resulted in extremely high-quality housing built to excellent design. This was a key feature in the neighbourhoods. The research team found that well-planned design and the use of high-quality materials can provide an attractive appearance for the neighbourhood and be a major factor in ensuring long-term sustainability. Examples of high-quality design and materials were also found in Stockfield in Birmingham and the Royds area in Bradford.

Integration

In Stockfield, Poundbury and Royds, owned properties were indistinguishable from rented homes, and the different types were mixed in together. Residents commented that this made for a more integrated community. In Blackbird Leys, however, there appeared to be divisions between owner-occupiers and tenants. These have not been assisted by the design of the estate, which physically separates the two groups.

However, design was only one factor in the scope for integration. Both Poundbury and Bournville currently lacked a governance mechanism that spanned tenure types. In both areas, there appeared to be a sense of division between owner-occupiers and tenants. Some residents on the Bournville estate commented on a particular sense of fracture between owner-occupiers, tenants who have lived in the area for many years, and those tenants recently arrived in the area.

Covenants

A number of the areas have attempted to control both the physical environment of their neighbourhood and the behaviour of residents. The team considered several different approaches to these complex issues. There remains some difficulty in finding a legal mechanism for enforcing positive obligations against successive owner-occupiers, although the new commonhold legislation may hold a way forward in this respect. However, the commonhold framework suffers from the drawback that tenants do not have the same right to participate in the work of the commonhold association as do owner-occupiers.

Both Poundbury and Bournville Village Trust have used extensive covenants to control the physical appearance of the area, and also the behaviour of those who live there. By and large, these efforts were supported by residents in different tenures. Bournville Village Trust has made use of nuisance-based evictions and has obtained an antisocial behaviour order.

Conclusion

The study acknowledged that even in areas where community governance was working quite successfully, alienation and a feeling of distance from the sources of power and influence could not be changed quickly.

The work of building community governance – particularly across tenures – requires all those involved to be willing to undertake a journey to look for the best outcome for the whole community, and to maintain a clarity of vision and purpose. Such work demands a great deal of the residents as well as the professionals involved.

Each of the case-study areas visited demonstrated strengths and weaknesses in relation to its approach to governance issues. However, taken all together, the team concludes that it is possible to draw out a set of principles which could provide a model for community-based governance in a mixed tenure neighbourhood.

The team recommends the use of an independent legal vehicle to facilitate residents' involvement in governance, similar to that used on the Stockfield, Royds and Manor estates. A company limited by guarantee offers the most flexible and cost-effective legal model. To maximise accountability for residents on the board of the new organisation, the team further recommends the use of direct elections across the neighbourhood.

The team would also emphasise the importance of involving all the relevant stakeholders in a given neighbourhood in the governance vehicle. The success of the regeneration schemes in Stockfield and on the Royds estate are good examples of where this strategy has worked successfully.

About the project

The team visited a number of neighbourhoods where housing providers and others have entered into innovative arrangements with local residents, involving them in community governance. The neighbourhoods included:

- Poundbury in Dorset;
- the Royds area in Bradford;
- Churchill Gardens in Westminster;
- Stockfield in Birmingham;
- Woodgate Valley in Birmingham
- Blackbird Leys in Oxford;
- Manor estate in Sheffield;
- Bournville in Birmingham.

The research team visited the areas, conducted focus groups and face-to-face interviews with residents and officers, and carried out background research. In each case, an evaluation of the neighbourhood was undertaken to see whether there was a mechanism for involving residents in community governance. In either case (i.e. whether there was such a mechanism or not) the research considered the effect on residents' views of their community and on the long-term sustainability of the neighbourhood.

The eight areas were chosen by an advisory group of practitioners. The team also drew on their own experience of advising numerous community governance organisations, as well as conducting extensive desk-based research and interviews with some key practitioners.

The research team of Martin Knox, David Alcock, Anna Roderick and John Iles are all members of the experienced community regeneration team at Anthony Collins Solicitors in Birmingham.

How to get further information

The full report, **Approaches to community governance: Models for mixed tenure communities** by Martin Knox with David Alcock, Anna Roderick and John Iles, is published for the Foundation by The Policy Press (ISBN 1 86134 461 9, price £13.95).

The following *Findings* look at related issues:

- **Resourcing community involvement in neighbourhood regeneration**, Mar 00 (Ref: 320)
- **Strengthening community leaders in area regeneration**, Jul 00 (Ref: 720)
- **Community participants' perspectives on involvement in area regeneration programmes**, Jul 00 (Ref: 770)
- **Area committees and neighbourhood management**, Jul 01 (Ref: 761)
- **Managing individual home-ownership within multi-owned property**, Oct 01 (Ref: 061)