

Research **SUMMARY**

BMENational-HCI Project

August 2015

Deep Roots, Diverse Communities, Dedicated Service

The Legacy, Value and Future Potential of Black and Minority Ethnic Housing Organisations in England

This is a summary of the key findings of a major research project between BMENational and the Human City Institute. The study describes the legacy of BME housing organisations stretching back to the 1980s. It records the achievements and value of the BME housing sector. And it seeks to explore the potential futures for this diverse sub-set of the social housing sector in England.

Key Points

- BME housing organisations need to continue to make a significant contribution to meeting the housing, care, support and health needs of BME communities, plus those of new migrants, as these are not adequately met by mainstream social landlords; nor will they be as commercialism and diversification into other markets spreads across social housing.
- BME housing organisations have been major successes for BME communities for more than 30 years, enabling local assets to be controlled by these communities and considerable social capital to be built. They are also effective community advocates and role models to BME communities.
- BME housing organisations operate mainly in some of the country's most deprived neighbourhoods in the major towns and cities of England and their presence there is a bulwark against poverty, discrimination and austerity.
- They are good value for money, well-managed and deliver well-received, culturally sensitive and community-focused services. They remain truly social purpose organisations still embedded in the communities that founded them. They create significant economic and social value in some of the most disadvantaged neighbourhoods.
- The BME housing sector needs to expand in terms of the number of homes managed, its range of services, and the economic and social value generated. This expansion could be through trade associations, regional forums, partnerships with mainstream social landlords and local authorities, group structures, mergers, consortia and individual initiatives. Expansion needs new house building and inwards stock transfer, and via potential joint venture vehicles around finance, procurement and service-sharing.
- The expansion of BME housing organisations is contingent upon collective endeavour through BMENational, which needs to underscore and promote the sector's values, promote diverse services, secure a higher profile, broker sector-wide initiatives to improve the durability of the sector as a whole, and engage in long-term sectoral planning.

Introduction

This is a summary of a major research project undertaken in 2014/15 by BMENational, the representative body for black and minority ethnic (BME) housing organisations in England, and the Human City Institute (HCI), a research charity and think-tank. This summary seeks to:

- Chronicle the history and legacy of the BME housing sector covering developments linked to the sector's representative bodies, BMENational, and before that the Federation of Black Housing Organisations (FBHO).
- Explore the policy and practice context in which today's BME housing organisations operate.
- Develop an evidence base of the shape, performance, achievements, economic and social value generated, and VFM of the BME housing sector via a variety of research approaches.
- Undertake a future-scoping exercise to aid BMENational's strategic trajectory.
- Help identify emergent work areas for BME housing organisations, unmet needs, how more effective partnering might be developed within, and outside the BME housing sector.

Policy Backdrop

The essentials of the policy backdrop and the operating context as they affect the BME housing sector can be broken down into three components:

Social Housing and Welfare Policies: Since 2010, and with the Conservative Party obtaining an overall Parliamentary majority after five years of coalition government, the housing policies commenced in the 2010 to 2015 period are being accelerated and, in the case of the extended Right to Buy, new policies being introduced. The emphasis has been on moving towards a 'consumer' model of social housing management accompanied by the introduction of the Affordable Rent Programme where rents are set up to 80% of market rates on new homes largely funded from private financial institutions. There are pressures on social landlords to reduce costs with savings deployed to subsidise new housing and help keep rents as low as possible, while they are expected to acquiesce with sometimes quite draconian welfare reforms to help reduce the structural deficit as part of the government's austerity programme.

The Regulatory Framework: The HCA's regulatory framework incorporates standards for social housing providers with required outcomes and specific expectations. Where relevant, they reflect the Secretary of State for Communities and Local Government's directions on specific regulatory standards. These are the Governance and Financial Viability standards, the Value for Money standard and the Rent standard. 'Consumer' standards include Tenant Involvement and Empowerment, Homes, Tenancies and Neighbourhood and Community. Alongside, there are a range of requirements around Equality and Diversity. The HCA is advised by an E&D sub-committee. The majority of BME housing organisations fall outside the major part of the regulatory framework since they manage less than 1,000 homes.

The Social Landlord Role: Austerity policies and the need to maximise the number of homes from dwindling resources have pushed the social housing sector into seeking new ways of working and fresh sources of finance from private sources, such as bond issues. The NHF's 'Hothouse' debate exemplified the approach. BMENational believes, however, that much policy discourse around the future of social landlordism tends towards agreeing an approach that venerates larger organisations. BMENational believes that social housing and tenants are best served by a pluralist and community-focussed sector.

The Legacy of the BME Housing Sector

The development of the BME housing sector can be divided into two parts, which are taken in turn below.

The Birth of BME Housing Organisations: BME housing organisations, generally defined as letting to more than 80% BME applicants with a similar proportion of board members, have deep roots going back thirty years in the most disadvantaged communities of Britain's major cities and towns. BME housing organisations grew out of the need for greater access to social housing by BME communities, in the wake of 1980s disturbances and the growing special needs of BME communities (especially the elderly and young homeless people). They were created at a time when 'race and housing' issues were at the forefront of national policy debates against a backdrop of urban decay and social unrest. When BME housing organisations were formed, they also made mainstream providers sharpen up and get beyond colour blindness practices to positive action for those in most need. Their achievements over the last thirty years have been considerable, including building community-based vehicles as advocates for BME communities, while operating as local role models. And even though there are fewer today than at their peak, the majority are viable community-based social enterprises providing culturally sensitive services with a bright future despite financial, VFM and policy pressures.

BME housing organisations were the forerunners of agencies envisaged by today's 'Big Society', Localism and mutual self-help. They came from the community and remain for the community despite the fluctuating operating and policy environment over the last few decades. Their roots were often faith-based and they saw their role as social action organisations – as advocates for BME communities, as well as housing managers and developers. The majority retain their faith and community links and still have active shareholders and Board Members drawn from these constituencies.

Their representative body – the Federation of Black Housing Organisations (FBHO) – was a highly visible, respected and largely effective advocate for the BME housing sector. Through conferences, newsletters, research, lobbying and advocacy the FBHO enabled BME housing organisations to develop a high profile and secure ongoing funding from the public purse to support continuing expansion of housing and service provision. The demise of the FBHO was followed by the creation of BMENational as a successor representative body under the auspices of the National Housing Federation.

Social Housing Regulators and Sectoral Support: The BME housing sector was created with the aid of social housing's regulator, the Housing Corporation, and supported by the National Federation of Housing Associations (today's NHF). The formation of the new sector was supported by a series of Housing Corporation policy documents as a public response to a long line of 'race and housing' reports from the 1970s onwards. These reports showed that many BME communities experienced direct and indirect discrimination in all tenures, including via social housing allocation policies.

The Housing Corporation in 1986, ten years on from the Race Relations Act 1976, launched its Black and Minority Ethnic Housing Policy to directly and indirectly support existing and embryonic BME housing associations to develop housing, board members, staff and to add value to the local community. Within five years more than 40 BME housing associations had been created, later rising to over 100. A second five year plan was published by the Housing Corporation in 1992 followed by a final enabling framework in 1998. This policy development was punctuated by the Housing Act 1988, which enabled housing associations to raise greater levels of private funding and to set their own rents. From 1990 onwards, BME housing organisations created employment, new skill sets and professional career paths for hundreds of BME people, some of whom moved into senior positions in the mainstream social housing sector (although still under-represented at senior levels) as well as much-needed housing. A noticeable feature since the demise of the Housing Corporation in 2008, is the lack of emphasis on 'race and housing' issues by successor regulators, now subsumed into Equality and Diversity policies.

Alongside regulator support, many mainstream housing associations, especially those working in areas of high BME concentration – typically inner London, Birmingham, Leicester, Nottingham, Sheffield, Bradford, Manchester, Liverpool and Bristol – formed housing development and management

partnerships with the new BME housing associations. These partnerships continued on and off for the next twenty to thirty years. In some cases, BME housing associations became successful and highly influential parts of group structures. Ashram as part of the Accord Group, Aksa as part of New Charter, Tung Sing as part of Your Housing Group, Pine Court as a member of the Sovini Group, and latterly Sadeh Lok as a member of the Incommunities Group, are key examples.

Some BME housing associations have thrived within group structures by taking advantage of the economies of scale offered, shared services and have realised internal transfer of housing. For example, Ashram is now Ashram Moseley, having joined with a mainstream provider – Moseley and District - within the Accord Group. Other BME housing associations were less fortunate in their choice of group and were subsequently wound down, their housing assimilated. Presentation HA was incorporated into Notting Hill HA, and Harambee and HAMAC disappeared into Prime Focus. Some BME housing associations were able to grow through merger with each other – think Nehemiah and UCHA in the West Midlands and Arawak Walton in the North-West. The Asra Group, based in the East Midlands, and now the largest BME housing association in England managing 14,000 homes, began when Leicester Housing Association, BME housing association Asra and Nottingham's Family First merged in 2006. Though the Asra Group is not strictly a BME-only housing association today, it still retains the values of the BME housing sector and houses large numbers of BME applicants.

Why BME Housing Organisations Are Important

There are two main reasons supporting the continuance and expansion of BME housing organisations:

Disproportionate Need: BME communities experience disproportionate housing need not met adequately by the mainstream housing sector or the wider housing system. BME communities are still more likely to be homeless and living in poor or overcrowded housing. They experience higher levels of fuel poverty. Alongside, BME communities are subject to health inequalities. In addition, their generally lower socio-economic status means a more precarious existence and a likelihood to be living in a disadvantaged neighbourhood. Welfare reform has also affected BME communities disproportionately.

A Lack of Mainstream Housing Solutions: The needs of a growing BME population are not being met by mainstream social landlords. The proportion of lettings made by all social landlords in England over the ten years between the Censuses in 2001 and 2011, rose from 14% to 16%, as chart (1) on the next page depicts. During this time, the proportion of the population associating with a BME background increased from 7% to 17%. Since 2011, 19% of all mainstream social lettings have been made to BME applicants while more than 75% have been made by BME housing organisations. Choice-based lettings (CBL) used more by the mainstream are also a barrier to BME applicants.

The Shape of the BME Housing Sector

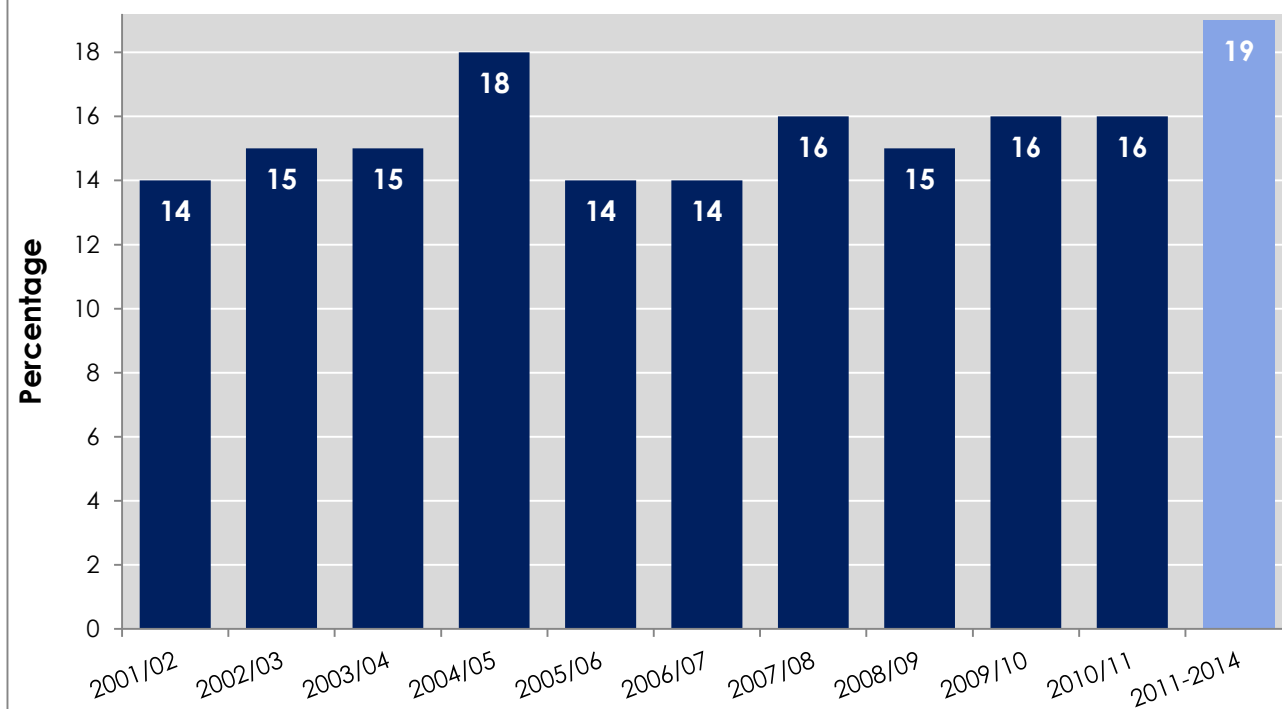
The shape of the BME housing sector is considered from two angles, which are shown below:

Types, Sizes and Locations: Today BME housing organisations are a small but vital part of the social housing sector comprising 2-3% of the housing association stock. Collectively, the 70 remaining BME housing organisations manage 65,000 homes, with an estimated annual turnover of £600m and controlling assets valued at around £1.8bn. Just over half are full members of BMENational.

BME housing organisations house mainly South-East Asians, African-Caribbeans, Chinese, Vietnamese, Irish and Jewish people. They increasingly assist non-BME people and new migrants (including from Eastern Europe). Refugees from various war zones past and present are also supported by BME housing organisations. They retain their role in meeting the special needs of BME communities but most have branched out over the last fifteen years into meeting general family needs and the needs of homeless people and refugees and asylum seekers.

Chart (1) - Lettings to BME Applicants by All Social Landlords

(Source: Continuous Recording (CORE) Lettings (2001-2014))



BME housing organisations operate in around 100 local authorities with the average for each being seven local authorities. Concentrations of housing are in regions of high BME population concentration in England. Given the large BME populations in the West Midlands and the North-West, these regions have lower numbers of BME housing organisations than might be expected: largely explained by BME housing organisations losing their identity and stock as they were assimilated into the mainstream social housing sector. Eleven BME housing organisations operate successfully in nine group structures – mainly in the Midlands and the North.

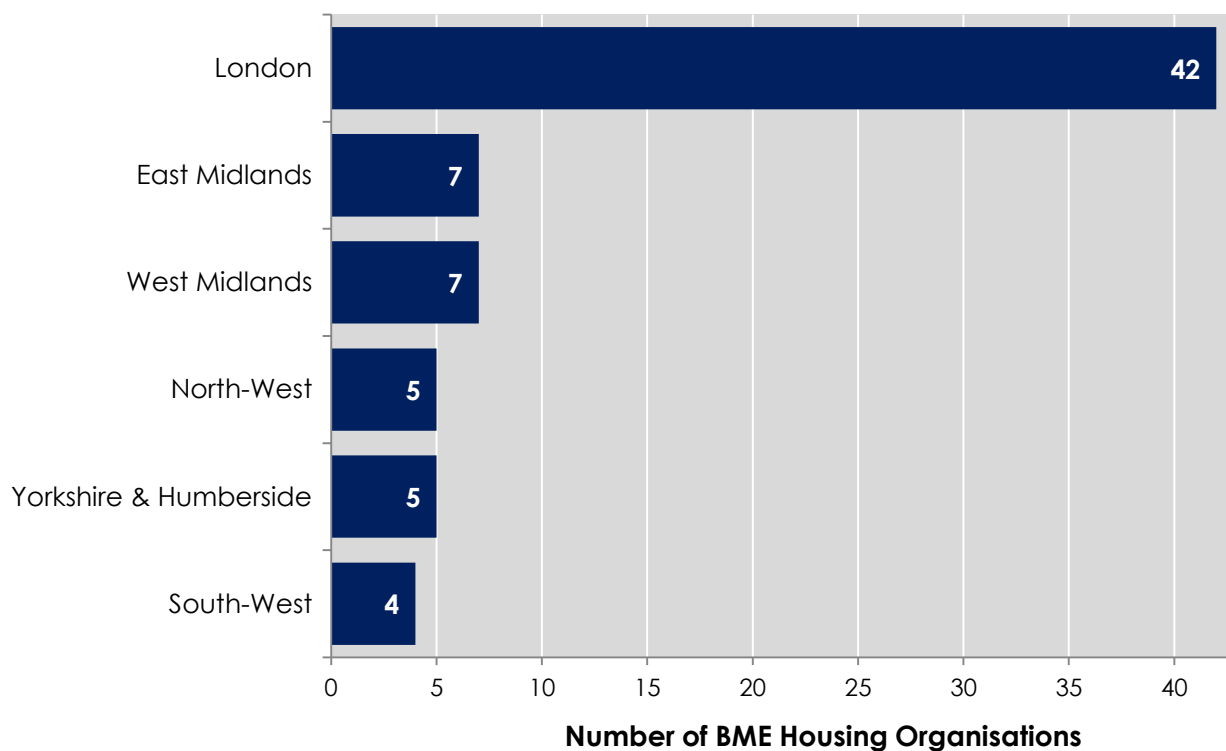
Many BME housing organisations have formal links to development and procurement partnerships, community and social enterprises. BME housing organisations support more than 50 community organisations. Six BME housing organisations (or 9% of the total) are housing co-operatives. In terms of concentration of BME housing organisations, London has by far the largest number of BME housing organisations (60% of the total) with other regions containing eight to four [see following charts].

Tenants: Key characteristics of BME housing tenants compared with mainstream social housing are:

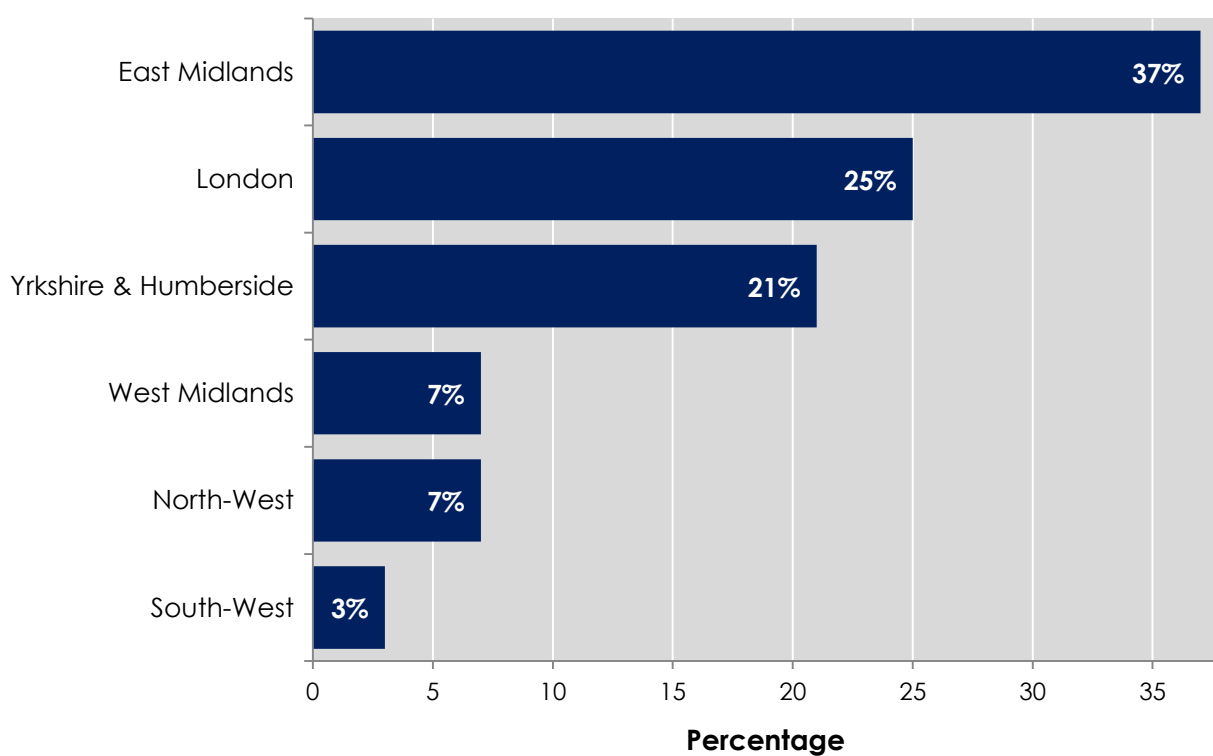
- Some 81% of tenants of BME housing organisations are from a BME background compared with 18% of tenants across the mainstream social housing sector.
- 21% are from an Asian background, 29% are African Caribbean, 9% are of Mixed Ethnicity, tenants of Irish origin account for 6%, Other Whites equal 8% (some of these are of Jewish origin), Other BME 8%. 80% are UK nationals compared with 90% for all social landlords, with 9% from Europe.
- 25% BME housing tenants are under 25 years and 15% are over 60 years.
- 62% are female headed households.
- 36% are economically active with 12% retired, 11% sick or disabled, 30% unemployed, and 75% qualify for Housing Benefit or Universal Credit.

Chart (2) - BME Housing Organisations by English Region

[Source: HCI Data Survey (2014/15)]

**Chart (3) - BME Housing Stock by English Region**

[Source: HCI Data Survey (2014/15)]



Critical Success Factors

The various strengths, weakness, opportunities, threats (SWOT) analyses undertaken for the research provided detailed assessment from both within and outside of the BME housing sector. Table (1) summarises the key points from the SWOT.

Table (1) – BME Housing Sector: SWOT Analysis	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Embedded in communities. • Provide culturally sensitive services. • Have local knowledge and expertise. • Are responsive to local needs. • Actively promote community involvement, • Strong advocates for BME communities. • Constructive and vital role models to BME communities. • Extensive social value creation. 	<ul style="list-style-type: none"> • Lack of sufficient assets on which to build expansion. • Sometimes precarious financial position. • Governance issues in a few cases. • Seen as peripheral to mass house-building, • Identified as niche players. • Don't communicate achievements well. • Lack degree of sectoral cooperation. • Long-term planning and rebranding.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • New housing via financial innovation. • Inwards stock transfer from social landlords. • Working with others (LAs, HAs, private/third). • Mergers, groups, consortia, partnerships. • Development of sectoral vehicles/markets. • Broadening the service offer (health, care, support, needs assessments, local intelligence). • Meet emergent needs of new migrants. • More active promotion of sector. 	<ul style="list-style-type: none"> • Regulation (VFM, protecting assets, niche retention, size, finances). • Right to Buy could reduce stock and asset base. • Governance issues in some cases. • Pressure to acquiesce to take-over by mainstream social landlords. • Inability to grow and contribute to meeting housing needs because of significant financial constraints.

Community Investment, Economic and Social Value

BME housing organisations are deeply embedded in the most disadvantaged communities, creating significant social value through a range of community initiatives [for example see table (2) over the page]. Most of their contractors are local ensuring that investment stays in the community. BME housing organisations remain anchored in the communities that founded them. And they are bridges between communities and key vehicles for local people to have a say in how their housing is managed and developed. BME housing organisations are major successes for BME communities enabling local assets to be controlled by these communities and considerable social capital to be built.

Their legacy and current work includes the creation of significant economic value in often fragile local economies. More than £200m in Gross Value Added (GVA) is generated from investment in development, repairs and maintenance, local procurement and expenditure in direct and indirect supply chains. This investment sustains 1,000 jobs in local economies on top of the 3,500 people employed directly by the BME housing sector. The presence of BME housing organisations in the most disadvantaged communities is a bulwark against poverty, discrimination and austerity at a very difficult time for people on low incomes and benefits. They invest £150m yearly in communities. Overall, for every £1 spent by the BME housing sector, between £2 and £5 in additional social value is generated.

Table (2) –

BME Housing Association Community Investment Activities in England (2012/13)

Activity Headings	Activities	Community Investment (£)
Physical:	Decent Homes, Repairs & Maintenance	<ul style="list-style-type: none"> £60m invested pa employing many hundreds of people via DLOs, contractors & supply-chains
	Neighbourhood Facilities:	<ul style="list-style-type: none"> 40 facilities Investment in £18m pa (£7m pa from own resources)
Economic:	Employment & Enterprise:	<ul style="list-style-type: none"> 35 services delivered, 40,000 people benefitted, 45 staff employed directly Investment of £5m pa (£1.5m from own resources)
	Education & Skills:	<ul style="list-style-type: none"> 50,000 services, delivered, 12,000 people benefitted, 45 staff employed directly Investment of £4m pa (£2m from own resources)
	Poverty & Social Exclusion:	<ul style="list-style-type: none"> 984 services delivered, 368,000 people benefitted, 450 staff employed directly Investment of £45m pa (£26m from own resources)
Social:	Well-Being	<ul style="list-style-type: none"> 30 services delivered, 18,000 people benefitted, 30 staff employed directly Investment of £2m pa (£1.5m from own resources)
	Safety & Cohesion:	<ul style="list-style-type: none"> 75 services delivered, 80,000 people benefitted, 35 staff employed directly Investment of £5m pa (£1m from own resources)
Environmental:	Environmental:	<ul style="list-style-type: none"> 65 services delivered, 40,000 people benefitted, 25 staff employed directly Investment of 4m pa (£1m from own resources)
	Green Initiatives:	<ul style="list-style-type: none"> Range of 'green' schemes, strategies & policies including affordable warmth, carbon footprint measurement, recycling

Source: Estimates Based Upon Data from the NHF (2013) Neighbourhood Audit and 30 BME HA Case Studies using HCI's PESE model of social value demarcation

Value for Money

BME housing organisations are good value for money, well-managed and deliver well-received, culturally sensitive and community-focused services despite some organisations falling by the wayside over the last three decades. Benchmarking, and VFM statements in some cases, have enabled some attempt at sectoral assessment of VFM. The majority of BME housing organisations are within the top half for KPIs, and score closer to the top quartile on tenant satisfaction. Their unit costs also compare favourably. There is evidence that being mostly small organisations is not an insuperable barrier to cost-effectiveness, especially when economic and social value are taken into account.

What Tenants Think

1. What do tenants think is good about being a tenant of a BME housing organisation?

- *Service (e.g. repairs and maintenance) is generally good.*
- *They are quick to resolve issues, responsive and efficient – they get things sorted.*
- *Fair rent for a good quality home.*
- *Everyone is treated equally and fairly.*
- *They are welcoming, open about everything and you can access any information.*

2. What is the added value, if any, you feel about being a tenant of a BME housing organisation?

- *They feel like family and we are part of that family and it feels good.*
- *They cater for our families and provide larger homes.*
- *They are considerate and cater for all groups including white people.*
- *They sort ASB and other community problems well.*
- *They are trustworthy.*

3. Is there any benefit in to you in your BME housing organisation providing culturally sensitive services?

- *They bring different cultures together.*
- *They understand that communities want to be together as it is the way we want to live.*
- *They help BME people, because they know that they want to be together and they help them to build their own local network.*
- *They promote tolerance amongst different communities.*
- *We all have to live together and we embrace each other's culture.*
- *They put tenants first and ask what we want and like.*

4. What is extra value about your BME housing organisations around community projects?

- *Community events for everyone and bring us together.*
- *They provide apprenticeships and they host open days for residents to apply for jobs.*
- *They have community care grants - they encourage schemes to apply together but residents have to organise the events.*
- *They provide IT training and support you so you can access training and jobs.*
- *They provide money advice services and they will help you to understand benefits and support available to you. They are supportive and have people trained to do this job.*
- *They provide aids and adaptations, involving us in choosing.*

Recommendations

1. The BME housing sector should expand in terms of the number of homes managed and the range of services provided. This expansion should be through trade associations, regional forums, partnerships with mainstream social landlords and local authorities, group structures, consortia, mergers and individual initiatives.
2. The future of BME housing organisations is contingent upon collective endeavour through BMENational, which needs to underscore and promote the sector's values, secure a higher profile and broker sector-wide initiatives to improve the durability of the sector as a whole.
3. BMENational should engage in long-term planning over at least a ten period and needs to revisit its vision, values and brand to embed a strong current and future narrative which should be communicated consistently, clearly and coherently over the coming years.
4. The BME housing sector needs to develop satisfactory sectoral data about performance, VFM and the creation of additional economic and social value. BMENational should lead on this. A BME housing sector benchmarking club, publication of an annual report and an ongoing research programme are key examples of the required approach.
5. There is considerable scope for BME housing organisations to access new markets. Integrated health, social care and wellbeing policy areas offer various and multiple opportunities; especially since health inequalities persist in BME communities. Undertaking needs and housing requirement assessments, promoting community cohesion and tackling extremism are continuing and/or emergent markets that BME housing organisations might access from central or local government.
6. BME housing organisations should engage with meeting the needs of new migrants such as Eastern European economic migrants, refugees and asylum seekers, those of gypsies and travellers and other groups that emerge in the coming years. All require consideration alongside potential funding pots to meet such needs.
7. BME housing organisations have opportunities to create a series of partnership vehicles, between themselves and with others, perhaps on a geographical basis, that improve VFM to their tenants, including joint procurement, housing development, repairs and maintenance, servicing of communal areas and gardening services, and back office services. These vehicles might be created as social enterprises to offer further employment, training and volunteering opportunities to tenants.
8. An 'internal' BMENational 'market' might be developed where specialist expertise from one BME housing organisation might be shared with others to enhance the BME housing sector as a whole, and to strengthen the sector's impact and value creation.
9. BMENational should commission research into potential new funding routes for members from a variety of government, LEP and European Union funding sources, especially around economic development, improving employment prospects of BME people, reducing financial exclusion, and enhancing community resilience and cohesion.
10. Stock development should be upgraded, through a range of activities, including new sources of finance and joint working plus stock transfer from local authorities and housing associations. Over the next ten years, the BME housing stock should seek to expand by 40,000, or by two thirds from now.
11. Mutual approaches offer BME communities living in social housing opportunities to create devolved management structures within existing social housing organisations and provide more control of housing and community assets by BME communities. The Right to Manage might be utilised as a potential means of handing over control of social housing to BME communities.

How the Research Was Carried Out

The research for the project was built on a number of methods:

Review of Literature: Covering the legacy of BME housing organisations; 'race and housing' and equality and diversity issues; the policy and operating environment backdrop.

Shape of the Sector: Mapping existing BME housing organisations and exploring sectoral data and comparative data with mainstream social landlords.

BME Housing Organisation Case Studies: Around 30 case studies of BME housing organisations highlighting the diversity of the sector, management, development and value.

BME Housing Organisation Survey: Covering 70 BME housing organisations to obtain the sector's views on its legacy, SWOT analysis, and potential future roles.

Stakeholder Survey: In-depth interviews with 25 stakeholders, sub-divided by trade, housing, politics, policy, local government, exploring the achievements and role of BME housing organisations.

Stakeholder Roundtables: Four roundtables with BME housing organisations and stakeholders in key English regions (West Midlands, East Midlands, the North-West, Yorkshire and Humberside) plus two roundtables in London to reflect the larger number of BME housing organisations in the capital.

Tenant Profile: Continuous Recording (CORE) data and customer profiles of BME housing, stratified by region and ethnicity, paint a picture of the characteristics of tenants compared with the mainstream housing sector.

Tenant Focus Groups: Nine focus groups with tenants of BME housing organisations based on five key regions (West Midlands, East Midlands, North-West, London, Yorkshire and Humberside) and representative of ethnic groups housed.

Community Investment, Economic and Social Value: These elements of the work of BME housing organisations were explored using a range of data from the Homes and Communities Agency, national housing databases, the National Housing Federation's neighbourhood audit, and social value research.

Value for Money: VFM is investigated using data from VFM self-assessments, key performance indicators and various social housing benchmarking clubs.

Deep Roots, Diverse Communities, Dedicated Service: The Legacy, Value and Potential Futures of the BME Housing Sector in England by Kevin Gulliver and Dawn Prentice with a Foreword by Doreen Lawrence MBE, Baroness Lawrence of Clarendon, an Introduction by David Orr, Chief Executive of the National Housing Federation, and an Overview by the Executive of BMENational

The full report will be available from mid-September at the BMENational website

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