



Rochdale
Boroughwide Housing



ROCHDALE
METROPOLITAN BOROUGH
COUNCIL

mutuo

Rochdale's Mutual Housing Transfer – towards a new form of public ownership

Noel Chambers, Chair RBH

Cliff Mills, Mutuo

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Background

Rochdale Boroughwide Housing (RBH)

- Founded 2002
- Arms Length Management Organisation (ALMO)
 - Limited company: Council sole shareholder
- Manages and maintains 13,750 properties
- Completed decent homes programme 2006
- New 10-year management agreement 2007
- Employs c600 employees

Background

- Investment & Involvement Commission
- National review of council housing finance
- Policy agenda of Coalition Government
- Rochdale Council's Efficiencies

The options

1. Remain within public borrowing limits
 - Go back to Council
 - Stay as ALMO
2. Outside of public borrowing limits
 - Traditional transfer
 - Hybrid ALMO/transfer model
 - New model ...

Finding a new model – the starting-point

People

- The community served by RBH
- Those who work for RBH



Rochdale people – what do they need?

- Secure and decent home to live in
- Access to warmth and essential services
- A safe environment
- Ability to look after their own health and well-being
- Opportunity to learn and be trained
- Jobs and work
- **Tenants need these things, so do many staff, 85% of whom live locally**

Rochdale people – willing to take more responsibility

- Tenants
 - 81% satisfied with service but only 58% satisfied with opportunities to participate in decision-making
- Employees
 - 86% satisfied with RBH as employer but other survey results show a desire to take more responsibility

Our vision

- Co-ownership
 - tenants and employees as members
- Culture change
- Co-production
 - shared priorities
 - working together



Commission's recommendation

- Transfer to a new mutual model, co-owned by tenants and employees
- Best way to secure long-term financial sustainability
- Giving tenants and employees stronger sense of ownership in providing high quality housing service for the future

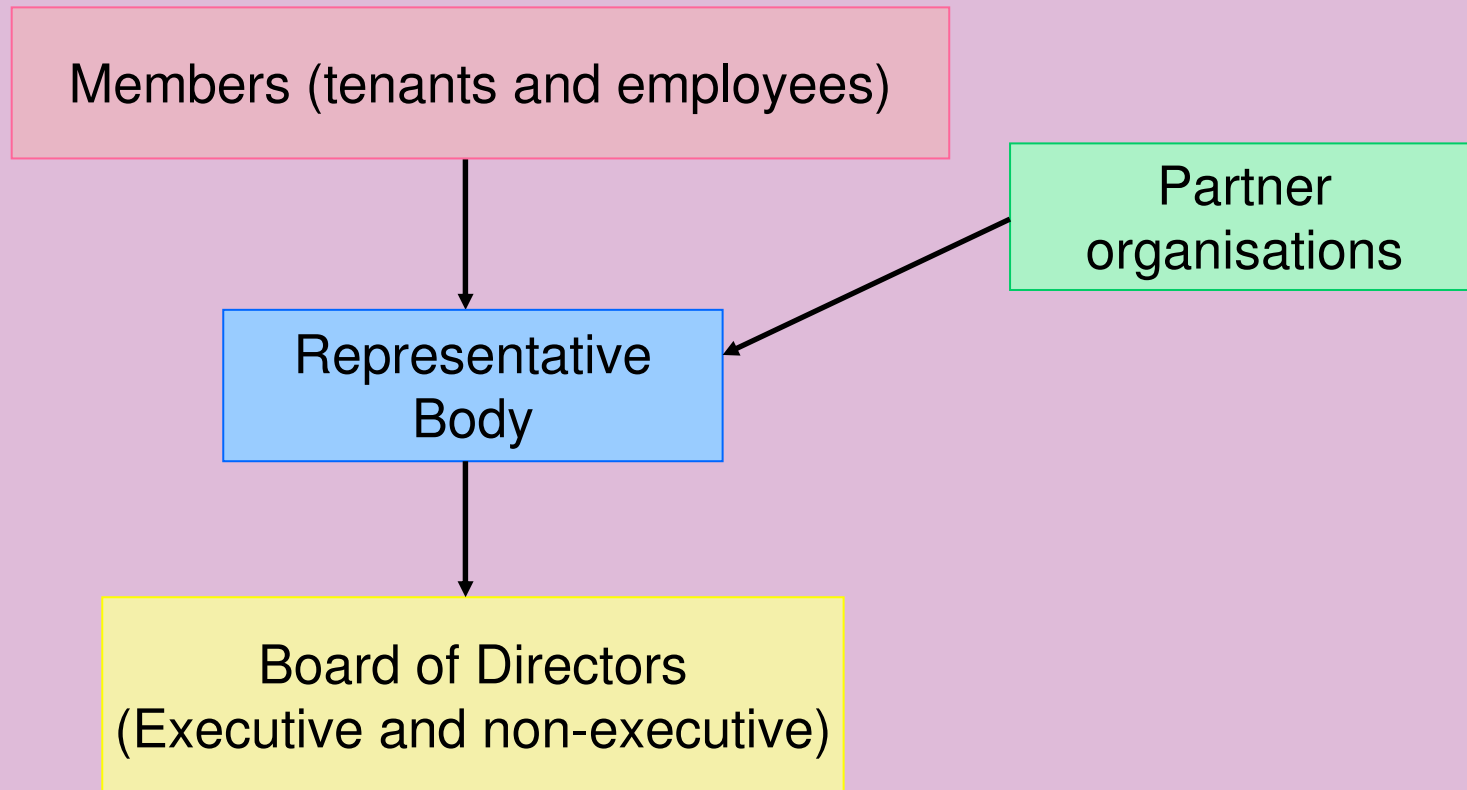
The new model

- No existing template in social housing for tenant and employee membership
- Concerns about current model of governance
 - Tensions for tenant and council board members
 - Chief executive not owing directors duties
 - Neither enabling, nor particularly robust
- No obviously comparable organisations
- Need to be creative

21st Century mutuals

- Major developments in mutuals over last 10 years
 - Health – NHS Foundation Trusts, Out of Hours mutuals
 - Leisure services – community and staff-owned mutuals
 - Sure Start Children's centres – community mutual ownership
 - Supporters trusts in sport – some owning clubs, now raising funds
 - Mutual models in housing (tenant participation only)
 - Big strides by traditional mutuals on understanding role of members (*the Co-operative*)
- Learning around membership, accountability, new approaches to governance

The governance model



Democratic arrangements

- Tenant and employee membership
 - Separate constituencies
 - Open and voluntary membership
- Representative Body
 - 15 tenants, elected by tenants
 - 3 tenant management organisation representatives
 - 8 employees, elected by employees
 - 4 Council representatives (initially 2)
 - 3 representatives of stakeholder organisations

Board of directors

- 6 non-executive directors (of which one = chair)
 - To fit skills and experience criteria
 - Appointed/removed by Representative Body
- First 5 years: Council appoints/removes 2 non-executive directors, to fit same criteria
- 2 executive directors, appointed/removed by non-executive directors

Rationale for this approach (1)

- Membership – a direct means of engaging tenants and staff proactively in influencing RBH, basis of ownership
- Representative Body designed as a forum in which key voices can be heard: tenants, staff, Council
- Main role: to set policy framework within which Board of Directors operates, influencing future plans, links to members
- Recognises widening role – financial inclusion, energy, ageing population, training and employment, young people

Rationale for this approach (2)

- Board responsible for delivery within agreed framework
- Board members (incl. Executives) directly accountable to Representative Body and Members
- Framework to support new/different way of working – a new culture
- The basis of a new settlement between citizens and the state

A new form of public ownership

- Community benefit society: legal commitment to public purpose, retaining surplus for community
- Those responsible for delivering services directly accountable for those most affected by it
- A collaborative approach, breaking down binary or dualistic relationships, to get people, bodies and agencies working together
- A new basis for collaborative working with Council and Councillors

Conclusions

- A clear opportunity for Co-operative Councils
- A new co-operative approach in a core service
- Transforming organisation to suit a completely new approach and culture
- Empowering local people, securing the future of democratically accountable professionally run services
- A modern, co-operative solution

Questions and discussion

For further information, contact:

c.mills@mutuo.co.uk

gareth.swarbrick@rbh.org.uk

Rochdale - birthplace of co-operation





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