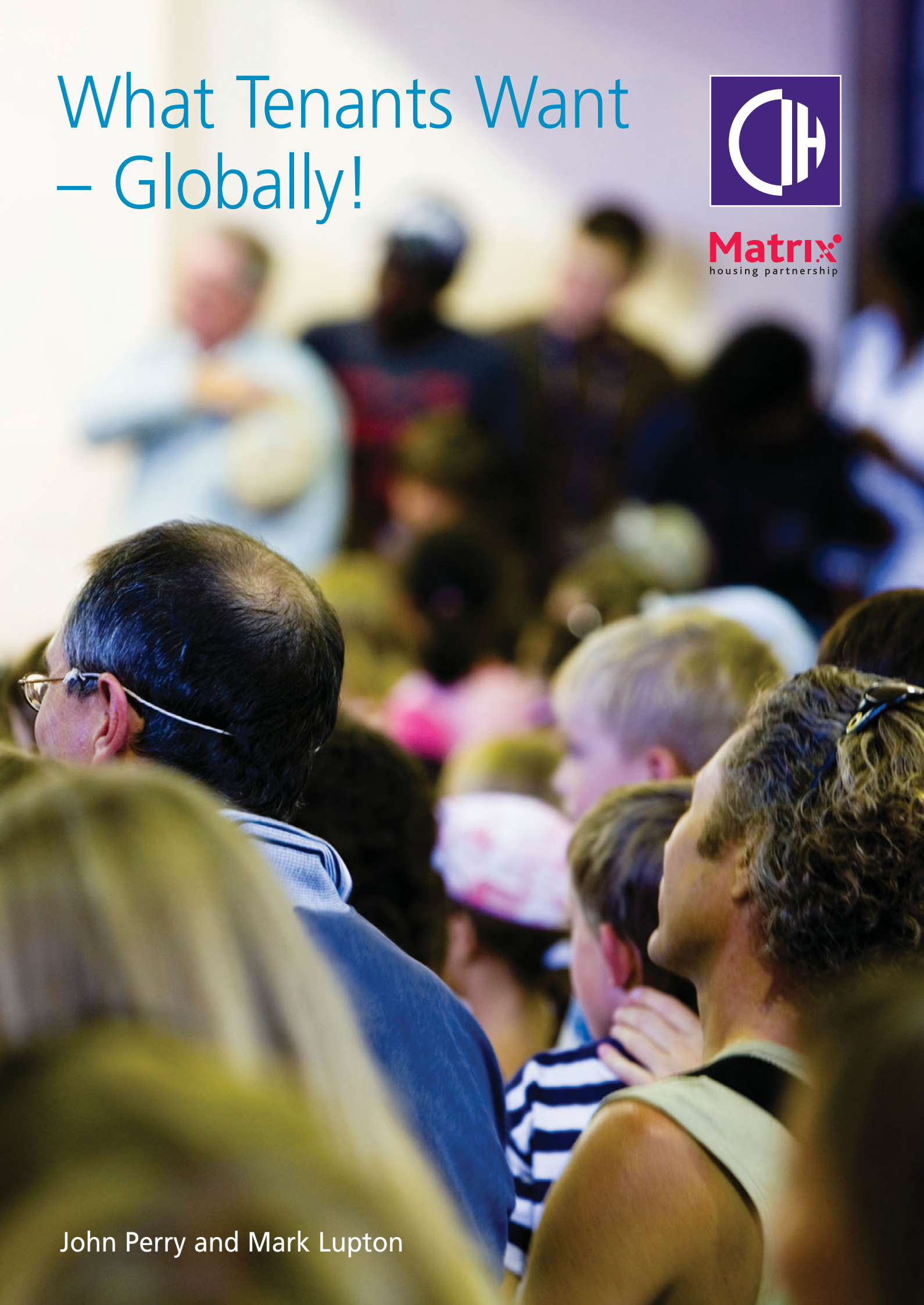


# What Tenants Want – Globally!



**Matrix**  
housing partnership



John Perry and Mark Lupton

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## FOREWORD



The idea of putting tenants first is catching on around the world. And why not? No one could know more about housing services than those on the receiving end of them.

Here in England, the launch of the Tenant Services Authority (TSA) in December 2008 was the start of one of the biggest shake ups in affordable housing in decades, and one that will allow social housing tenants – no matter who their landlord is – to receive the very highest standards of service.

The 2008 Housing and Regeneration Act that set up the TSA also set out the government's intention to extend our

remit beyond housing associations and co-operatives. We're expected to take over the regulation of council housing, including arms-length management organisations, in spring 2010.

That will coincide with the implementation of our new regulatory standards for housing providers in England. These are based on what we've been hearing over the course of our National Conversation this year. Around 30,000 tenants have told us what they think, and landlords have been feeding back to us too.

Tenants have been telling us about some of the excellent services they receive. But some haven't felt so positive about their landlord – and that's a situation we want to put an end to.

This publication is about more than what is happening in England. It gives examples of how other countries regulate their social housing, and makes for fascinating reading. One of the things that struck me most about this report is that tenants around the world want much the same as tenants in England. The National Conversation told us that getting the basics right was the most important thing. Throughout the world, it seems, the same holds true. Getting repairs done and receiving good customer service are part of what makes for happy tenants.

I hope that you will enjoy reading this publication as much as I have. It's vital that we all learn from the best. By becoming more knowledgeable about other countries' housing markets and approaches to social housing regulation, we have much to gain.

There are global lessons that can help improve social housing in England. They can also help us make sure that we uphold standards that are truly world class.

### **Peter Marsh**

Chief Executive

Tenant Services Authority

## WHAT THIS REPORT IS ABOUT

The Tenant Services Authority – soon to be the regulator of all social housing providers in England – has been carrying out a ‘National Conversation’ with tenants. It has been finding out about ‘what tenants want’ across England, and this will help to shape the regulatory system and the performance standards that the TSA is charged with creating.

But if the National Conversation poses the question ‘what do tenants want?’ it also invites the question as to whether social housing tenants elsewhere want similar things, and do they have similar opportunities to express what they want? If the new authority is establishing a new regulatory regime driven by tenants’ wishes, are there precedents from other countries, and could the TSA learn from them? Can social housing regulators and providers (in England, and in the rest of the UK) learn from the way tenants’ views are taken into account elsewhere?

This short report asks these further questions, and attempts to answer them, by drawing on the Chartered Institute of Housing’s contacts with social housing providers in other countries, and those of the Matrix Housing Partnership – which has forged international links and taken residents on study visits to see Scandinavian housing models.

The report is not an academic survey and its range is too limited to reach conclusions about (for example) what kind of regulatory approach is favoured in social housing systems worldwide. This would require a major research project. However, by looking at a number of different systems in different countries we can at least give a flavour of some the approaches that have evolved elsewhere, see what they have in common and suggest some learning points. This is what we aim to do.

After the description of the TSA and the National Conversation (page 6), we briefly describe the other agencies that have some role in regulation and discuss what the different approaches to regulation of social housing might be – a spectrum from zero regulation at one end to a full-scale national regulator, with statutory powers, at the other. We also consider the possible different roles of tenants.

We then look at regulation and tenant involvement from a national perspective in six countries from four continents, and at developments in Wales, Scotland and Northern Ireland. We look at how tenants’ views (and particularly whether they are satisfied with the service they receive) are assessed, and how they are taken into account in regulating social housing.

Finally, we offer some very tentative conclusions and lessons – which we hope will be useful to the TSA in developing its regulatory framework, to the National Tenant Voice in developing its ideas about how tenants’ views should be taken into account – and which may be useful too in wider debates about regulation of social housing across the UK.



## THE BACKGROUND – THE TENANT SERVICES AUTHORITY AND THE NATIONAL CONVERSATION

The Tenant Services Authority, which began its work in December 2008, is the new independent regulator for social housing. Its new duties and powers in relation to housing associations will later extend to all social housing providers – to be known as ‘registered providers’.

### The TSA’s powers to set standards

The TSA may set standards and produce guidance about social housing in two areas:

1. Service delivery, including:
  - methods of enabling tenants to influence or control the management of their accommodation and environment
  - policies and procedures connected with anti-social behaviour
  - landlords’ contribution to the environmental, social and economic wellbeing of their areas.
2. Management of their governance, financial and other affairs.

In setting standards, the TSA must take into account the desirability of registered providers being free to choose how to provide services and conduct business.



### The National Conversation

When it started work, the TSA immediately launched what it called the ‘largest ever’ tenant engagement exercise, the ‘National Conversation’ with tenants. This has so far included 80,000 questionnaires sent to tenants, 18 regional events and a nationwide tour by the ‘pink camper van’ to hold individual conversations.

The National Conversation aims to find out:

- what tenants think of landlords and their services
- what areas of service are the most important to get right
- how this should influence the new standards the TSA will establish.

So far, the TSA reports that tenants:

- have divided views on landlord performance
- say their big priorities are repairs, rent levels and good quality homes
- want to be involved
- think that landlords keeping their promises is very important
- have mixed views about whether they want a choice of housing ‘products’.

The TSA promises to be a ‘champion’ for tenants, reflecting the views that it has found when it develops the standards for social housing that it is due to publish by the end of 2009.

There are various ways in which tenants’ views will be identified and taken into account in the TSA’s work beyond the National Conversation. One of the main ones is that landlords will be required to have ways of obtaining their tenants’ views, and will have to show how these are used to improve and develop their services. The results will also be taken into account by the TSA in judging landlords’ performance.

One specific requirement at present is that landlords carry out surveys of their tenants according to standard procedures. These procedures are summarised in the box.

### Tenant Satisfaction – How is it assessed?

In England, all social landlords with more than 1,000 general needs units have to complete a tenant satisfaction survey – known as STATUS – to comply with TSA and government requirements (in the case of local authorities and ALMOs, to meet the requirements of national indicator 160, and in the case of associations, to complete their regulatory returns). STATUS is a sample survey, normally carried out by post but in some cases by telephone or face-to-face, which takes place every two years for local authorities or three years for housing associations.

As well as basic information about each household, STATUS asks tenants to say how satisfied they are with their landlord overall, and in relation to specific aspects of the service such as repairs and maintenance. It also asks about satisfaction with the ways in which the landlord informs and involves tenants, and about wider issues such as satisfaction with the neighbourhood where they live.

STATUS has been criticised because the methodology is insufficiently rigorous, because of its length and complexity, and because more marginalised groups are less likely to take part in it. However, it is not the purpose of this short report to look at STATUS in any detail or make suggestions for its improvement.

(A detailed critique can be seen in the recent HouseMark report *Driving Up Performance: Producing effective local information.*)

## DIFFERENT APPROACHES TO REGULATING LANDLORDS AND INVOLVING TENANTS

At this point – to set the context for the international examples – we want to step back and look at the way the TSA fits into the broader picture of how landlords are regulated and how tenants are involved.

The TSA is one key player in a complex framework by which the behaviour of, and expectations on, social landlords in England are shaped. Some of the other elements or players are these:

- **Government** – itself acts as regulator of specific aspects (eg local authority housing revenue accounts).
- **Audit Commission** – inspects social landlords and has a broader role through Comprehensive Area Assessments.
- **Legislation** – covers a wide range of issues relevant to landlords.
- **Trade bodies and professional bodies** – influence social landlords by advising on regulatory requirements and promoting good practice.
- **Local authorities** – through their strategic housing role.
- **Lenders** – who impose lending conditions on housing associations.
- **Housing Ombudsman** – as the complaints mechanism for association tenants.
- **Landlords themselves** – play a major role through the ways in which they are accountable internally (eg to their boards).
- **Tenants** – may have a formal role (eg board membership) and will soon have a national ‘voice’ to influence the TSA centrally.

Very broadly, regulation can be thought of as a combination of ‘top down’ and ‘bottom up’ elements or processes, in which central agencies and legislation sit at the ‘top’, and landlords and residents at the ‘bottom’. The balance between them is a result of factors such as the history of the sector and the extent to which government decides to intervene in it.

The TSA has indicated that its new framework will move to a ‘co-regulatory’ approach – moving from a top down approach to one where more of the activities necessary to meet regulatory objectives are undertaken by landlords and tenants. Details are not yet known – but potentially this is a major change in the way social housing is regulated.

We shall now see how regulation looks in different countries (top down or bottom up?) and whether there are comparable agencies and regulatory frameworks to

those in England. This is, of course, only a very brief survey, aimed specifically at looking at what role is played by tenants’ views – both in the regulatory framework and in self-assessment by social landlords.

The countries chosen all have social housing, although its importance varies considerably. They all have systems for assessing performance, which take account of tenants’ views – but the ways in which this is done are widely different. For each country, there is a brief profile of the social housing sector and the main forms of regulation.

In looking at the examples, it is worth bearing in mind that England’s social sector includes 4m dwellings, divided almost equally between traditional housing associations, stock transfer associations, ALMOs and councils which manage their own stock. Tenant satisfaction is currently (2006/07) an average of 75 per cent for housing associations and 69 per cent for councils (including ALMOs – although separate ALMO surveys give higher satisfaction levels).



*Resident Andy Holden at a Matrix engagement event*



### The countries chosen

**Holland** is perhaps the country outside the UK which has a social housing system most like ours.

**Sweden** has a long history of social and of co-operative housing. It also has a history of state regulation. How does this apply to housing?

**New Zealand** has a strong central social housing provider – something like the Northern Ireland Housing Executive in the UK.

**Australia** and the **USA** provide social housing through local authorities, but with much smaller sectors than is the case in England.

**Hong Kong** also has a strong central provider as well as a second, smaller provider modelled on British housing associations.

Finally, within the **UK**, **Wales**, **Scotland** and **Northern Ireland** have regulatory systems which are different and all currently under review.

## HOLLAND



*The KWH rented housing 'label'*

### ■ How much social housing is there and who provides it?

Social housing is particularly important in the Netherlands – providing more than one third of the stock, almost all of it through housing associations. Dutch associations have many things in common with the English sector, including the presence of stock transferred from local authorities. However, the 500 or so associations are now financially independent of government, receiving no direct subsidies.

### ■ How is social housing regulated?

There is a degree of supervision by the appropriate government ministry, together with a registration system and a broad outline of expectations on registered associations. Also, associations are supposed to have performance agreements with local authorities, although in many cases these agreements have never been made. The result is that, given their financial independence, Dutch associations are largely self-regulating.

An interesting development in self-regulation has been the KWH rented housing 'label'. KWH is a partner organisation for associations, whose members own about 60 per cent of the total association stock. The label is a kite mark which comprises ten quality

standards (somewhat like the Audit Commission KLOEs). KWH assesses performance of its members each year and publishes an overall ranking of all the member organisations that qualify for the label.

### ■ How are tenant views taken into account?

The ranking of performance for the KWH label takes account of tenant satisfaction levels (as evidenced in customer surveys) and objective tests such as the time taken to deal with telephone queries. It also uses mystery shopping. These elements are combined to create the ranking on each of the ten standards, and then the overall ranking for the label.

Member associations can also apply for other labels, including a specific tenant involvement label which measures performance in involving tenants in decision-making, and was developed by KWH in partnership with the Dutch Tenants Alliance and some local tenants' associations. Sixteen associations have this label, which has to be renewed every two years.

### ■ What do tenants think?

Tenant satisfaction with individual associations is combined with the other measures used for the label. Scores run at similar levels to those in England – around 75-80 per cent for those that gain the label. Interestingly, scores tend to be higher on average for smaller associations.

### ■ Are there any lessons?

There are several points of interest in relation to social housing in England:

- Consumer choice is a bigger factor in the Netherlands, with more movement within the sector, and between social housing and home ownership (and back). There is also a wider spread of incomes in the social sector, compared with England. Tenants' ability to choose (ie move) is therefore a factor which is more likely to influence landlords' performance.
- In the absence of significant central regulation, associations have created the KWH label as a form of collective self-regulation, in a transparent and objective form. Although the whole sector is not signed up to the label, and only a proportion of these actually receive it, the label is a significant sector-led initiative driven by the customer perspective, which in England would be called a 'kite mark'.

- The new tenant participation label shows signs of encouraging better performance in this area in addition to the overall performance measures in the general KWH label. It is a form of accreditation not unlike the TPAS tenant compact in England.
- The labels and rankings create a strong element of competition and give tenants an independent judgment of their association's performance compared with its peers.
- The Dutch sector's independence from government also carries dangers – including threats to tax its surpluses and criticisms that larger associations have become much more business-oriented (and less socially oriented). The KWH label could be seen in part as a defence against criticisms that the sector is not sufficiently oriented to its customers.

## SWEDEN

### ■ How much social housing is there and who provides it?

Sweden has two strong 'social housing' sectors – although the term 'social housing' may be misleading as both aim to serve a broad spectrum of income groups. The strong municipal sector (21 per cent of total stock) has providers which are local authority owned companies, with a large degree of independence (although restricted to operating in the area where they are based).

The co-operative sector (18 per cent) is similar in English terms to co-ownership housing as co-ops sell the 'right to occupy' a flat, but provide landlord services to the occupants, often with a strong element of community development.

### ■ How is social housing regulated?

Perhaps surprisingly, apart from the legal framework for the two sectors, there is no central regulation of social housing in Sweden, nor any government-led process for collecting tenants' views. Instead, the municipal sector is accountable to the relevant local authority and (particularly in relation to rents) there is a strong role for local tenants' associations (see below).

In the co-operative sector, there are two national federations, but they have a service relationship with local co-ops rather than a regulatory relationship. The local co-ops are therefore answerable to their members, through 'tenant owner associations'. A tribunal system provides redress to tenants/members against their landlords, across all sectors.

### ■ How are tenant views taken into account?

In the municipal sector, Sweden has what might be called a 'trade union' model of accountability to tenants, focussed on an annual round of negotiations over rent levels with local tenants' associations, with the two 'sides' bargaining with each other. The locally negotiated rent levels are then used to fix rents in the private sector too.

In the co-operative sector, there are national surveys of member satisfaction, which are often supplemented by local surveys. However, the main vehicle for members to express views is through their local association (see above).

### ■ What do tenants think?

The HSB federation carries out regular surveys of tenant members of co-ops, which show that their main concerns are 'safety' and 'security' – terms which carry the meaning both of physical safety and of security that flats will not significantly lose their value (eg in the present economic crisis). Specific information on resident satisfaction is not collected – apparently because of the importance of the local associations and the opportunities they give for any dissatisfaction to be expressed.

### ■ Are there any lessons?

The Swedish system also has several points of interest for the debate about the English system:

- The importance of price as a regulatory element in the municipal sector, with its strong element of negotiation over rent levels.
- The relationship between the municipal companies and local authorities – based on ownership, contract and on board membership – but providing a significant degree of independence (because the board members, as in the UK, have to act in the company's interests).
- The dominance of local, resident-led regulation in the co-operative sector, within a system of national legislation and local byelaws.
- The absence of any central regulatory mechanism at all, beyond the relevant legislation and the role of the tribunal system in resolving individual disputes.



*HSB members' meeting*

## NEW ZEALAND

### ■ How much social housing is there and who provides it?

New Zealand has a small social housing sector – about five per cent of its housing stock. Although local authorities provide some social housing (around 10,000 units in total) and there are some other non-profit providers, the major provider is Housing New Zealand Corporation (HNZC) which has 70,000 units. HNZC provides housing country-wide, but especially in major cities such as the capital Auckland.

### ■ How is social housing regulated?

HNZC is a statutory agency, responsible to central government through ministers and through the Department of Building and Housing, which monitors its performance. In UK terms, HNZC's position and relationship to government is not unlike that of the Northern Ireland Housing Executive (NIHE) in relation to the Northern Ireland Assembly and Department for Social Development.

HNZC to some extent acts as its own driver for improved performance based on tenant needs, but apart from being answerable to central government is also subject (like private landlords) to arbitration by the statutory Residential Tenancies Tribunal. There is no overall regulatory framework for the social sector.

### ■ How are tenant views taken into account?

HNZC publishes an annual Statement of Intent, which among other things sets its strategic priorities for the year, and the key performance indicators (KPIs) and targets it expects to achieve. The very first KPI relates to tenant satisfaction – that a rolling average of 70 per cent of tenants are satisfied with HNZC's performance.

Tenants' views are collected quarterly through detailed sample surveys. Apart from asking about overall satisfaction, the surveys test a range of other issues, such as tenants' satisfaction with contractors, with maintenance and with the neighbourhood. The survey asks direct questions about the quality of the service provided by their tenancy managers, for example:

- whether they treat the tenant and their family with respect
- whether they are easy to get in touch with
- whether they respond quickly when asked for help.

The survey also monitors many detailed aspects of satisfaction with the home, covering items such as kitchen fittings, wall coverings, floor coverings, having a safe place for children to play, etc.



*Satisfied HNZC tenants who have lived for 22 years in the same community*

### ■ What do tenants think?

Currently, overall tenant satisfaction with HNZC is 72 per cent, slightly ahead of the target. All key satisfaction indicators showed positive moves in the last quarter. However, one sub-indicator, whether tenancy managers 'show respect for you and your family', has declined over two quarters.

The surveys may also include one-off questions to test issues about HNZC's service. For example, a recent survey asked tenants whether they would like help in developing computer skills.

### ■ Are there any lessons?

HNZC is a relatively large provider and offers a point of comparison with large landlords in England. It has a high degree of self-regulation. By monitoring satisfaction quarterly and in great detail, HNZC is able to continuously assess trends in tenants' views, and provide feedback to managers and to staff on how they are changing year-on-year. This is helped by the consistent format of the main questions in the annual survey. The addition of further questions enables HNZC to monitor changes in its service or in how tenants are responding to issues which have been raised earlier and which HNZC has tried to tackle.



## AUSTRALIA

### ■ How much social housing is there and who provides it?

Australia also has a small social housing sector – about five per cent of its housing stock, although larger (ten per cent) in the Australian Capital Territory (Canberra). Most provision is by state governments or bodies created directly by them, which provide over 300,000 units in total. Community-owned non-profit bodies provide about 36,000 units of 'mainstream' rented housing. Community housing bodies encourage community involvement, and even resident involvement in management, but this is a very small (though growing) sector.



*Children in Carlton, Victoria, meet local MP Ms Jenny Mikakos*

### ■ How is social housing regulated?

Funding for social housing is provided through the National Affordable Housing Agreement, which sets 'guiding principles' to be followed, including consumer participation, and also sets a range of performance indicators (including customer satisfaction). However, the agreement is mainly about funding levels and development programmes, leaving the housing agencies at state level to be largely self-regulating. As in England, state agencies are subject to their own audit processes (which are wider than simply financial audits).

Consideration is being given to a national regulatory framework for the community non-profit sector but the extent to which this will be a top-down, national framework (as opposed to giving a degree of discretion to state governments) is yet to be decided.

### ■ How are tenant views taken into account?

The national performance indicator on customer satisfaction is measured through a two-yearly National

Social Housing Survey. This asks both about overall satisfaction with the service provided, and about satisfaction with aspects of it – including questions about neighbourhood (called 'amenity/location'), maintenance and how tenants are treated by staff.

Results from the national survey are published, broken down to state level. The regular publication of comparative figures creates an element of competition, and exposes poorer performers. However, there are no targets set for satisfaction levels so it is up to providers to use the information as they wish or to develop their own supplementary ways of collecting tenants' views.

### ■ What do tenants think?

The 2007 survey showed an overall level of 71 per cent of tenants being satisfied or very satisfied with state housing, with performance at state level varying within (broadly) the 60-80 per cent range. The much smaller community sector had higher satisfaction levels – averaging 82 per cent.

Within the state sector, the factor which is most influential in determining satisfaction levels is performance in day-to-day maintenance, followed by provision of clear information and how tenants are treated by staff.

### ■ Are there any lessons?

Australia's system reflects the importance of state governments, which are allowed a good deal more autonomy than (for example) would be the case with a large local authority in England. Funding programmes are not tied to a detailed performance monitoring system or a regulatory framework applying to the state providers. The community, non-profit sector is just emerging and does not yet have a national regulatory framework.

Interestingly, the Australian surveys show not dissimilar satisfaction levels and priorities to the STATUS surveys in England.

## USA

### ■ How much social housing is there and who provides it?

Social housing in the USA is provided by public housing authorities (PHAs), which are independent agencies created by local authorities under state laws. In total they own 1.3m units, only a small proportion (about one per cent) of the US housing stock. The stock is declining, however, and the main trade bodies estimate that there is a disrepair backlog of at least \$32bn following several years of underinvestment.

### ■ How is social housing regulated?

Public housing is regulated by HUD, the federal government department responsible for housing and urban development. It administers a regular Public Housing Assessment (PHAS) which gives a performance rating for each PHA. The rating is used to reward high performance, and to identify poor performers where sanctions might be required. (Very small PHAs are exempt from the system.)

### ■ How are tenant views taken into account?

One element of the PHAS is the Resident Assessment of Satisfaction (RASS). The maximum score for this element is ten, out of a total score for the PHAS of 100. The RASS is a standard set of 21 questions which have to be put to a sample of residents by each PHA. They ask about overall satisfaction, and also about satisfaction with particular aspects of the service including repairs, information for customers, crime and safety, how the PHA responds to residents, etc. In addition to the resident survey, the PHA has to provide information about follow-up or corrective action it is taking to address issues raised. The PHA has to receive at least six (out of ten) points to get a 'pass' under the RASS assessment.

The PHAS is currently being revised, and in future the RASS will no longer be a component of PHAS in its present form.

### ■ What do tenants think?

A typical average resident satisfaction rating for a PHA is about 80 per cent. Satisfaction levels are typically somewhat higher for repairs and other services, but lower for property appearance and for communication with and involvement of residents.

### ■ Are there any lessons?

The RASS system is not unlike the English STATUS survey, but one administered from the top down. This (perhaps necessarily) makes the process very bureaucratic, especially as it is only one component of the overall PHAS which is a complex assessment tool. Clearly, however, basic information on tenants' views is necessary, collected according to a standard methodology, if valid comparisons are to be made across the sector. Some PHAs then carry out surveys that supplement RASS, which enable them to 'drill down' into issues at local levels.

One feature of a survey which regularly asks a large number of detailed questions is that results may change little from one year to another. This suggests that an assessment method which combines different techniques for assessing performance from a customer perspective (such as the KWH label in Holland which uses phone enquiries and mystery shopping as well as resident surveys) might provide a more dynamic picture of how residents' experiences may be changing.



Housing by Knoxville's Community Development Corporation, Tennessee



## HONG KONG



*Hong Kong Housing Society development, Lai Tak Tsuen*

### ■ How much social housing is there and who provides it?

Social housing is very important in Hong Kong, with half the population living either in public rented housing or in subsidised housing for sale. The main provider, the Hong Kong Housing Authority (HKHA), has some 700,000 rental units. HKHA is a statutory body, similar to (but much larger than) the Northern Ireland Housing Executive. The Secretary for Transport and Housing acts as its chairman but it has a great deal of financial autonomy. It has contracted out the management services for some 60 per cent of its stock to the private sector.

The much smaller Hong Kong Housing Society (HKHS) has over 30,000 rental units. It is organisationally similar to an English housing association.

### ■ How is social housing regulated?

Both providers were established under government ordinance, but are effectively self-regulating.

### ■ How are tenant views taken into account?

HKHA carries out an annual survey (using a private contractor to do the survey by phone). The sample size is about 5,000 and the response rate is about 90 per

cent. The survey is very detailed, covering not only 'landlord' issues such as maintenance and cleaning, but also other issues such as where people shop, where they keep their bicycles, etc. It also covers housing aspirations (eg desire to buy a flat).

HKHS carries out a resident survey every two years to provide information on levels of satisfaction with landlord services such as repairs, cleaning and security. Each estate carries out its own survey, and the results (as well as being collated for HKHS as a whole) are fed back to residents through estate meetings and newsletters.

### ■ What do tenants think?

The latest survey findings from the HKHA show a satisfaction level of 62 per cent with 'performance of estate officers' – with higher ratings for security and cleanliness and slightly lower ones for repairs. Resident opinion has recently been tested on (and is generally supportive of) measures such as enforcing standards of cleanliness within estates, and incentives to encourage young people to take in and care for elderly parents.

The latest survey findings from the HKHS show an overall satisfaction rating of 86 per cent.

### ■ Are there any lessons?

Both housing providers are self-regulating and operate in a housing market with very high demand for good quality rented units, but nevertheless pay close attention to residents' views. The HKHA has introduced an element of private sector competition, both in housing management and in carrying out its surveys. Carrying out surveys at estate level and feeding them back to local residents' associations means that the surveys are more useful in identifying aspects of the service where action is needed.

Possibly the main lesson for the UK is that, despite such a tight housing market, the Hong Kong government has sufficient confidence in the two main providers to allow such a high degree of self-regulation. In part this almost certainly works because the HKHA (particularly) is a very visible 'presence' in the territory because of its size, and unsatisfactory performance would be quickly apparent. But it also reflects the fact that the two providers have themselves taken the initiative to assess residents' views and respond to problems that emerge from the surveys.

## SCOTLAND, WALES AND NORTHERN IRELAND

### ■ How much social housing is there and who provides it?

Provision is broadly similar to England except that housing associations tend to be smaller and (in Scotland) are often community-based. Scotland has 32 local authorities, six of which have transferred their stock. There are over 200 housing associations. In Northern Ireland, there is no local authority housing and provision is dominated by the Northern Ireland Housing Executive (NIHE) with about 90,000 units. Northern Ireland has 36 housing associations with 22,000 units. Wales has 24 councils, of which nine have transferred or are transferring their housing stock, a number to community mutuals. There are 70 housing associations.

### ■ How is social housing regulated?

In Scotland, there is now a single Scottish Housing Regulator (SHR) for all social landlords, which sets the performance framework, inspects and makes assessments of landlords.

NIHE is responsible to the Assembly's Department for Social Development (DSD), but to a large degree is self-regulating. For example, it sets performance indicators and targets for improvement, and assesses performance achieved. Housing associations in Northern Ireland are directly regulated by DSD. DSD sets the performance framework, and carries out a programme of inspections.

In Wales, the Welsh Assembly Government (WAG) regulates housing associations, and local authorities are regulated by the Wales Audit Office. WAG is currently consulting on a new regulatory framework.

### ■ How are tenant views taken into account?

In Scotland, the SHR does not actually require landlords to assess tenant satisfaction, nor are its standards particularly couched in ways which would drive landlords to shape services according to tenant needs. It does however set a performance standard about tenant participation, and it provides guidance (and examples of good practice) in collecting and using information on tenants' views of services. SHR also uses tenant assessors in its inspection process.

The NIHE commissions a 'continuous tenant omnibus survey' to provide a profile of tenants and assess their overall levels of satisfaction, and satisfaction with particular aspects of the service, such as repairs. The sample survey provides a continuous flow of data at district level. The survey includes standard questions

but can also cover new issues on which information is sought. Targets are set for improvement in tenant satisfaction levels over three years, based on the survey results.

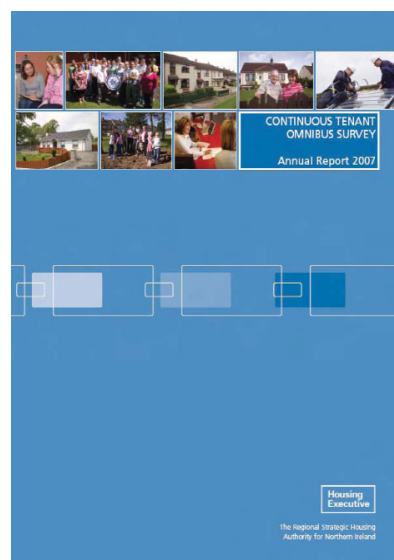
The regulatory standards for housing associations in Wales and in Northern Ireland call for services to be shaped by customers' needs, but associations are left to decide themselves how to do this. Information on levels of tenant satisfaction may be sought by inspectors but it is not obligatory to carry out surveys, although several associations do so. The 2008 'Essex review' of social housing in Wales called for a much stronger voice for tenants and for a greater element of self-regulation.

### ■ What do tenants think?

There are no overall satisfaction figures for social landlords in Scotland or Wales, nor for housing associations in Northern Ireland. Tenants of NIHE show a high level of satisfaction with the service (88 per cent), which has been slowly growing. Satisfaction with the repairs service is lower, at 73 per cent, but this is also growing.

### ■ Are there any lessons?

In Scotland, the SHR is a relatively new body which, like the TSA, is charged with regulating all social landlords. In terms of tenant satisfaction, it has not so far required landlords to adopt a uniform approach or to carry out regular surveys, which means that comparisons (on this aspect) are not possible. However, under a new housing bill, the SHR will have a power to require standard surveys of tenants' views and a duty to meet tenants' interests.



*The NIHE Continuous Tenant Omnibus Survey*



The continuous tenant survey in Northern Ireland is an interesting approach which provides rich data on tenants and their views of the service they receive. It may seem more appropriate for a big landlord (NIHE is one of the UK's largest) but a similar technique is used (for example) by the small Ayrshire North Community Housing Association in Scotland, which has independently-run quarterly surveys sampling views among its 700+ tenants.

In Wales, the emergence of mutuals through stock transfer in several places is a potentially interesting development in accountability to tenants. Although it is too soon to judge the outcome, because of the size of the new sub-sector it may have a wider impact on the ways in which Welsh social landlords take account of tenants' views.

## WHAT CAN WE LEARN FROM 'WHAT TENANTS WANT – GLOBALLY'?



*Chinese elders in Birmingham, housed by Matrix partner Trident*

### ■ What do tenants think?

One of the striking messages from looking at tenant views on social housing in several different countries is that – endorsing the results of the National Conversation – the 'basics' such as good repairs and good treatment as customers feature strongly in tenant opinion across the globe. Also, it's very common (as in England) for around three-quarters of tenants to be satisfied with their landlords.

### ■ What does this suggest about ways of getting tenants' views?

A range of techniques may be needed to 'drill down' into the aspects of landlord services or choice for tenants that really are important. Here are some lessons from experience elsewhere for landlords in England (and the expectations the TSA might have of them):

1. **Get regular feedback** – both large and small landlords in many places have found it possible to capture tenants' views on services on an ongoing basis, often using an independent survey organisation to sample tenant opinion. Not only does this provide continuous monitoring of key questions, but it enables new questions to be put at relatively short notice to test particular initiatives or check out new issues.
2. **Get down to detail** – there is a need for a range of mechanisms to gain the views of tenants and allow them to influence the service provided. This can include the direct involvement of tenants. The KWH label in Holland uses different techniques, alongside surveys, such as telephone calls to test response times or personal 'mystery shoppers'. Tenants can also be trained as 'mystery shoppers'. In Scotland, tenant assessors are used in inspections of social landlords.
3. **Go down to local level** – the Hong Kong satisfaction surveys are carried out at estate level and fed back to residents in each estate. A study of 29 large estates in different EU countries showed that at estate level satisfaction can vary very widely – from nearly 90 per cent satisfaction with the home, down to only 50 per cent. The same survey looked at whether satisfaction levels were changing – in some cases they were declining quickly, which would alert managers to the need for action. Local-level satisfaction results are therefore very important.

In delivering the TSA's promise that 'every tenant matters', the key issue will be to show not only that tenants' views are collected but that they are used to influence landlords' services, and that changes made are then monitored by landlords to see if they have the desired results.

### ■ And what about potential tenants?

Few countries test opinion among potential tenants, including among communities that find it difficult to gain access to social housing. This is an important dimension in which the TSA could take a lead. The nature of the task is illustrated (see box opposite) by some comments about access to social housing collected from marginalised communities in the West Midlands (with whom members of the Matrix Group work).

### ■ How does this feed back into the regulatory system?

As well as getting tenant opinion at local level, in most places tenant satisfaction is assessed across a range of landlords, to enable comparisons and create an element of competition. This already happens with the STATUS surveys in England. To get consistent results, the survey method has to be specified in some detail. If this is combined with a lengthy list of questions, it can produce a very bureaucratic system (as in the USA) which aims to do too much and may be self-defeating.

### Comments about accessing social housing from Birmingham's Somali community

*'We have been surveyed to death – nothing changes.'*

*'We are people of no power, nobody listens.'*

*'I was housed in a completely white area. My children were bullied at school.'*



### Housing problems of Traveller communities

A recent survey showed that less than half of authorities have schemes to help Gypsies and Travellers into bricks and mortar accommodation. Comments from Birmingham's Traveller community, reflecting their difficulties, include these:

*'I settled here for my children to go to school 20 years ago but would give up this house now to live in my caravan again.'*

*'For the future, I see only one choice of having to live in a house, but would love to have my own place to live in my caravan and not have to share with my mum and dad.'*

Photo shows Travellers at a Rooftop resident engagement event

If STATUS is to be reviewed as a method, it is worth looking at experience from abroad, given that satisfaction surveys in some form are now the rule in most countries with social housing systems. For example:

- Some places use a trusted, independent body to survey tenant opinion across the sector, as with the Australian Institute of Health and Welfare or KWH in Holland.
- Some specify a small number of common indicators in some detail, encouraging landlords to use their own additional measures (even varying by estate) at local level.
- Large providers who devise their own surveys also tend to split them between fixed questions which monitor trends over time (and would give comparability with other providers) and some variable questions for their own purposes.
- Smaller providers left to their own devices may or may not survey tenant satisfaction, but outside a formal framework it would be difficult to use the results for comparison purposes.

The key issue for the TSA may be about how it meshes together:

- putting the onus on providers to gain tenants' views and design services based on those views
- developing mechanisms which will allow effective comparisons to be made between landlords.

In terms of tenant satisfaction this may mean both:

- expecting landlords to develop effective localised means of continuously gaining their tenants' views and using these to influence their service delivery, and
- reforming and slimming down STATUS so it provides an effective means of comparing providers' performance.

### ■ Top-down or bottom-up?

A striking feature of many systems is the trust they place in landlord bodies to assess their own performance – for both big and small landlords. Large providers in other administrations (such as the Hong Kong Housing Authority, Housing New Zealand Corporation and the Northern Ireland Housing Executive) take performance measurement seriously and have developed trusted systems. This is despite the absence of strong top-down pressure to do so – or perhaps the fact that they have such systems has meant that government departments have found it less necessary to impose them.

The experience of the larger landlords mentioned above shows clearly how self-regulation can be built into their systems by providers themselves – and there are further examples involving much smaller landlords.

While in England the TSA is bound to exercise a degree of 'top-down' regulation, the Cave report called for a balance between the top and bottom levels. And so far, the TSA has promised – encouragingly – to pursue an approach based on 'co-regulation'...

*'...under which many of the activities necessary to achieve regulatory objectives will be undertaken by registered providers rather than directly by the regulator. There will be greater reliance on provider self-assessment, and our risk assessment will take account of quality-assured self assessment processes, including resident-led scrutiny and independent external validation.'* (TSA Interim Corporate Plan)

In a co-regulatory approach, more of the activities necessary to meet regulatory objectives are carried out by landlords and tenants. This could mean providers asking themselves questions such as:

- are we gaining our tenants' views and designing our service based on those views?
- are we delivering what tenants want?
- do we have effective tenants' scrutiny mechanisms and external challenge in place?
- are we getting value for money?

The onus would be on providers to set out how they are doing this, with the regulator testing whether providers are delivering what they say and the services that tenants want.

### ■ Are there examples of 'bottom-up' methods?

An alternative is for the 'regulation' to take place through stronger degrees of accountability to tenants. For example, in Sweden tenant empowerment takes the shape of strong tenant bodies which either negotiate with landlords (in the case of the municipal housing companies, mainly over rent levels) or are strong member organisations (which run Swedish co-ops). In Holland, the KWH label is said to be popular among tenants as it is trusted and independent, and the results are used directly to improve services from a customer perspective. Sweden and Holland therefore show different ways of taking on board tenant views – either through strong representative bodies (Sweden) or having a strong consumer perspective (Holland).

In both countries, social landlords have so far avoided being subject to strong top-down regulation because they have been able to point to their accountability to customers through these methods. Is it possible that the TSA could vary its approach, so that landlords that can robustly demonstrate their accountability to tenants can avoid all but a minimum level of top-down regulation? (CIH has already recommended a detailed approach to self-regulation in its report *Leading the Way*.) The models used elsewhere could also be considered by the National Tenant Voice as it begins its work.

### ■ What are the incentives for improving services?

Here the evidence from the countries looked at is more limited. However, the outstanding example is the Dutch KWH rented housing label, which is a form of kite mark that does appear to provide a strong incentive across a large part of the sector. Its value is in concentrating on basic aspects of customer service, taking a strong customer perspective (very much the TSA's remit). It does not assess innovation nor does it promote examples of good practice. In other words, it is limited very much to 'what it says on the tin'.

### ■ A note of caution: The importance of choice

Finally, it is worth saying that in many places people are more mobile than is currently the case in England – either because it is easier to move within the sector, and to change landlords, or because there is more movement between sectors. Although this is partly a factor of supply – which can only be changed slowly – something that can be tackled is how easy it is to move house or move landlord.

The TSA has promised to look at ways of increasing the choices available to tenants. Recent work by Tribal Consulting (see references) suggests reforms which would encourage more choice, and how the regulator might support such developments, which have the potential to drive wider improvements in options and services for tenants.

Another, related lesson from abroad is that social renting can be seen as a much more positive option. In Sweden, Holland and Hong Kong rented housing appears to be a tenure of choice. There are a number of factors of different importance in the three places – rented housing's higher status, a better balance of income groups among tenants, more fluidity between sectors, and greater tenure mix locally. There is less of a gap between social and private renting (in terms of standards and policy arrangements), and while home ownership is promoted, it does not have the same overwhelming focus of attention as it has in the UK.

A key factor in promoting 'choice' is therefore to ensure that social renting is itself an attractive option which customers will want to choose, just as some will choose other rented options and some will choose home ownership.

## SOURCES OF FURTHER INFORMATION

### ■ Websites

Tenant Services Authority [www.tenantservicesauthority.org/](http://www.tenantservicesauthority.org/)

National Conversation [www.nationalconversation.co.uk/](http://www.nationalconversation.co.uk/)

### ■ Web material (in English) on selected countries

Australia [www.aihw.gov.au/publications/index.cfm/title/10679](http://www.aihw.gov.au/publications/index.cfm/title/10679)

Netherlands [www.cecodhas.org/index.php?option=com\\_content&task=view&id=85&Itemid=127](http://www.cecodhas.org/index.php?option=com_content&task=view&id=85&Itemid=127)

Hong Kong [www.housingauthority.gov.hk/en](http://www.housingauthority.gov.hk/en) (HKHA) and [www.hkhs.com/main.asp?ver=static&lang=english](http://www.hkhs.com/main.asp?ver=static&lang=english) (HKHS)

New Zealand [www.hnzc.co.nz/hnzc/web/home.htm](http://www.hnzc.co.nz/hnzc/web/home.htm)

Sweden [www.cecodhas.org/index.php?option=com\\_content&task=view&id=79&Itemid=121](http://www.cecodhas.org/index.php?option=com_content&task=view&id=79&Itemid=121)

USA [www.clpha.org/](http://www.clpha.org/) and [www.nahro.org](http://www.nahro.org)

### ■ Reports

CIH (2007) *Leading the Way: Achieving resident-driven accountability and excellence* ([www.cih.org/policy/LeadingTheWay.pdf](http://www.cih.org/policy/LeadingTheWay.pdf))

CLG (2009) *Citizens of Equal Worth: The project group's proposals for the National Tenant Voice* ([www.communities.gov.uk/housing/housingmanagementcare/tenantparticipationempowerment/nationaltenantvoice/](http://www.communities.gov.uk/housing/housingmanagementcare/tenantparticipationempowerment/nationaltenantvoice/))

HouseMark (2009) *Driving Up Performance: Producing effective local information* ([www.housemark.co.uk](http://www.housemark.co.uk))

Tribal (2008) *A Real Choice for Tenants* and (2009) *Choosing Choice* ([www.tribalgroup.co.uk](http://www.tribalgroup.co.uk))

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# What Tenants Want – Globally!

The new social housing regulator, the Tenant Services Authority, has been carrying out a 'National Conversation' with tenants across England. It has been finding out about 'what tenants want' to help shape the TSA's new regulatory system and performance standards.

Do social housing tenants elsewhere want similar things, and do they have similar opportunities to express what they want? Are there precedents from other countries, and could the TSA learn from them? Can social housing regulators and providers (in England, and in the rest of the UK) learn from the way tenants' views are taken into account elsewhere?

This short report asks these questions about six countries which have social housing sectors, and also looks briefly at regulation in Scotland, Wales and Northern Ireland. It suggests that there are some valuable lessons from other countries about how to take account of tenants' views – that could be useful to the TSA in England and to regulators across the UK.



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