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Tenants
Leading Change

Tenants Leading Change

An investment not a cost: The business benefits of tenant involvement

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An investment not a cost: the business benefits of tenant involvement

Overview

Tenant involvement is an investment not a cost. This review, carried out by the National Tenant Organisations working with the University of Birmingham, found that investing in tenant involvement can produce financial, service, social and community benefits. It can also result in improved tenant satisfaction. However, the review also found that the benefits are often not recognised or articulated. The housing sector needs to do much more to identify and publicise the business and other benefits deriving from involvement.

Objective

The Tenants Leading Change (TLC) programme aims to identify the business case for tenant involvement, with a view to growing its reach, facilitating learning and helping more landlords to understand the value of involving their tenants. In turn this will enable more tenants to shape their services and create stronger communities.

Approach

Asking tenants and landlords a range of questions about financial, service improvement, satisfaction and other benefits, the review gathered information in four different ways:

- an online form – 404 responses were received (194 tenant and 210 landlord respondents)
- a more detailed call for evidence – 86 landlords provided evidence
- workshops for tenants and landlords – 165 attendees
- five detailed case studies

Engagement

The programme has engaged in some way with about half of the social housing sector – landlords who own about 50% of housing association homes and about 45% of council owned homes in the country*. Respondents were from a cross-section of housing associations, local authorities, co-operatives, arm's length management organisations (ALMOs) and tenant management organisations (TMOs), from across the country and representing landlords of different sizes.

The methods of engagement were open to all tenants and landlords, and so it is possible that those who responded may have been inclined to be supportive of or have a specific interest in tenant involvement.

Case Studies

Five case studies were chosen on the basis of the benefits they identified, the different ways they carry out tenant involvement, and the differences in the type, size and geographical location of the landlord.

*DCLG live tables on dwelling stock (including vacants). Table 100: number of dwellings by tenure and district, England <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

The five cases study organisations were:

- AmicusHorizon
- Community Gateway Association
- Hull City Council
- Leathermarket Joint Management Board
- Soha Housing

The case studies enabled verification of information presented by the organisations and more detailed exploration of how different benefits were realised through tenant involvement.

This report presents the reviews findings, conclusions and recommendations considering the following aspects of the TLC project's work on tenant involvement:

- costs and value for money savings
- service benefits
- social and community benefits
- impact on tenant satisfaction
- perceptions of what makes tenant involvement effective
- conclusions and recommendations

Investing in tenant involvement can produce business benefits

A large majority of respondents to the online form considered that tenants being involved in their housing services made a difference and produced beneficial outcomes for tenants and landlords.

Financial benefits

While most did not identify cost savings as the driving factor for investing in tenant involvement, twenty landlords specified value for money cost savings that they attributed, at least partially, to tenant involvement. These savings came from tenant-led scrutiny and other reviews, tendering for new contractors that had involved tenants in the process, value for money suggestions from tenants, tenant control, and through tenants carrying out activities that otherwise would have been done by staff or consultants.

Specified cost savings

A total of £6.64 million annual cost savings were specified across these twenty landlords, ranging from £1,000 savings in one landlord to £2 million in another. This represented reported annual savings of about £29 per property. If such savings were made across the social housing sector, this would result in savings of about £118 million.

The five case study organisations identified activities that had resulted in £3.90 million annual cost savings which were verified. This was equivalent to around £94 per property. If this was scaled up across the sector, this figure would produce savings of about £382 million.

These figures do not take into account the investment needed to develop tenant involvement or the proportion of savings that can be directly attributed to tenant involvement. But the overall figure may also be underestimated in that those who referred to cost savings may not have quantified other areas where they were also making savings.

The figures provided show that tenant involvement has contributed to delivering significant value for money costs savings.

Service benefits

Almost all respondents referred to some service improvements, generally relating to efficiencies and to more tenant orientated services, resulting from tenant involvement. Many referred to service improvements resulting from scrutiny reviews (particularly in relation to voids and complaints reviews), tenant inspections, or, in the case of some co-operatives, in service delivery.

Some referred to tenants being able to produce greater quality than external consultants and over a longer period of time. Several referred to tenants developing their understanding of the housing service and being in a position to act as ambassadors to other tenants.

'More rigorous scrutiny than would be possible for an outside organisation and over a 6-12 month period'. Wythenshawe Housing Group

Effective methods of involvement

Online form respondents identified involvement in shaping services in local neighbourhoods, tenant scrutiny and tenant involvement in governance as being the most effective methods of involvement. Surveys, market research and online involvement were seen as less important.

Developing trust between tenants and the landlord was considered to be particularly important in developing effective tenant involvement. Tenant involvement in communications, particularly with regards to welfare reform, was highlighted as important in ensuring effective communications with tenants.

Some identified that tenants play important roles in tackling anti-social behaviour and in regeneration programmes, for example through community or youth activities, or by generally participating in making neighbourhoods more attractive. One respondent summed up:

'I don't believe any method on its own is more effective than another – it depends what you're looking at and what you want to achieve.' Online respondent

Tenant management

Tenant management was perceived as the most effective method of involvement by those involved in or with experience of tenant management organisations. Tenant controlled organisations particularly highlighted local tenant knowledge as being important to service improvements.

'We know everyone personally and the residents all know the manager and senior staff. When we are working on something we know our people and how they will respond to something, and we plan our work accordingly. The JMB has lifted expectations for residents and so we know very quickly when things are not right and contractors know that they have to deliver good value for money.' Leathermarket Joint Management Board

Social dividend and community benefits

Many respondents commented on the community benefits that involvement generated. Some referred to involvement being a catalyst for tenants to meet neighbours and develop mutual support networks, particularly amongst tenant controlled organisations. A significant number of respondents referred to involvement being an important means of tackling isolation, particularly amongst elderly residents. Some respondents referred to tenant involvement as being a good way to involve diverse communities or to engage with young people.

'Many elderly and disabled people experience loneliness and isolation, and getting involved can provide friendship, long-term health benefits and better quality of life.' City of Lincoln Council

Confidence, self-esteem and employability

Many respondents referred to the improved confidence and self-esteem that develops among involved tenants, and several to involved tenants developing skills leading to greater employability. Some also spoke of the impact tenants have on staff they work with, inspiring them to go the extra mile, and leading in turn to more satisfying employment.

'The testimonies of involved tenants are humbling. Their growth and skills and confidence is staggering. They feel a justified pride in their work.' Soha Housing

Tenant satisfaction

Many respondents reported that tenant involvement improved tenant satisfaction rates. There are difficulties in showing causality between satisfaction rates and tenant involvement, but 38% of staff respondents to the online form had specific data that indicated satisfaction increases as a result of tenant involvement.

The case study organisations all reported increased satisfaction which they attributed in part to tenant involvement. For example, AmicusHorizon reported general satisfaction had increased from 87% in 2010 to 97% in 2013, Hull City Council referred to a substantial increase from 50% in 2003 to 80% in 2014 and Soha Housing reported an increase from 77% in 2005 to 88% in 2014.

Hull City Council and Soha Housing highlighted face-to-face engagement with tenants through inspections as having a particular impact on satisfaction levels.

'Staff are very aware of residents' expectations and this leads to higher resident satisfaction but also to higher staff satisfaction with us as an employer.' Community Gateway Association

Conclusions: articulating the benefits of tenant involvement

Lack of articulation of the benefits of involvement

Throughout the TLC evidence gathered, there seemed to be very limited clear understanding or articulation in the sector of business and other benefits delivered through tenant involvement. In particular, many landlords referred to processes used, such as scrutiny panels, awards won or employment schemes, rather than outcomes or benefits.

Clear identification of benefits

In a more market driven environment, it is important that landlords are able to clearly identify why they are investing in tenant involvement and what benefits they are getting from that investment. It is particularly important that staff responsible for tenant involvement are able to articulate clearly and regularly to those in governance roles that investment in involvement produces beneficial results.

The role of the regulator

Some, including landlord and tenant participants in the TLC workshops, and a group of eight housing association chief executives who submitted a joint statement to the TLC project, suggested that regulation should play a role in ensuring effective tenant involvement.

Recommendations

An *Investment not a Cost* is intended as the start of an ongoing TLC programme to promote and demonstrate the benefits of tenant involvement across the sector. The review has identified a wide range of benefits deriving from tenant involvement. Following requests from some respondents, the National Tenant Organisations will explore the development of a framework to assist tenants and landlords to be much clearer and more vocal about the benefits achievable from effective tenant involvement.