



Social housing governance

Policy briefing

As part of the CaCHE [Social Housing Policy Working Group](#), this paper focuses on social housing governance. It reviews how the sector has responded to various environmental pressures before concluding with four policy issues.

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Background

Over recent decades, the nature of the social housing sector has changed dramatically. Declining public capital subsidy has forced social housing organisations (SHOs) to rely on new financial models for development based on private finance and cross-subsidy. Coupled with regulatory requirements and constraints, this has forced SHOs to focus more closely on financial and commercial imperatives. The risk in all this is that SHOs lose sight of their social mission.

Environmental pressures

Over the last thirty years SHOs have been subject to significant environmental pressures including: the move from public funding to a mixed public-private funding regime; policy divergence between the local authority and housing association (HA) sectors that propelled the stock

transfer programme; the requirement to deliver the Decent Homes Programme; devolution of housing policy responsibility; the actions of the Social Housing Regulator through its regular assessments of organisational governance and viability, and, latterly, the 1% rent cut.

Organisational responses

Much of the discussion of social housing governance focuses on how responses to these pressures have been in tension with SHOs' established social values (competing 'institutional logics').

The first trend has been towards increasing organisational scale. Merging can offer clear business benefits, such as increased financial capacity, but there is limited evidence of economies of scale and more local housing management can offer a range of qualitative advantages.

Second, there has been a scaling up of development and diversification into intermediate and market housing.

Third, the financing of HAs has become more complex and risky, demanding stronger commercial and financial skillsets and raising concerns that social purpose will be displaced by the logic of finance.

Fourth, emphasis has been placed upon more active management of existing housing assets, raising the risk of increased spatial segregation.

If these trends are bringing about an organisational monoculture (i.e. they exert isomorphic pressure) then this raises concerns about the resilience of the sector in the face of external shock(s).

The voice of tenants

These trends also raise the question of how the voice of tenants is heard in strategic decision-making. SHOs need to be clear about the purpose of tenant engagement. A consumer approach to engagement orients the conversation with tenants more towards operational questions about the quality of services; while citizen-oriented approaches involve deeper deliberation around strategy.

There has been a focus upon representativeness at Board level, particularly among stock transfer HAs, but this approach is only likely to deliver a very thin notion of representation.

Technological developments open up possibilities for using digital to transform decision-making and reduce costs. But they raise questions about accessibility, equality, and the nature of the tenant-landlord relationship.

Key Policy Issues

Should more be required of SHOs to demonstrate that activities to involve tenants are effective?

Should there be clearer guidance on how and where SHOs should strike the balance between asset management and sustaining mixed communities?

Should the government underline the importance of social rented housing, and thus help shape the future strategic choices of SHOs?

Could an emphasis on 'short-term value for money', narrowly defined, compromise the sector's long-term resilience?

Get in touch

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