

Annual Conference 2013

Housing Policy Paper



The Co-operative Party believes that everyone should have access to a home that is decent, safe, offers security and is affordable to buy or rent and to maintain and run. We commend Labour's commitment to achieve a substantial building programme of homes, which are desperately needed by young families, older people, key workers and first time buyers across the country.

The shift that has occurred in financial markets and services as a result of the global financial crisis of 2008 means that the housing landscape in the UK will never be the same again. The major outcome will be a new risk averse, resilient and more regulated approach to lending and reduced capacity to lend by commercial lenders. Many thousands more UK households are now caught in the gap between affordable rent and home ownership.

In the aftermath of the financial crisis, ensuring that these new and emerging households have access to a decent home they can afford is a major political and electoral challenge. In addition, increasing the supply of homes is vital to ensure the long term stability of the housing market, ensuring that it does not continue to drive volatility in the rest of the economy.

But the situation is getting worse rather than better. There is a crisis that present Coalition policies do not recognise. House building is at its lowest ebb since the 1920s. Demand for homes is far outstripping supply, with fewer than half as many new homes being built as are required. Struggling families are being squeezed by house prices beyond their means, rising rents, housing benefit cuts, inaccessible mortgages, and the Government's failing economic strategy.

These are exacerbated by the mess that the Coalition has made of planning abandoning regional spatial strategies and the national and regional house building targets that were an integral part of the planning

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system under Labour. The way the UK Government's localism agenda is being implemented will enable some local authorities and communities to resist the construction of much needed new homes.

The crisis in the supply of, and access to, affordable housing¹ is a major political and social issue facing the nation. It is of particular concern to the many squeezed households for whom the only housing option is high cost, low quality, insecure private rented housing.

A growing number of people are worried about the ability of their children to afford a decent home. The combined impact of the Government's failed housing, planning and economic policies will continue to make it more and more difficult for households to access quality affordable housing.² Increasing numbers of newly formed households are stuck in high cost private rented housing and do not consider they will ever be able to buy their own home. There has been a decline in the number of first time buyers. Saving the now typical 20% deposit required for first time buyers to buy their first home is currently impossible for many working households. Shelter recently commissioned independent research from Fionnuala Earley Consulting and found in nearly 60 per cent of areas in England couples with children could have to save for more than 10 years for a deposit for a home. Single people face the greatest barrier to homeownership, with single people taking more than 14 years to save for a deposit, according to the research. In London the figure is 30 years for single people. Devon, Cornwall and Leicester also face an acute problem because of the combination of lower incomes and high house prices. The deposit requirement for Mutual Home Ownership, a new type of co-operative in which members have a limited equity share³ can be significantly less and still enable new co-operatives to be funded.

Statutory homelessness is increasing and ever greater numbers of people are being forced into a sub standard housing. Poor housing is linked to poor health and poor educational outcomes leading to increased costs to the state.

The lack of housing that is adaptable for the needs of the increasing numbers of older people also increases costs of health and social care. Many are 'asset-rich, cash poor' but reluctant to move into retirement homes where they lose control of their lives. Creating new co-operative communities which are designed to meet the changing needs of older people and where mutual aid and support maintains their control and independence will release family homes, release equity for older people (or at least enable them to afford a home that meets their changing needs) and reduce care and support costs.

The post crisis landscape presents all concerned with affordable housing supply with new challenges: new challenges that demand new solutions.

The role of Co-operative housing models in meeting this challenge has been championed for decades by CDS Co-operatives by Labour and Co-operative members of parliament, Co-operative Councillors, Labour Housing Group and the Co-operative Party. Despite this we have not yet reached the point where Co-operative housing is making the contribution which it can to achieving a housing supply which is more stable and sustainable. Under the Coalition government Britain has stood still for the last two-and-a-half years and has failed to recognise the potential of co-operative housing. Around 10 per cent of Europeans

¹ 'Affordable housing' means comfortable secure homes in sound condition that are available to rent or buy without leaving households unable to afford their other basic needs: see definition in the report from The Housing Voice Independent Inquiry into the Affordable Homes Crisis.

² This is certainly the case in constituencies in London and the South where Labour needs to win back support to win the next election.

³ For an explanation of Mutual Home Ownership and how it works see 'New Foundations: unlocking the potential for affordable homes' Rodgers, Co-operative Party, 2009.

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live in housing co-operatives, compared to 0.6 per cent in the UK. This alone shows the contribution housing co-operatives can make.

There are different models of co-operative housing available giving the opportunity to deliver housing tailored to local need. Be it developing market-value mutual retirement co-operatives specifically designed for the changing needs of older people⁴; meeting the housing needs of students and young people; or limited equity co-operatives for families priced out of the housing market. The work to achieve this needs to be inspired and “kick started” by government action, better access to finance and local authority supporting co-operative housing projects to deliver solutions in each of these areas.

Internationally there are three types of housing co-operatives:

- Market value co-operatives - where members are free to trade their legal right of occupation at a free market price, subject to the rules of the co-operative. Giving older people the opportunity to release capital and move into a home that can be adapted to their changing needs while also gaining assistance from other members of their co-operative community.
- Limited equity co-operatives – such as Mutual Home Ownership proposed in New Foundations, where members own a limited equity stake allowing squeezed families currently stuck in the private rented sector unable to get onto the housing ladder a chance to build property equity.
- Rental co-operatives – in which members rent their home, having democratic control over service budgets and how their homes are managed but do not have an equity stake. This offers an affordable alternative to those who wish to have greater freedom and control over their housing.

In the UK the role of Community Land Trusts (CLTs) has emerged as an important and relevant housing policy, with the potential to provide a critical role in achieving a better balance in housing supply. They work in rural and urban areas, and are a flexible tool to meet a variety of community needs. They not only offer a number of options for rent and low cost home ownership, but can also provide a mechanism for generating an income stream for reinvestment by the community. In areas where a rising population, economic investment and limited stocks of affordable homes threaten to exclude local people from the areas in which they live and work, CLTs are able to ensure a supply of affordable housing through the control of housing costs and resale prices.

In particular, the ‘New Foundations’ model can make a significant contribution in the supply of homes. It separates the cost of the land from the purchase price, by taking it out of the marketplace through a Community Land Trust. It ensures affordability through flexible monthly payments that are based on an affordable percentage of income. The deposit requirement proposed is a max of 10% of the equity shares being financed by the member, not the value of their house and could be as low as 5%. Any public subsidy is locked in and preserved for future generations, due to the structure of equity arrangements.

Unlike individual home ownership, where residents have a personal mortgage loan to buy a home, the homes are financed by a corporate loan borrowed by the co-operative. The value of the buildings is divided into shares and when members leave the co-operative, they are entitled to take the equity that they have built up with them. The net value of the shares is calculated by reference to a fair valuation formula set out

⁴ The ONS has projected, for example, that in England in 2030, compared to 2010, there will be 51% more people aged 65 and over, and 101% more people aged 85 and over. Mutual Retirement Proposals includes the idea that assets could be released by asset rich cash poor older people, for example to help finance more suitable housing that is cheaper to heat and maintain

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in the departing member's occupancy agreement or lease, which is the same for all members. The rent is geared to be affordable at 35% of net household income, so the more residents earn the more they pay and the more equity shares they are able to own and finance.

The valuation formula in the lease requires resident members to look on property ownership in a new and different way. Rather than viewing a home as a speculative capital investment, the value of which rises and falls in line with unpredictable housing market cycles, it will see a home as a consumer durable, just like a car, or a fridge. This formula will not give mutual home owners high risk speculative house price growth when it may happen again, if ever. However mutual home owners will also be at far less risk of falling into negative equity where their houses are worth less than the outstanding mortgage loan. They will also have the benefit of lower transaction costs when they move into and out of their home.

Co-operative housing - good for people and for society

There needs to be a greater understanding⁵ by national and local government about the role which these models, in particular Mutual Home Ownership proposed in New Foundations and Community Land Trusts, can play in bringing balance back into meeting the goal of everyone being able to find and afford a decent home in a good neighbourhood/community. There is a growing body of evidence to show that housing co-operatives are good for people and good for society.⁶ In particular the studies show that:

- Co-operatives out perform all other types of social landlord on all measures of performance.
- They create housing neighbourhoods that are socially, economically and environmentally sustainable.
- Housing remains community owned and affordable for future generations.
- Because of their 'grass roots' nature co-operatives help to create community 'buy-in' and local consent for housing development.
- Co-operative ownership has a unique capacity to attract new sources of institutional investment into the provision of affordable homes. This means that the homes built will be in addition to what can be currently achieved.
- Co-operatives help maintain the independence of older residents through mutual aid and support, reducing the demand on the state.

LILAC Co-op www.lilac.coop the first MHO New Foundations scheme is already attracting significant interest as an exemplar.

With community support, co-operatives can achieve more for less by helping to bring into use public land assets that would otherwise not be developed for housing.

⁵ There is a toolkit – published by Salford University – for CLTs. It refers to co-ops is but is not specifically for co-ops. The development of toolkits for co-operative housing (with a section on young people and students) - and self-build - would be useful to promoting awareness and action..

⁶ For independent research evidence of the benefits housing co-operatives create, see 'Bringing Democracy Home' the report of the Commission on Co-operative and Mutual Housing 2009, www.ccmh.coop. See also http://www.cds.coop/coop_movement/housing-co-operatives-in-the-uk/the-benefits-of-housing-co-operatives-in-comparison-with-other-tenures

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Co-operatives have a key role to play in increasing the supply of housing that is genuinely affordable for working households as part of a clear housing policy. The deposit requirement (which is usually lower for mutual home ownership) can become more affordable and back within reach of more people. Co-operatives contributing an average of 25,000 additional new affordable homes per year over two parliaments is a realistic and achievable vision if supported by the legal, financial and administrative actions set out in this brief.

Co-operatives create new homes and neighbourhoods that are socially, environmentally and economically sustainable and where working households on a range of incomes can afford to live. The right framework for developing co-operative housing can give thousands more people the opportunity to create co-operatives to help meet local housing needs. Through their active involvement they will be committed to making their locality the best that it can be, Community Land Trusts in particular bring down the cost of higher environmental standards giving lower running costs as well as reduced carbon emissions.

Community participation in forming co-operatives to meet local needs can often help overcome local objections to housing development.

Co-operative and mutual forms of ownership can ensure that homes in co-operatives remain permanently affordable and give residents an equity stake. Instead of paying increasingly high rents for housing they have little control over, people could enjoy housing that benefits them and wider society.

Building Stronger Communities

Through housing co-operatives and other mutual organisations, thousands of tenants and residents have taken real control over decisions that affect their lives and created strong and cohesive communities. All the available evidence shows that co-operative forms of housing perform well in value for money terms compared to housing association and local authority provision of housing. Additionally, they have proved themselves to be a successful model of genuine community empowerment, providing a range of social and community benefits due to the local frameworks of mutual support that they create. Lack of secure tenure has re-emerged as a big issue with the growth of the buy to let market. In a co-operative the member is in control and has the security of their democratic rights and the security of the contract (which currently has to be a tenancy because of lack of appropriate co-op housing legislation) A co-op always grants a long term enduring right of occupation of a members home. It can only be ended if the member is in breach of its terms and the co-op has obtained an order for possession from a court. It is a very secure form of occupanc. Although not currently protected by statute it it has the protection of members' democratic rights as well as a contract.

The Role of Local Government

Local Authorities have a vital role to play in restoring balance in the supply of housing in their areas. The strengths and weaknesses of the housing supply situation vary from authority to authority and across the country and in different localities. There is a marked difference between the north and the south of England and in Scotland and Wales. Council Housing was once aspirational. We believe that Co-op

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Housing is a 21st century model of community housing that people will increasingly aspire to because of the significant benefits set out in 'Bringing Democracy Home from the Co-operative and Mutual Housing Commission. Co-operative housing models can help Councils fulfil their responsibility to ensure a balance in the mix of housing available in their area and in achieving strong communities.

'New Foundations' housing schemes can be developed within the existing legislative and administrative arrangements, but would be helped and enabled by the new Co-operative Housing tenure. As well as enabling more co-operative housing to be built, other proposals for action set out in this paper will help to develop affordable housing in general. Local councils have the power to help through ensuring that their local development frameworks include reference to the development of Community Land Trusts and Co-operative Mutual Home Ownership as a means of increasing affordable housing supply. They can create a presumption in favour of change of land use being granted where the uplift in land value is to be captured for the benefit of the community by a CLT.

Where local authorities hold ballots on stock transfer, residents should have the option to vote for community-led stock transfers, under the following models:

- Community Mutual – developed by the think tank Mutuo and endorsed by the Welsh Assembly, the Community Mutual offers active membership opportunities to all tenants. RCT Homes was the first of several Community Housing Mutuals.
- Community Gateway – developed by the Confederation of Co-operative Housing and Co-operatives UK. There are currently Community Gateway housing mutuals in Preston, Watford, Lewisham and Braintree.
- Hybrid Mutual Schemes – Rochdale Boroughwide Housing is a membership based charitable provider of almost 14,000 homes in Rochdale, using a model developed by Mutuo. It is the UK's largest housing co-operative.

Local authorities, housing associations and housing mutuals can also convert to a mixed tenure version of the 'New Foundations' model. Residents in this type of Mutual Home Ownership development would be able to start on a standard rented tenancy with the right to buy equity shares as and when their income permitted them to do so. They would have the right to participate in the democratic governance of their home just as any other member of the mutual. The 'Right to Buy Equity' would not mean that the home would become unaffordable for future generations of occupants or that it would move to the open housing market.

As a 'New Foundations' community becomes wealthier (as can be expected in any stable sustainable community), initial capital subsidy is released over time as member's incomes rise and they buy more equity shares. This capital subsidy could be used by the Community Land Trust to provide more affordable homes, thereby increasing the supply of socially rented homes.

In some areas tenants will prefer their housing to remain under local authority control. Where this is the case, tenants can be encouraged and assisted to form tenant management co-operatives to take over the control of management of the council-owned housing in their neighbourhood. The right to manage should also be extended to housing association tenants, who should also be given support and encouragement to take over the control and management of their homes through management co-operatives.

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In the last ten years the landscape of social housing has been transformed, with more arms-length management organisations (ALMOs) responsible for managing social housing and changes to the number and operations of registered social landlords (RSLs)⁷. We welcomed the creation of the Tenant Services Authority and regret its abolition by the Conservative-led Coalition government. We consider that the duty that the TSA placed on registered providers of social housing to ensure that tenants have the opportunity to be involved their management should be maintained by its successor as regulator, the Homes and Communities Agency. There is currently a wide variation in how 'RSLs' involve residents. The HCA should launch a review of governance in the sector, to ensure that all registered providers are able to learn from best practice across the sector and require them to enable democratically elected representatives of residents to participate in their governance.

What councils can do

- Facilitate the 'New Foundations' model for affordable housing
- Use a new national presumption created by future a incoming Labour UK, Scottish or Welsh government in favour of change of land use being granted where land value uplift is to be captured for the benefit of the community
- Include reference to co-operative and models in Local Development Frameworks
- Consider the CHM model when reviewing options for stock transfer
- Ensure that these mutual are given all necessary support and encouragement not just to succeed as examples of best practice in tenant participation and housing management but as catalysts for change and development in their communities.
- Actively support and develop tenant participation programmes
- Encourage, support and facilitate the development of Co-operative Mutual Retirement housing schemes for older people.

Despite rising rents and record sized waiting lists for social housing, there are still a huge number of empty homes in the UK, with 700,000 just in England, nearly half of which have been empty long-term. A variety of measures should be used to bring empty properties back into use, from taxing empty properties, to using compulsory purchase orders and enforcing empty homes initiatives.

Short life housing co-ops can also provide a way of bringing empty properties into use. They are not common outside London, where the Co-operative Party has been supportive of moves to encourage the planning authority to look favourably on planning applications for HMOs (houses in multiple occupation) by short life groups. The demographic of short life housing co-ops is somewhat different on the whole to that of residents of standard bed-sit type HMO's, which are often associated with non-involvement with the community and ante social behaviour. The members of short-life housing co-ops tend towards long term engagement with the area, commitment to the community etc. An understanding of the difference and a more sympathetic attitude by planning authorities would allow this form of co-op to help find solutions to housing need through bringing back into use empty property.

⁷ Although the term RSL is still used RSL's are generally referred to now as 'Registered Providers (of social housing)' and a distinction made as to whether the RP is a 'for profit' or a 'not for profit' provider.

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The financial services provided by credit unions bring financial security and resilience to hard pressed households. Their role, alongside local councils, housing co-operatives and others who seek to provide affordable housing, in building stronger communities deserves wider recognitions and support.

What National Governments can do

Recognise Co-operative Housing in Law

The Co-operative Party is working with the co-operative housing movement to develop legislation at national level that enables and encourages housing co-ops.

Co-operative MP Jonathan Reynolds introduced a bill in late 2011, The Co-operative Housing (Tenure) Bill, which would recognise co-operative housing in law, as it is in much of the rest of Europe. This follows legislation in process by the Labour Government in Wales, led by the then Housing Minister, Labour and Co-operative AM Huw Lewis.

The Co-operative Party started the HomeShares Campaign to back Jonathan Reynolds MP's Bill. We have called on the DCLG to reform England's feudal land ownership law. David Rodgers, formerly chief executive CDS Co-operatives explained the need for this bill on Left Foot Forward at <http://www.leftfootforward.org/2011/10/we-need-a-new-kind-of-tenure-for-a-new-kind-of-housing-market/>.

Co-operative Party Chair Gareth Thomas MP introduced a Bill in 2013 titled The Housing Market Reform Bill that would, alongside other measures, place a duty on local councils and the Homes and Communities Agency to promote mutual housing and report annually on how they are doing.

House building is widely considered as a 'bellwether' of the wider economy. It's therefore damning that house building is at its lowest ebb since the 1920's. In the full year to March 2012 there was a shortage in housing starts of over 135,000, a supply deficit of 56%. This has had a dire impact on the construction industry that is a vital sector of the UK economy.

At a time when the economy is flat lining and economic growth is desperately needed, it is even more important to look at innovative ways to build and finance new additional housing. By using co-operative models that can access institutional funding and make use of public land, more can be achieved with less. An additional new stream of affordable housing could be created that would otherwise not be realised.

Facilitating economic growth

Creating an innovative new stream of affordable co-operative housing supply will also have other economic benefits, including

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- Stimulating the construction sector to create economic growth⁸
- Increasing employment in the construction sector
- Increasing manufacturing in products used in building homes
- Increasing tax revenues from construction and related activities
- Creating a new residential housing asset class that offers a secure investment opportunity for pension funds and other long term investors
- Creating the opportunity for pension funds to diversify investments from previous reliance on equity markets, particularly as new stakeholder pensions come on stream.

An apprenticeship programme could be developed as part of the new momentum in the co-operative house building sector. This could be developed alongside the current thinking about the benefits of developing a construction co-operatives to complement the growth in co-operative housing development.

Co-operative housing can offer a system of affordable 'income related' housing costs that will benefit people and help reduce dependency on housing benefit. Increasing housing choice through the development of this sector may well have a beneficial impact on rental prices generally.

The private rented sector

The impact of the buy to let market varies in different localities. In some parts of the country it provides a cheaper choice of property of a more reasonable standard than social housing. We believe that the best way to tackle the imbalance and the difficulties it brings in many communities - of insecure tenancies and upward pressure on housing costs - is to increase housing supply and affordable housing supply in particular. This will put downward pressure on costs, making rents more affordable but in a way that also can drive up standards.

This is not to say that we should rule out market interventions that can make an impact in the absence of increase supply. A substantial portion of the housing costs in this market are appropriated by rip-off lettings agents, charging high registration fees and transaction costs for tenants alongside charges of up to 20% of the rental value from landlords.

The Government should provide seed corn investment to create a number of city and county wide co-operative lettings agents, which will help change the private rented sector for the better. These will put good tenants in touch with good landlords across the spectrum of private renting so that both can benefit from increased security of tenure and the reduced costs of letting.

The Co-op Party has a unique role to play in the housing debate and our focus should be on promoting a bigger role for co-operative and mutual forms housing in achieving an increase in the supply of affordable

⁸ The case for using housing construction to stimulate economic growth has been cogently made in the 'Let's Get Building' report, www.councilswithalms.org. Although making the argument for councils to start building, the report identifies lack of finance as the main impediment to house building. Housing co-operatives can attract new sources of institutional finance into building homes. See 'New Foundations' *ibid*.

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housing. Pressing the case for this with local and national government should be the focus of our efforts. Key to making progress is the availability of land, the planning process and of course money. Below we support calls for action on all of these fronts

Enabling Co-operative Housing

There is a growing appreciation of the role that different forms of co-operative housing can play in increasing the supply and affordability of housing to own and to rent - promoting choice, control and independence as part of a clear housing policy, and building stronger communities.

Housing policy is now devolved and there are opportunities to learn from these different experiences. In each part of the UK we will encourage the further development of manifestos⁹ that feature a co-operative dimension to housing and opportunities for an integrated approach with other devolved areas of policy.

There is a wide range of social co-operative initiatives which compliment what co-operative housing can do to build stronger communities. These include cooperatives operating in the fields of social care, schools, skills and employment, health, well-being, food access, community energy, community development, leisure services, financial inclusion and resilience, primary care and transport. There are initiatives specific to all generations and those that can bridge the generational divide when it comes to exist in communities. There is also a strong case for the development of a body such as Supporters Direct to act as development agency for housing co-operatives.

Some key actions are needed to create an enabling framework for the development of co-operative and mutual forms of housing. Experiences from countries like Sweden and Norway where there are large and well established co-operative housing sectors clearly show that the right enabling framework is necessary for their development.

The key actions include:

- Giving political leadership such as that happening under the Labour government in Wales.

This needs to include cabinet and local government ministerial commitment to build capacity and knowledge among civil servants and local government officers.

- Legislating to create co-operative housing tenure as a distinct form of tenure in UK property and housing law.

This is a simple legislative change needed to recognise the unique nature of co-operatives. Jonathan Reynolds MP's ten minute rule bill on 'Co-operative Housing Tenure' demonstrated the simplicity of the legislation required.

⁹ Scottish Manifesto 2011

Welsh Co-operative and Mutuals commission 2013

UK Manifesto 2010 Labour Manifesto for 2012 Mayoral election

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- Enabling the creation of a financial intermediary to raise and manage institutional investment in developing co-operative and mutual housing and operate an insurance fund to reduce investment risk.

This will give comfort to investors, to create a mechanism for 'warehousing' and allocating investor funds to new co-operative housing developments and to insulate investors from the task of monitoring individual co-operative housing projects by offering default risk insurance.

- Underwriting the insurance fund (as a contingent liability)

This will give added comfort to investors and reduce investor margins by an underwritten insurance fund.

- Looking at possible tax incentives that could be offered, including VAT on the building materials for new co-operative and mutual homes.
- Legislating to exclude homes built on land owned by a community land trust from leasehold enfranchisement risk, to ensure that homes on community owned land remain affordable in perpetuity.

It is essential to clearly protect community owned land assets and prevent windfall gains that could occur under current leasehold enfranchisement legislation risking the long term future of developments.

- Assisting to make land available for communities wanting to develop co-operative homes.

It is important to ensure that new co-operative homes are affordable to as possible for squeezed working households.

- Creating a new national presumption in favour of change of land use being granted where land value uplift is to be captured for the benefit of the community

This will be an incentive to free-up more land for co-operative and community owned housing development, which recognises the special benefits that arise when the uplift in land value created by planning consent is captured by the community and will result in homes that remain affordable in perpetuity.

- Amending treasury green book valuation guidance in line with recommendations from RICS Land and Society Commission Report to ensure that 'best value' considerations in disposing of all publicly owned land take account of long term social and financial benefits.

Public authorities need the freedom to release land for co-operative housing development that will benefit communities and local people.

- Removing the borrowing cap and allowing councils to borrow (prudentially) for housing development including support for co-operative models.

Outlays can be mortgaged against rent over 60 years allowing lower affordable rents to be achieved

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- Introducing a Land Value Tax (possibly targeted) and/or a time limited ***'must develop by (date)'*** condition attached to planning consent. A community land trust ***'right to buy at the pre planning consent price'*** could be developed to accompany this

This will discourage speculative land banking by developers and institutions.

National governments can encourage investment by the private sector in this area by highlighting the opportunities and ensuring that any barriers (fiscal or other) identified are removed. Investment in co-operative housing can be an attractive opportunity for pension funds because investment returns could be structured to generate 'inflation-proof' yields that match the pension fund's obligations to beneficiaries.

Only co-operative and mutual housing organisations, democratically controlled by their residents, can bring in investment using the Open Market Vacant Possession Value (OMVPV) as security. This is because ethically, politically and legally this is only reasonable when residents control the financial risk of financing the investment used to build their homes and only co-operatives can give residents this level of ownership and control. This is an essential advantage co-operatives have for accessing new institutional funding.

Case Study: Rochdale Borough-wide Housing

Britain's largest housing co-operative formed in Rochdale on December 21st 2011. The tenants of Rochdale Boroughwide Housing (RBH) voted to take ownership of all 13,800 housing units owned by the Borough. RBH immediately became the largest housing co-operative in Britain. The new co-op operates an enterprise with over £30 million in turnover, 620 employees and home to 40,000 people.

RBH is a multi-stakeholder co-operative of staff and tenants where the representative body has the power to appoint board members and consists of 15 elected tenants, eight elected employees, three members from the tenant management organisation, four from the council and three from other organizations.

The tenants' vote will result in a £169 million improvement programme for homes and estates in the first five years – much more than would have been possible if the houses had stayed with the Council.

Source: RBH www.rbhousing.org.uk

Case Study: RCT Homes

RCT Homes was the first Community Housing Mutual in Wales.

In December 2007, RCT Homes became Wales's largest social landlord when it took over the ownership and management of the entire housing stock of nearly 11,000 homes from Rhondda Cynon Taff County Borough Council. RCT Homes is responsible for homes on more than 60 housing estates and in 27 sheltered housing schemes.

Five tenants sit on the RCT Homes Board and tenants play a key role in scrutinising new policies and procedures and in overseeing RCT Homes' major decisions.

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RCT Homes is not just a landlord; it is a major local social enterprise. As well as raising the standard of homes, they are working with tenants and their local communities to create a sustainable legacy of increased employment and higher skill levels.

The rules of RCT Homes commit the organisation to supporting 'social inclusion' – driving the economic regeneration and development of the communities it serves by working with other organisations to develop local skills training and to generate jobs through the procurement of local labour. The Welsh Assembly Government has held up RCT Homes' procurement process as a 'model approach' that other social housing landlords can follow to help regenerate some of Wales's most disadvantaged communities.

They have employed a unique tender process to recruit contractors and suppliers to deliver RCT Homes' £170 million programme to bring its tenants' homes up to the Welsh Housing Quality Standard (WHQS). The tender process developed by RCT Homes enabled local businesses to bid for and win major contracts against competition from national companies, leading to the creation of a total of 59 new local jobs. In addition, RCT Homes has tied its main contractors into using locally-based suppliers who will generate a total of 61 new jobs and training opportunities.

RCT Homes has been working with the Heads of the Valleys JobMatch initiative and Manpower – the New Deal provider in Rhondda Cynon Taff – to maximise the impact that the new job and training opportunities will have on the local employment situation. In addition, RCT Homes itself has created 53 new jobs since it began operations at the end of 2007.

RCT Homes will continue to maximise the opportunities offered by its massive investment to deliver real results with the creation of new jobs, new training opportunities, new business contracts and major new investment in housing and related regeneration work. Taken together these strands provide a strong platform to drive forward sustainable community and economic regeneration and improve the quality of life for thousands of people living in communities throughout Rhondda Cynon Taff.

Source: RCT Homes www.rcthomes-jobs.co.uk/about-us/the-uks-first-housing-community-mutual

The Co-operative Party

The Co-operative Party is the Party of social justice.

We believe that people will achieve more by working together than they can by working alone. We support the efforts of those who seek success through that co-operative endeavour.

We believe that the only way to create a just and fair society is through power being spread evenly throughout society, and not arbitrarily based on wealth, class, gender or race.

We work to promote co-operatives and all forms of mutual organisation.

We work in partnership with the Labour Party as its sister party to achieve these ends.

In addition to hundreds of Labour and Co-operative Councillors across England, Scotland and Wales, there are currently 32 Labour/Co-operative MPs, and members in the Scottish Parliament, Welsh Assembly and the House of Lords.