

# The People's Republic of Yoker: A case study of tenant management in Scotland

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## Abstract

*This paper seeks to assess the extent to which tenant management in Britain has utilised communitarian philosophy, through co-operative principles, to tackle housing and wider problems. The paper first discusses the development of tenant management in Britain, concentrating on the key policy differences that have emerged between Scotland and England. The paper then uses the example of one of the oldest tenant management co-operatives in Britain (Speirs) to assess the effectiveness of this approach and finally, discusses the future of the movement.*

*The paper concludes that there has been a divergence in policy and legislation between Scotland and England that the Scottish regime is far less favourable to the promotion, development and support of tenant management. The current Scottish context strongly favours the development of large-scale stock transfers. However, the funding for capital improvements, which would be released by such transfers, could provide a renewed impetus for local tenant management – if there is a will to achieve this.*

## Introduction

Unlike Norway, Sweden and Denmark, where local democracy and citizen control of rented housing enjoy considerable political and financial support<sup>1</sup>, in Britain there has been limited support for the transfer of power and control to consumers<sup>2</sup>. While tenant participation has been accepted as 'good practice' in public sector housing management for many years, it has taken a wide variety of forms. Arnstein<sup>3</sup> describes a ladder of participation in which, at the basic level, citizens are given information; halfway up the ladder citizens may be consulted on issues which affect them. At the highest level is full citizen control.

In a tenant management co-operative (TMC), a social sector landlord - a local authority or housing association - owns the housing but particular estates or areas are managed by local residents. Glasgow City Housing defines tenant management co-operatives as:

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a group of tenants who, with agreement of the Council and through an elected committee of tenants, take over some of the management functions usually carried out by City Housing, eg repairs, allocation of houses. The houses are still owned by the Council. Co-operative members remain tenants of the council with all the rights of council tenants.<sup>4</sup>

This description places tenant management a rung below full citizen control. Instead tenants have delegated powers to carry out a range of functions but the landlord retains a number of functions and ownership of the property. Research<sup>5</sup> in the early 1990s found that tenant management co-operatives range in size from 25 homes up to 2,000 homes. Typically, the co-operative will be responsible for repairs, allocations, enforcement of tenancy conditions and neighbour disputes. Sometimes, but less often, tenants will take responsibility for rent collection and arrears management; cleaning and caretaking; supervision of improvements and open space maintenance. The co-operative receives an allowance for management and maintenance, calculated per property for functions taken on. Some tenants take over only one function (eg repairs). Others take over the local housing office and manage every thing at a local level. However, few local authority tenants exercise any degree of citizen control, as Rodgers notes:

Seeking to build human and social capital so that communities have the capacity responsibly to take control themselves, is a radically different approach to the limited opportunities social landlords have offered to date for tenant participation. In most cases, this has not included any desire or commitment by social landlords for the transfer of power and control to consumers. Rather, tenant participation has been characterised by a retention of control by landlords.<sup>6</sup>

Many housing professionals still hold 'traditional' views about their role and see tenants as clients of the service.<sup>7</sup> The relationship between councils and their tenants is often paternalistic, with professionals believing that they are best qualified to judge tenants' needs. However, this view has been challenged by ideas about 'citizenship' and participatory democracy.<sup>8</sup> In the housing sector, advocates of a citizenship approach argue that tenants have rights and obligations and should be encouraged to participate in decisions that affect the local quality of life.<sup>9</sup> Citizenship is seen as a concern with the welfare of the community as a whole and with the common good rather than individual interests. The approach

encourages collective as well as individual involvement, and has strong principles of equality. It is important that everyone is able to participate and that groups and individuals are not socially excluded.<sup>10</sup> However, within the debates about citizenship, there are a number of perspectives. Consumerism emphasises the relationship between service users and professionals and aims to give rights to information and redress while communitarianism emphasises collective self-help, self-sufficiency and self-governing communities.<sup>11</sup> Contemporary communitarian theory suggests that voluntary organisations of civil society (such as housing co-operatives) provide the forum within which citizens acquire '*a sense of our personal and civic responsibilities, an appreciation of our rights and the rights of others, and a commitment to the welfare of the community and its members*'.<sup>12</sup>

American communitarians, such as Etzioni, feel that the state, and the free market needs the 'third force' of the community to create a balance between individual autonomy and social cohesion.<sup>13</sup> He argues that empowered communities will assert their own moral standards for the common good and will '*seek to hold individuals accountable for their conduct*'.<sup>14</sup> However, critics of communitarianism note that defining what is the common good can be difficult<sup>15</sup> and that the shared values propounded are no more than a '*hotch potch of ideas, catching a popular mood of discontent with political morals and public mores*'.<sup>16</sup> It is also suggested that, in the pursuit of the common good, communities can impose unacceptable limits to individual freedom: '*Deviation from the (community's) code is regarded as corruption and must be resisted*'.<sup>17</sup>

In Britain, neo-communitarian theory has been taken up by Kellner, who has coined the term 'new mutualism' to describe co-operative ventures as a 'third way' between capitalism and socialism.<sup>18</sup> In practice, there appears to be little difference between communitarianism and new mutualism; the term appears to have been adopted as a means of repackaging the ideas for a British audience. Following Kellner, Rodgers<sup>19</sup> firmly locates housing co-operatives as 'third way' new mutualist movements which provide an alternative to home-ownership and public rented housing, and suggests that these provide an opportunity for individuals to take mutual responsibility for tackling their own housing need. Giddens has also written about the 'third way' as a means of tackling social exclusion and emphasises the need for community building and more democratic participation<sup>20</sup>. New mutualism has been taken up the New Labour government<sup>21</sup> as part of its drive to create 'joined up' solutions for social exclusion.<sup>22</sup> The government recognises that no single agency can tackle social

exclusion in isolation and that what is required is a partnership with involves local communities.<sup>23</sup> Rodgers suggests that this will only be successful if a key ingredient in measures to tackle social exclusion is to '*adopt policies which seek to transfer control of social housing ... to the communities themselves*'.<sup>24</sup> The co-operative movement is based on these communitarian and mutualist ideals. Early writers, such as Owen, emphasised that co-operative communities should be small-scale, democratic and autonomous and that larger structures should be based on a federation of small organisations.<sup>25</sup> The International Co-operative Alliance sets out the principles of the co-operative movement as: open and voluntary membership; democratic control; member economic participation; autonomy and independence; education, training and information; co-operation among co-operatives and concern for community.<sup>26</sup> Birchall<sup>27</sup> suggests that they should also provide the best possible service for the consumer.

This paper seeks to assess the extent to which tenant management in Britain has utilised communitarian philosophy, through co-operative principles, to tackle housing and wider problems. The paper first discusses the development of tenant management in Britain, concentrating on the key policy differences that have emerged between Scotland and England. This draws on research carried out by the author in the early 1990s on Training for Tenant Management<sup>28</sup>, and on a number of other studies of the development and effectiveness of tenant management. The paper then uses the example of one of the oldest tenant management co-operatives in Britain (Speirs) to assess the effectiveness of this approach and finally, discusses the future of the movement.

Speirs was the subject of several studies in the 1980s<sup>29</sup> and these accounts form a baseline with which to assess its current position. The updated information on Speirs Co-operative was based on in-depth semi-structured interviews with 10 of the key stakeholders, including founding members of the co-operative, a co-op worker, long-standing co-op residents, the Council's tenant participation section, the local councillor and housing and community development officers in neighbouring organisations. In order to verify events this was backed by independent contemporary accounts and analysis of secondary data, including the co-operative's committee papers, policies and records. Speirs was evaluated by comparing the organisation's performance to the findings and outcomes of other studies.

## **History of tenant management**

To set the context, it is useful to outline the history of tenant

management in Britain. This paper concentrates on the key differences in the development of tenant management in Scotland and England. Local councils were first given powers to devolve management to housing co-operatives under the Housing Rents and Subsidies Act 1975.<sup>30</sup> In 1976, the Stephen and Mathilda TMC in London became the first tenant management co-operative to be established. In Scotland, the first TMC was established in Glasgow at Summerston.<sup>31</sup> The co-operative was promoted in a new build scheme and the formal agreement to transfer management was signed in 1977<sup>32</sup>. Glasgow City Council had created a tenant participation officer post to develop the co-operative and, in 1979, set up a small Co-operative Promotions Section which aimed to assist more tenants to take over the management of their homes. Grant<sup>33</sup> suggests that the political support for housing co-operatives in Glasgow was primarily due to concern about population flow from the city due to the lack of desirable public sector housing. Glasgow was the largest council landlord in Britain with over 180,000 properties but much of the stock was of poor quality. Goodlad and Popplewell<sup>34</sup> note that many councillors at the time were 'very traditional' and worried about tenant management. Nevertheless, Glasgow City Council and the London Borough of Islington became the leading promoters of tenant management in the early 1980s.<sup>35</sup>

On the basis of the Summerston experience, the Scottish Development Department issued a Circular in 1977 that asked local authorities to '*consider the establishment of pilot housing co-operatives in suitable areas of housing*'<sup>36</sup>. By 1982, there were eight established TMCs in Scotland and several others in development. However, there had been several failed attempts where tenants were sceptical of the benefits, and many landlords were still hostile towards the idea of tenant control.<sup>37</sup> The wider tenants' movement also had reservations about the principles of co-operatives due to suspicions that landlords were hiving off their problems.<sup>38</sup> A Scottish review of co-operatives<sup>39</sup> and an English survey<sup>40</sup> suggested that co-operatives required more and better promotion, training and education for tenants, assistance with costs and access to independent agencies.

In England, the government responded to this research by introducing 'Section 16' grants in the Housing and Planning Act 1986. These grants were made to independent agencies to promote tenant participation and tenant management.<sup>41</sup> A review of tenant management in 1989<sup>42</sup> recommended an increase in grant levels and in 1990, the Department of the Environment considerably increased funding for tenant management. However, government grants were never made available in Scotland. The result of this

divergence in legislation and policy meant that tenant management developed differently in the two countries. In England, the growth of tenant management was initially slow and confined to a few authorities. However, after the introduction of the grants, the number of co-operatives doubled. In 1988, the government introduced legislation to provide 'Tenants' Choice' – to encourage other landlords to take over council housing. They also threatened to force councils to put their housing services out to tender (compulsory competitive tendering). These policies had the effect of providing further impetus to tenant management, as tenants were worried about being taken over by private landlords. Councils were also motivated by access to additional funding for improvements from the Government's 'Estate Action' programme if they established tenant management. In the late 1980s, a government funded agency - the Priority Estates Project - developed a joint management model (Estate Management Boards) involving both local residents and landlord representatives. These proved more popular with landlords for larger estates and, by 1992, there were 65 tenant management co-ops and 16 estate management boards established in England.<sup>43</sup>

In Scotland, Glasgow had initially been enthusiastic about tenant management. However, the city had considerable run down stock in its large peripheral housing estates and lacked the capital to carry out improvements.<sup>44</sup> The council decided therefore to embark on a policy of transferring tranches of stock to other landlords. In the mid 1980s, building on the idea of tenant control, Glasgow City Council piloted six community ownership co-operatives to take over small areas in peripheral estates.<sup>45</sup> In 1988 the Government launched the 'New Life for Urban Scotland' programme to implement urban regeneration strategies. These strategies aimed to diversify the tenure in four large council estates in Scotland. In both Glasgow and Dundee, the partnerships set up to implement the strategies adopted the co-operative model to facilitate the transfer of stock from the public to the association sector.<sup>46</sup> Government policy in Scotland then linked additional funding for improvement to stock transfer, though there were no grants for training tenants for tenant management.

In 1993, 'Right to Manage' legislation was introduced in the Leasehold Reform, Housing and Urban Development Act. Although there were provisions in both England and Scotland for tenant management, there were crucial differences in the wording of the relevant sections. In England, tenants had a legally enforceable right to take over management of their estate and the government provided grants for a feasibility study and a programme of training.

Aspiring tenant committees chose an independent agency (from a government approved list) to take them through a training programme and to assess whether they were competent and representative. There was detailed guidance and a system of arbitration in the event of disagreements between landlords and co-ops.<sup>47</sup> In Scotland, the onus was on the council to decide whether tenants were 'competent' to take over management - with an appeal to the Secretary of State for Scotland (a government minister) if the council refused. The English Right to Manage has been criticised for its administrative regime and its assumption that tenants will want to take control for negative reasons. This resulted in hostility from councils who saw it as an attack on their role as housing providers. However, by 1998, there were 112 tenant management co-operatives, controlling over 49,000 homes – double the number in existence in 1992.<sup>48</sup>

In Scotland, Clapham and Kintrea<sup>49</sup> argue that the financial packages, which encouraged the formation of ownership co-operatives in Scotland, have hindered the creation of more tenant management co-operatives. While tenants considering a transfer to ownership co-operatives have the considerable incentive of funding to carry out improvements, no such promises can be made to tenants whose housing stock remains in council ownership. In addition, potential TMCs have no government money available for tenant training, and no duties on councils to provide support.

In the early 1990s, there were 29 TMCs in Glasgow City Housing stock, managing over 9,000 properties, but by 1999 this had reduced to 20 with 5,560 properties (around 5 per cent of the stock). McCafferty and Riley<sup>50</sup> found that the main reason that tenant management co-operatives ceased to exist was the Right to Buy and that few folded due to money problems or lack of interest. In contrast, Rodgers suggests that the failure of co-operatives is generally due to weak and inefficient management.<sup>51</sup> The reasons for the apparent decline in numbers in Glasgow are more complex. Some of the change is cosmetic as, during local government re-organisation in 1996, the city boundaries changed. Three co-operatives are now in neighbouring authorities. Two were disbanded due to loss of stock under the Right to Buy - making them unviable. One appeared to have folded due to problems on the committee *'It just didn't work out - the committee could not see eye to eye'* (Co-op officer), and one amalgamated with another TMC. The remainder (two) were disbanded by the Council due to *'mismanagement and breaches of the agreement'* (Council officer).

Though the Council remains committed to this form of participation, no new co-operatives were established during the

1990s. The Tenant Participation Section (which evolved from the Co-operative Promotion Unit) was reduced to three staff who lacked the capacity to develop new co-ops. There are now three new co-operatives in development but council staff feel that the task is more difficult because *'the tenants are different – they are more vulnerable and lack the skills that the original tenants in co-ops had. This means that developing a new co-operative takes at least three years – rather than 18 months'* (Council officer).

### **The origins of Speirs Co-operative**

Speirs Housing Management Co-operative was the second TMC to be formed in Scotland. The co-op is situated in Yoker, an area in the west of Glasgow. The estate in which the co-operative operates was originally known as Langholm Street. It was built in 1938 as a 'rehousing scheme' for slum clearance and originally comprised three-storey tenement flats, providing 480 dwellings. The history of the 'rehousing schemes' in Glasgow has been well documented.<sup>52</sup> The council's policy at that time was to earmark the worst slum housing areas for demolition and then build new homes for the occupants in another area. The original occupants were 'decanted' (transported wholesale) from the slum clearance area, often having their possessions fumigated en route. The result was that the new homes, and their tenants, were stigmatised from the outset. By the 1970s, the scheme was classified as an area of severe multiple deprivation.<sup>53</sup> Many homes were overcrowded and the environment was poor. The street was considered very 'difficult to let' and a high proportion of flats lay unoccupied.<sup>54</sup> Interviewees described how the council would allocate properties to any one who showed an interest:

We had been living in a private rented flat but it was too small when the kids came along, so the wife went down to the housing to see about a house. They said that we could have one in Langholm Street and she was given the keys to three or four empty houses to have a look round. She picked a three bedroom so the girls could have their own rooms (Co-op resident).

McCafferty and Riley<sup>55</sup> suggest that housing co-operatives are formed in one of two ways. In a 'shell' co-op the landlord promotes the formation of a co-operative in a new build housing scheme or in vacant property undergoing rehabilitation. In contrast, a grassroots co-operative arises when the existing residents campaign to form a co-operative. In practice, research on English co-ops<sup>56</sup> found that

there was often a combination of promotion by the landlord and interest by the residents and that it would be very difficult to establish a co-operative if the landlord were reluctant. Speirs TMC is an example of a grassroots co-operative formed with the active support of the landlord. The initial impetus for action came from the residents. The Yoker Residents Association, which had several active Langholm Street residents, was concerned about the deteriorating condition of the street. In 1979, the then local councillor for the area suggested that the residents might consider setting up their own tenant management co-operative. The Council's recently formed Co-operative Promotions Section then came out to explain the idea to the association.

When the co-op officer came and explained the idea, we were really taken with it. A bit apprehensive as well, but the service the council was providing was terrible. We thought that we should give it a go to see if we could do better (Founding co-op member).

Grant<sup>57</sup> suggested that the new co-operative members in Summerston were attracted by the idea of having some control over their environment, rather than a commitment to the co-operative ideals. The residents of Speirs had similar views; the initial reason for formation was perceived as poor service received from the council: *'All we had in mind was to take over the repairs because the service was so poor. We weren't getting any repairs done at all'* (Founding co-op member).

However, many of the founding members had experience of trade union and other voluntary activities and it is clear that they quickly grasped the principles and ideals of co-operation. A co-operative promotion video, produced by the council in the early 1980s<sup>58</sup>, quoted co-op members as saying that the co-op provided a sense of community, of collective responsibility and of commitment to the area. With the help of the co-op section, a small group of residents carried out a survey: *'We went door-to-door. All we asked for was the opportunity to fail'* (Founding co-op member). The survey established that there was considerable support for the idea of residents controlling their own housing. However, the street was large and there was insufficient support from the upper part of the street to pursue the idea. The tenants in the lower part of the street therefore set up two steering groups with the aim of establishing two small co-operatives. The main tasks of the two groups were to formulate draft constitutions and agency agreements for their respective co-operatives.<sup>59</sup>

Clapham and Kintrea<sup>60</sup> suggest that TMCs are often formed at the time of an improvement programme, with the additional incentive of tenants being able to influence the physical changes. This was the case in Speirs, where the steering group was aware that the council had earmarked Langholm Street for modernisation. However, shortly after the formation of the steering groups, the residents heard rumours (via their local councillor) that the council was revising its whole approach to modernisation and that the planned improvements for their area would be dropped. Two representatives of the prospective co-operatives approached the council on the matter:

We went up to see the council to lobby them about the modernisation. We thought that it was going to be an informal meeting with a couple of councillors, But when we got to the City Chambers, we were ushered into the full council meeting with all the councillors sitting there. My bottle went at first because I'd never addressed such a big meeting and it was pretty intimidating. But then I got angry and told them the conditions we were living in and how we just wanted a chance to make things better. (Founding co-op member).

The council responded by inviting the residents to take on the management of the modernisation work themselves on the condition that the two proposed co-operatives amalgamated. The residents, determined to show they could make a better job of the modernisation than the council, agreed to take up the challenge. The two steering groups then combined to form Speirs Housing Management Co-operative.<sup>61</sup>

### **Meeting co-operative principles**

Assessing Speirs Co-operative in the early 1980s, Birchall was very complimentary about its achievements. However, this paper examines how the co-operative has fared over the last twenty years and assesses it both against co-operative principles and the experience of other housing co-ops.

#### *Democratic member control*

The first principle of the co-operative movement is that co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Co-operatives need the commitment of their members and heavy

voluntary input to remain viable.<sup>62</sup> The basis for participation is set out in the co-op's constitution.<sup>63</sup> In the early days of the co-operative, the active members had little difficulty in maintaining the interest of tenants, and general meetings were well attended.<sup>64</sup> However, over the years there is evidence of declining participation. The constitution was revised and updated in 1990, and comparison between the original constitution and the new version showed that there had been some watering down of the original principles. For example, the new constitution provides for four General Meetings per year and an AGM. The original constitution had monthly general meetings and an AGM. The management committee is responsible for undertaking day-to-day business, discussing policy initiatives and supervising staff. Originally, there were 22 places on the committee, who were elected on a 'ward' basis. However, the revised constitution provides simply for 12 places on the committee, to be elected at the AGM. In practice, places on the committee are rarely contested. This is not assisted by the rule that the maximum term that a committee member can serve is four years. They must then resign for at least a year. The aim of this policy (common to all TMCs in Glasgow) was to ensure that the co-op was not dominated by a few individuals, leading to a small, unrepresentative clique.<sup>65</sup> However, in practice it means that there is a constant turnover of committee members.

The four-year rule is a problem because experience is lost when members have to resign and new members take time to learn the ropes. Although people can come back after a year, they have often found another voluntary activity in the meantime and it's difficult to get them back (Co-op officer).

There is also other evidence of declining commitment. In the early years, the turnover of properties was very low but in recent years, the turnover of properties has been rising. There were 34 voids in 1997/98 and 31 in 1998/99.<sup>66</sup> The main reason for the high turnover is that long-standing co-operative members are moving to other areas. Part of the problem is that the co-operative has few small properties for households whose children have grown up. However, the other reason for the moves is that the council's allocation policy favours length of tenancy and tenants can obtain a property in a high demand area after 'serving their time' for 20+ years in a flat. The effect of the high turnover is that there are now many new households in the area, who may not have the same commitment to co-operative principles as long-standing tenants.

This decline in participation rates is a common problem.

Power's<sup>67</sup> study of 13 TMCs in London found that elections were rarely contested and that attendance at meetings was low. A study of the long-term sustainability of ownership co-ops found over a third of the residents had never attended a meeting.<sup>68</sup> However, while few people were active in the management of the co-operative, interviewees stressed that many residents were active volunteers in other activities in the area. Overall, there was sufficient interest to maintain the viability of the co-operative.

### *Autonomy and independence*

The Co-operative principles emphasise autonomy and independence. If co-operatives enter into agreements with other organisations, they do so on terms which ensure democratic control by their members and maintain their co-operative autonomy.<sup>69</sup> In practice, no tenant management co-operative is fully autonomous. The properties remain in the ownership of the council and usually the landlord sets the overall policies for management and maintenance. The tenant management co-operative takes over the management of certain functions and the terms are set out in a management agreement.<sup>70</sup> Despite support from their councillor and the Co-op Development Section, at Speirs the tenants had some conflicts with the council about the extent of their control from the outset. Although the council had passed responsibility for the modernisation to the co-operative, it wanted the co-operative to use the experimental 'alternative strategy' it had adopted to maximise tenant choice.<sup>71</sup> This entailed a contract for the external improvements (such as new windows) while tenants were given fixed grants to finance new kitchens and bathrooms. The scheme allowed individual tenants to select the contractor of their choice to design and carry out the work.<sup>72</sup> The co-operative democratically decided that they would prefer to adopt an integrated approach, with all the work carried out by a single contractor.<sup>73</sup> However, they first had to convince the council of this:

Initially, when we said that we wanted to carry out all the works together, the councillors said that we couldn't because it wasn't their policy to do that. So we went across the road to the Tenants' Grants section and explained what we wanted to do. They looked up the rules and said that there wasn't any problem - providing that the tenants agreed. So then we went back to the councillors and said that the rules allowed it. Finally they agreed. (Founding co-op member).

Speirs signed its agency agreement and took over management in 1981. The agreement gave the co-op responsibility for the repair and maintenance of the dwellings, the upkeep of open space, recruitment to the co-op and allocations, and for enforcing the tenancy conditions. Responsibility for rent setting, rent collection and the insurance of the property remained with the District Council.<sup>74</sup> The issue of rent collection and arrears' recovery was debated at the outset. The tenants decided that they did not want to have access to confidential financial information about their neighbours or take legal action against them. In practice, some members have regretted this decision, because the number of tenants simply abandoning their home - due to debt or other problems is increasing. Without knowledge of tenants' financial problems, the co-operative can do little to assist. In the Summerston co-operative, the council initially insisted on full nomination rights for all lets.<sup>75</sup> In Speirs, the council readily conceded that the co-operative could establish its own waiting list and would be entirely responsible for allocations. The difference in the treatment of these two early co-operatives appears to be due to the lack of demand for the Speirs area. However, over the years, as the council stock declined through right to buy and stock transfers, the issue of nominations became more important. In 1996, the council decided to standardise the agreements to include 50 per cent nomination rights for all stock controlled by TMCs.<sup>76</sup> Although this was resisted by Speirs, they were eventually forced to concede the change.

The Council has the responsibility of monitoring and auditing the affairs of the co-op, which must submit regular reports.<sup>77</sup> As a result of the increasing emphasis on performance in local government, the role of the Tenant Participation Unit within the council has switched from being a supportive role to a policing role. *'There is much more emphasis on monitoring these days, making sure that you are abiding by the agreement. They are setting up a performance audit system similar to housing associations. That's OK, but you don't get any support from them'* (Co-op officer). The co-op officer did, however, acknowledge that the unit was 'inundated' with tenant participation work. The Tenant Participation Unit has recently been expanded (from 3 staff to 8 staff) and aims to provide core training for co-op committee and staff and carry out annual monitoring reviews. However, the unit also has responsibility for developing and supporting tenants groups across the city and is, therefore, very stretched – even with the increase in staffing levels.

### *Open and voluntary membership*

The co-operative principles state that co-operatives should be open

to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial or political discrimination.<sup>78</sup> To ensure that new members understand and are willing to accept the responsibilities of membership, at Speirs a panel made up of committee members and the co-op administrator interviews all prospective new tenants. The co-op uses the Council's points system to determine need but also awards points for attendance at general meetings. It is not unusual that applicants have to demonstrate commitment to co-operative principles.<sup>79</sup> However, more controversially, the policy allows for nominations by existing members of the co-op. Policies which favour the friends and family of residents raise concerns about equal opportunities<sup>80</sup> and Birchall notes that allegations of racism and elitism are common.<sup>81</sup> The interviews, and examination of the co-operative records, found that residents have used the nomination policy to assist rehousing of family members. The co-operative has never had any applications or nominations from ethnic minority households - but this is not unusual in Glasgow where the ethnic minority population is small and few live in the social rented sector.<sup>82</sup> Interviewees also noted that the co-op's allocation policy is closely monitored and audited by the council and that no objections have ever been raised to lets. Both the co-op and council interviewees argued that the policy has helped to build strong and stable communities and that strict procedures have been followed to prevent abuse of the system.

### *Education, training and information*

Co-operatives should provide education and training for their members and employees so they can contribute effectively to the development of the co-operative and inform the general public about the nature and benefits of co-operation. Scott et al<sup>83</sup> noted the need for continuing training for committee members and staff, however there is little money to fund this. A 1992 survey found that, on average, Scottish TMCs spent £67 per member of staff on training compared with £203 in councils and £668 in ownership co-operatives.<sup>84</sup> The council offers 'core training' for staff or committee members and holds quarterly forums for co-op administrators to update them on policies and legislation. However there is little access to other forms of training. The co-op officer commented that *'It's difficult to find out what training is being run that might be appropriate for us. And if it costs more than £50, we can forget it'* (Co-op officer). The council officer, however, suggested that the co-op could chose to spend more money on

training and that the issue was one of decisions about priorities.

### *Co-operation among co-operatives and concern for community*

Co-operatives should work for the sustainable development of their communities through policies approved by their members. They should also work with other co-operatives to strengthen the co-operative movement. One of the biggest problems faced by the co-op is anti-social behaviour, mainly caused by alcohol and drug abuse. Anti-social behaviour is a major problem in the city<sup>85</sup> and Birchall<sup>86</sup> notes that Speirs has always had a tough job as it started with a number of anti-social households. However, the original members of the co-operative decided that their role was to provide support, and the co-operative chose to continue to admit households with problems. Where problems arise, the committee and staff talk to the people involved but found that they had difficulty dealing with issues such as vandalism:

In the past, the committee could haul people in talk to them but you can't do that nowadays. The 16-year-olds can be very threatening and they are not under parental control. It's difficult for the committee to deal with them because they live nearby. (Co-op officer).

This suggests that some of the 'shared values' of the co-operative have been eroded. However, there are conflicting messages because, in comparison with many estates in the city, the environment is safe and relatively free from vandalism. Interviewees suggested that this is due to the strong community spirit in the area - and the fact that tenants know that their budget will have to pay for repairing damage. The council officer suggested that the reluctance to deal with young people causing problems might be due to a combination of less-experienced committee members and the influx of new households '*They don't know who they are dealing with*' (Council officer).

The co-operative has taken a stronger line on drug dealing. Committee members have built up a good relationship with the local police with the aim of removing drug dealers. This has included passing on information about known drug-dealers and giving evidence in court. The committee also sanctioned the placing of a CCTV camera to monitor drug-dealing activities. Interviewees argued that drugs blighted family lives and were the root cause of much crime in the area. They echoed the sentiments of Etzioni who suggested that '*privacy is not an absolute value, we must look for*

*the criteria that will guide us in making trade-offs in the name of the common good*.<sup>87</sup> However, the co-operative only targets the individuals and, recognising that the families of substance abusers also suffer from the behaviour, it supports a counselling service for the families of drug and alcohol abusers. If legal action is required, the case is referred to the Council. But the co-op has only referred two cases of anti-social behaviour in its 18-year life – and took these decisions only after working with the families for an extended period.

Concern for community is also evident in other ways. Although some housing associations and ownership co-operatives have also sought to develop a wider role in the areas in which they operate<sup>88</sup> tenant management ownership co-operatives have rarely widened their sphere of operations beyond housing to other activities.<sup>89</sup> Speirs is the exception to this rule. Having begun the physical transformation of their area, the residents soon realised that modernised housing would not solve all their problems. The members of Speirs co-operative joined with members of the local housing association and the local residents association to form a Langholm Street Co-ordination Group in 1981. The group took over a derelict school, negotiated a lease, applied for various grants for core staff and capital works and set up a Resource Centre. The Resource Centre operates as a federation of co-operatives. It aims to meet a wide range of community needs from young children through to elderly people and those with a disability. The centre is used by around 1,200 local people on a regular basis. The activities range from leisure and social pursuits through to education and training. Nursery and after school-care projects enable local people to return to work. To assist in the relief of poverty, the project runs a co-operative credit union and provides a debt-counselling and money advice service. The Community Care for the Disabled project provides day-care and training for people with a physical disability<sup>90</sup> and a community business provides a local decorating and environmental service.

However, the operation has had its problems. In recent years, the council has been making heavy cuts in its budgets to voluntary projects and in 1988 the centre had to cut the staff costs by 10 per cent. An award winning teenage library (run by the young people themselves) was taken over by the council and then closed. The Debt Counselling service was axed and is now run two days a week on a voluntary basis by the former manager. Despite these setbacks, the Resource Centre committee and staff continue to look for new sources of funding to help to run the services and set up new projects. They operate on a philosophy they summed up in this

way: *'If it's not written down, that means you can do it. If is written down, it's open to interpretation'* (Resource centre officer).

## Overall Performance

Birchall<sup>91</sup> stressed the importance of the ability of co-ops to meet the needs of members and Hargreaves<sup>92</sup> argues that co-operatives must be judged on their effectiveness in the same way as any other business. Birchall<sup>93</sup> and Power<sup>94</sup> found that TMCs generally have a high standard of management. These findings were supported by a major study in the early 1990s, which concluded that co-operatives *'are a flexible model capable of delivering housing services which compare with the very best mainstream providers'*.<sup>95</sup> The study also found that tenant management co-operatives produced longer-term savings and benefits which more than outweighed set up costs. All three studies emphasised that the small scale of tenant management co-operatives appeared to be central to their good performance. Speirs was the subject of a 1989 study that compared the management effectiveness of the co-op with six community ownership co-ops in the city and the Council<sup>96</sup>. This found that the council and Speirs spent very similar amounts on management and maintenance (taking the additional spending by the council in Speirs into account). However, while Speirs was rated as having 'very high' effectiveness, the council's performance was 'very low'. The same survey found that 90 per cent of Speirs' residents were satisfied with landlord services compared with only 30 per cent of tenants in the comparator council area.

In 1999/2000, the co-op received £107,000 to carry out its services - a total of £538.60 per property. Co-op interviewees compared this with the £958 that Scottish Homes assumes housing associations and ownership co-operatives with up to 250 rehabilitated properties will spend on management and maintenance.<sup>97</sup> However, the co-operative does not manage the full range of functions. Although the council had not carried out a detailed comparative exercise, council staff felt that the co-operatives received a fair deal and had had their budgets protected, while budgets for mainstream council stock had been reduced. Both sides agreed, however, that the co-operatives were much more cost-effective. There is no recent data with which to compare the council and the co-operative. However, interviewees made a direct comparison between the council and the co-op with reference to the outcomes in the two halves of the original Langholm Street. As noted earlier, the upper end of the street opted to stay under direct council control while the lower end formed a co-op. Both parts of the

street had comparable problems. Both were modernised at the same time and the original families remained in the area. The co-op properties have remained in good condition and this part of the street has a safe and friendly atmosphere. However, the upper part of the street deteriorated very rapidly. Over the years, a number of properties were burnt out and boarded up permanently. In the early 1990s, the council informally asked the co-op if they would like to take over the remainder of the street. They declined. In 1999, the upper part of the street was demolished. There was general agreement that, without the co-op, the lower part of the street would have had a similar fate.

Speirs' achievements can be summed up as:

- physical regeneration - turning a notorious and unlettable area into one with reasonable demand and maintaining the environment
- providing a cost-effective quality service
- providing the foundations for a wider range of activities which assist in ameliorating social exclusion
- surviving for 20 years and still remaining viable.

These achievements are considerable. A council officer noted '*They have managed in very difficult circumstances, and we would certainly have failed*'. Rodgers<sup>98</sup> argues that the skills and confidence that tenants gain from the process of developing and managing their co-operative provides an added value of 'social capital' which is essential for wider regeneration of the area. Hargreaves argues that, as self help organisations, they are ideally equipped to help people to realise their potential.<sup>99</sup> The residents of Yoker have shown that they have developed the skills and capabilities to run a complex community operation in equal partnership with other agencies. They have some justification for their claimed title of the 'Peoples' Republic of Yoker'.

Speirs' problems include declining participation levels, questionable allocation practices, lack of education and training for co-op members and staff and failure to inculcate co-operative principles into new households and younger people in the area. The area continues to have high levels of deprivation and is battling drug problems which did not exist 20 years ago. The council has provided only limited support in recent years and has been guilty, on occasions, of high-handed treatment. These are problems of maturity, and of wider environmental factors, that the co-operative needs to address, in partnership with the council. However, the context in which the co-operative operates is likely to change in the

near future.

### **The future of tenant management in Scotland**

The divergence in legislation and policies between Scotland and England has been noted earlier. In 1997, the people of Scotland voted to establish a Scottish Parliament with devolved powers. The Parliament has responsibility for all matters previously with the Scottish Office (including housing) while the Westminster Government remains responsible for defence, economic and fiscal control and social security policy. The establishment of the Scottish Parliament means that housing policy is likely to diverge further from policies in England. The recently published Green Paper on the future of housing policy in Scotland sets out the problems facing public sector housing, including the fact that much of the stock is in poor repair. The total bill for repairing and modernising the public rented stock is estimated to be almost £2.1 billion. The paper notes that by 2002, net public sector housing expenditure in Scotland is expected to be around £640 million a year and concludes '*public sector expenditure on its own is not sufficient. Investment in affordable rented housing in Scotland needs also to be supported by private sector funding*'.<sup>100</sup> The paper stresses the importance of resident involvement in '*determining priorities and taking decisions about housing in their area*' but proposes community ownership as the way forward. The reason for this emphasis on ownership is that it is necessary to transfer stock out of public ownership to alternative landlords in order to secure additional investment in the housing stock.<sup>101</sup> The paper goes on to suggest that:

The new community landlord might be an existing or a newly formed housing association or a local housing company or trust, and would be controlled by a Board comprising tenant representatives, local authority representatives or nominees, and other persons with a close involvement in the community or particularly relevant skills and knowledge.<sup>102</sup>

This emphasis on community ownership is very different to the approach adopted in England, where work by the Social Exclusion Policy Action team on neighbourhood renewal has stressed the need for local housing management where '*tenants are encouraged to be involved in managing estates at whatever level they choose*'.<sup>103</sup> The report cites estate management boards and tenant management organisations (TMOs) as examples of good practice and discusses the merits of the Danish model of tenants'

democracy in which tenants have the right to form a board for their estate. The Scottish green paper does not mention tenant management but it does acknowledge that there is a need for local participation:

The structure of the organisation should provide opportunities for widespread community participation at all levels ... local authorities will need to ensure that their proposals allow for strong tenant participation at both the local level and on the governing body.<sup>104</sup>

Glasgow is one of the authorities which is examining the feasibility of transferring its stock to a 'Community Housing Trust'. In the council's preferred option, the entire stock of 95,000 properties would be transferred to a community controlled body while management would be devolved to a number of Community Management Organisations - probably at Neighbourhood Office level (around 2,000 properties). The council has set up neighbourhood forums to assist in taking the proposals forward and has assured the tenant management co-ops that they could continue to operate under the new regime. However, the Glasgow proposal has been the subject of considerable local controversy. Tenants have expressed concerns about changing their tenure and the Scottish Federation of Housing Associations has lobbied for transfer to existing associations and ownership co-operatives<sup>105</sup> to ensure local accountability. In response, the Scottish Parliament minister has set up a steering group to review the proposal. This group proposes to transfer the stock to a number of new and existing housing associations. At the time of writing, the council and the government are unable to agree a way forward.

## **Conclusions**

The paper has discussed the divergence in policy and legislation between Scotland and England and concludes that the Scottish regime is far less favourable to the promotion, development and support of tenant management. Instead, the current Scottish context strongly favours the development of large-scale stock transfers. Although Glasgow remains supportive of tenant management, the problems that the city faces and the restrictions of the financial regime mean that it sees stock transfer as the way forward. Despite the fact that a number of studies of tenant management have found that it is effective, it is still regarded with suspicion by many landlords and tenants. The Yoker experience demonstrates that,

from small beginnings, a local community can provide for a wide range of services and needs in its area. The community has set out to tackle social exclusion in their area to ensure that local residents can fully participate in society. It is not clear that such commitment would work on a larger scale, and the research evidence suggests that small-scale organisations with a high degree of resident involvement are likely to be more successful than large-scale bodies<sup>106</sup>.

There is no legal reason why small tenant management organisations should not operate inside larger community-led organisations, and there are examples of this in practice. The funding for capital improvements which stock transfers would release could provide a renewed impetus for local tenant management. Existing tenant management co-operatives could take on wider responsibilities, expand their areas of operation and increase staffing levels. There are also potential opportunities for new co-operatives to develop, taking advantage of the investment to improve their estates and then manage them, as Speirs has done. However, tenant management co-ops do need funding, guidance and promotion. Tenants also need access to independent advice and training. This requires support from the Scottish Parliament, landlords and agencies. There is little evidence that there is strong support for tenant management outside Glasgow and there is, therefore, a case for strengthening the Scottish legislation on this issue.

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