



Shared space

How Scottish housing co-ops build communities

Produced for the Cross Party
Group on Co-operatives in
the Scottish Parliament

CO-OPERATIVES UK
Coop



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01 Foreword

from Ed Mayo

Why do housing co-ops matter?

Housing co-ops have so much to offer. They deliver affordable housing in a climate where both house prices and rents are rising. They help to create, and build powerful communities, offering tenants far greater control over the things that matter most to them.

The case studies in this report show how housing co-ops have succeeded in delivering benefits for Scottish communities. However, the sector is still very limited, with just 11 registered and several more unregistered housing co-ops.

We need to do much more.

As the network representing thousands of co-operative businesses worth over £36 billion to the UK economy, Co-operatives UK works to grow the co-op economy. We are part of a global movement and my work brings me in contact almost daily with successful and inspiring co-ops across the world.

Through our constructive work with the Cross Party Group on Co-ops in the Scottish Parliament, we identified housing co-ops as an area where Scotland should be doing better. There is a momentum in England and Wales that is lacking in Scotland. Across the UK there are 685 housing co-ops with a turnover of £642m and membership levels close to 70,000.

By highlighting successful housing co-ops in Scotland and what they can achieve, we aim to put the sector firmly back on the policy map. More people in Scotland deserve the choice to live in successful, affordable and collaborative communities. There is an energy in this sector that is being recognised more and more by decision-makers right across this country.

Scotland is ready for a more co-operative economy and we think that should start in the home. The recommendations in this report will see Scotland leading the UK towards a more inclusive housing future with co-operation at its heart.

Ed Mayo
Secretary General
Co-operatives UK



02 Foreword

from James Kelly MSP

Moving housing co-ops up the political agenda

As convener of the Cross Party Group on Co-operatives, I am pleased to introduce our report on what can be done to promote co-operative housing as part of the solution to Scotland's housing needs.

Our Cross Party Group provides a platform for MSPs and others to increase awareness of the co-operative model and its contribution to Scotland's social and economic development. Working closely with Co-operatives UK, we seek to promote co-operation as a vital component of Scotland's future, and to work with the Scottish Government and the wider co-op movement to identify how best to sustain existing co-operative and mutual groups and to encourage an increase in co-operative working in Scotland.

There has never been a better time to do this. Globally, many more people are seeking to take greater control over their lives and look at better ways they can contribute to the wellbeing of our wider society. Co-operatives UK provides direct support and encouragement to those seeking to establish new co-operatives and acts as a powerful advocate to policy-makers and influencers.

Part of their work is to raise awareness of co-ops through the Co-op Fortnight campaign, held in June every year. In 2018, the focus was how co-operatives make a difference in their communities. For me, as a Scottish Labour representative for Glasgow, it was natural to turn to a highly successful co-op in the area I know best.

The idea for this report grew out of the contribution to Co-op Fortnight from West Whitlawburn Housing Co-op. The evidence in this report is clear; establishing a co-op at West Whitlawburn made a huge, tangible difference to a struggling community. But the question was asked 'if housing co-ops are a successful model, why aren't we seeing more similar organisations established across Scotland?' My colleagues in the Cross Party Group thought this topic worthy of further investigation and Co-operatives UK agreed. I am pleased to note their assistance without which this report – and its policy recommendations – would not have been possible.

We hope colleagues across the Scottish Parliament and beyond with an interest in co-operation, housing and social justice will read this report and support our recommendations for more co-operative housing in Scotland. I know all parties in Scotland will be looking at their policy platforms in preparation for the next parliamentary elections in 2021. We think the ideas in this report are worthy of consideration, alongside other ways to build a more co-operative Scotland.

James Kelly
MSP

03 Introduction

The housing market in Scotland

This report looks at the potential for housing co-ops against the backdrop of a significant decline in social rented housing in Scotland in the last two decades.

When devolution came to Scotland in 1999, almost one third of households (32 per cent) lived in social rented housing. The latest report by the Scottish Parliament Information Centre (SPICe), in December 2016, showed this had fallen to 23 per cent. [The report included statistics to 2015].

Using figures for the total number of households in Scotland – which increased from 2.19 million to 2.43 million between 1999 and 2015 – the decline equates to a loss of around 120,000 social rented households. This can be largely attributed to a reduction in the amount of housing stock held by local authorities, which has not kept pace with the increase in housing association stock¹.

In Scotland the decline of social housing stock has created a real challenge for those looking for a new home in the social rented sector – with the number of people on waiting lists sitting at around 150,000². The decline in the social rented sector has been accompanied by an increase in the private rented sector, up from five per cent of households in Scotland in 1999 to 14 per cent in 2015.

The SPICe report says private renting is now the most common tenure for households where the highest income member is aged 16 to 34. The percentage of households in this category living in private rented accommodation rose from 13 per cent in 1999 to 41 per cent in 2015 – the so-called ‘generation rent’. The rise in private rented housing has been driven by the expansion of the higher education sector and increase in the number of migrant workers requiring accommodation, as both groups are more likely to live in private rented housing.

The SPICe report also notes the impact of the Global Financial Crisis (GFC), saying: “Prior to the GFC, there was a period of rapid increase in house prices and for many households, owner-occupation became unaffordable. With the onset of the GFC, this difficulty in accessing owner-occupation was exacerbated when the availability of high loan to value mortgages reduced and the need for buyers to have a higher deposit increased.”

¹ <https://www2.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/Stock> (accessed February 2019)

² <https://www2.gov.scot/Publications/2015/09/5480/15> (accessed February 2019)

In this context, the private rented sector's primary purpose has shifted. Initially, it served mainly as an option for those looking to own a home to settle in a viable, long term alternative while saving a deposit for a future property. Today, the sector is far more populated by those who cannot find a viable housing alternative and doesn't necessarily offer the opportunity to save, or better living conditions than the wider industry.

Sarah Boyack, of the Scottish Federation of Housing Associations (SFHA), puts it like this: "The property ladder is broken – it is not meeting people's needs and aspirations. We want a property democracy where people have a choice at every point in their life." At the heart of the problem is affordability. Cost is a major issue in the private rented sector, with prices rising above inflation across many parts of the country. For example, one-bed properties in Greater Glasgow saw payments increase by 4.2 per cent in 2018 on the previous year [the equivalent of around £30 per month], while those in 2-bed properties in the Lothians faced rises of 6.5 per cent, with 3-bed renters in the Dundee and Angus area paying 4 per cent more.

These rent increases mean the number of people in the private rented sector living in poverty has also now increased. Scottish Government data reveals that in the three-year period 2004-2007, 160,000 people renting privately were considered to be living in poverty. For the latest three-year period (2014-2017), this figure has jumped to 280,000 – an increase of 75 per cent on 2004-2007.

The extreme result of this is people finding themselves unable to afford their rent and ending up without a stable home. Students, young people looking to get onto the housing ladder and the oldest in our society are all feeling the effect of a lack of affordable housing. In areas like Edinburgh, a typical student rent is £550-plus per month, while in high-end student accommodation, close to £1000 is not uncommon. By comparison, rents at Edinburgh Student Housing Co-operative (ESHC) are £322 per month.

At the other end of the age spectrum, many older people who rent are using their pensions to continue private renting into their retirement. The number of permanently retired adults living in the private rented sector has doubled from 20,000 to 40,000 in the last ten years. A Scottish Widows study in 2017 found those planning to retire in 15 years' time would need to save an extra £525 per month into their pensions to ensure they would be able to cover increasing housing costs.

This report examines one potential alternative to the housing crisis – an increase in the use of housing co-ops. As well as making affordability a priority, they also bring a wealth of other benefits – with an emphasis on giving people a warm, safe and secure place to live within a supportive community. Housing co-ops fulfil so many government priorities, including providing warmer homes, tackling fuel poverty, enhancing community safety and increasing tenant participation – giving people more of a say over their homes and their lives.



With successful case studies – from former council-owned tower blocks to student co-ops – this report looks at the ability of housing co-ops to offer safer, more attractive and more secure homes for people in Scotland. This is often not an affordable or realistic option for those forced to rent from private landlords.

Housing co-ops are part of the answer, but the only new ones created in the last 15 years have been student housing co-ops; none have been created from local authority housing stock. This report asks why that might be the case – and how housing co-ops might make more of an impact in the policy debate at a time when affordable housing is such a challenge for Scotland and its people. As Sarah Boyack of the Scottish Federation of Housing Associations said: "Our ambition is for a good home for everyone. Housing co-ops are essential to achieving this."

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04

A case for co-ops

West Whitlawburn: how housing co-ops transform lives

West Whitlawburn Housing Co-op, a housing estate of six tower blocks in Cambuslang, to the south-east of Glasgow, celebrates its 30th birthday in 2019. As it marks this milestone, the co-op is thriving, but back in the late 1980s, it was a very different story.

Anne Anderson has lived at West Whitlawburn for more than 40 years and recalls the bad old days very well. "When I first moved here, it was quite a good area but steadily went downhill," says Anne, a retired dinner lady who chairs the Management Committee of West Whitlawburn Housing Co-op Ltd. "There were no repairs getting done and the place was really bad, with gangs, crime and drugs."

"When it was mooted about a co-op, we weren't too sure. There was a sense of 'If the council can't do it, how can a bunch of tenants do it? Where will the money come from? What will this cost us?' But I started attending meetings and found out more and thought 'This could really be quite good.' The flats and the towers were really not being looked after - and the towers were open so anyone could get in; there was no security."

When West Whitlawburn Housing Co-op took over in 1989, Anne says positive change didn't happen overnight: "It took a while but it was important to understand what tenants really wanted - and their top priority was security. We got entry systems for the whole block and for each landing, plus concierge services and cameras."

"This all made people feel much more secure in their own homes. They knew there wouldn't be someone sitting with drugs or drinking on the stairs. If the concierge saw big groups congregating, they would move them on."

Anne's daughter Susan Anderson, who was at primary school when the co-op took over, also recalls an early positive change. Susan, now Vice-Chair of the Management Committee, says: "When I was growing up here, there were a lot of comings and goings in the towers and lots of rivalry between Whitlawburn and other areas. Lots of people were running up and down the towers asking where certain people stayed. It was seen as a very rundown area."

"After the co-op started and security systems went in, that made a big difference. As a teenager walking about the estate, you just felt safer." Throughout the 1990s, the confidence of the co-op grew and the security of the estate - and tenants' lives - improved, but it was not until 2004 that major physical improvements started taking place.



"When we got the exterior cladding of the towers done, they looked really good and that made a big difference to what people thought about the estate from the outside," says Anne. "Over a period of years, we also got new windows and improved living spaces. There was a really big difference inside and out."

Andy Duffin, Secretary of the Management Committee, is a West Whitlawburn 'newcomer', arriving in 2012. He explains: "I'd had a hard time finding suitable accommodation for my daughter Tiegán [now 19], who is in a wheelchair. I didn't feel well-treated by the council."

"I didn't know much about West Whitlawburn, but there was a flat with adaptations that was very suitable for us. However, we were beaten to it by someone else with specific needs, but West Whitlawburn remembered us and when the tenants moved on from that flat after two years, they contacted me and I asked if I wanted the flat. I thought that was very thoughtful of them to get back to me."

"We were made really welcome when we moved in. Everything was at hand; it was like night and day to dealing with the council, where everyone seemed so far away. I liked the whole ethos of it. That made me want to get involved in the co-op. I've been on the committee for six years. When you see what has been achieved, it's really impressive. The committee has set a standard and you are conscious of not letting it down."

The Management Committee members admit it is not always plain sailing and that they do come in for criticism at times. "It's hard when people come up and say 'The co-op does nothing for me' just because something does not get done instantly. That really bugs me," says Anne. Susan makes a similar point: "Lots of tenants talk about wanting work being done on the landings and foyers, but since the Grenfell Tower fire, we have had to spend a lot of extra time and money on safety features - and the priority has to be safety. People don't realise the cost of smoke and heat detectors, for example. And there is always bureaucracy to comply with."

The committee members feel they have a positive relationship with the staff team at West Whitlawburn, led by Chief Executive Paul Farrell. They have monthly management committee meetings and sub-committee meetings every 2-3 months on finance, housing and property matters. "We feel we have a really good say in what we do here," says Anne. "We have to take advice from the staff but it is done in discussion. We have committed staff who push for things to be done and a very strong committee."

There are currently 14 members of the Management Committee, although it is not always easy to bring in new blood. As Andy says: "With success comes complacency. People sit back and don't want to do anything. So if you want to get a quorum for a meeting, start a rumour that something terrible is about to happen! It looks like we are sailing along nicely but our feet are going like hell beneath the surface."

So as Anne reflects on 40 years at West Whitlawburn, in the 30th year of the co-op, what does she think? "As a co-op, it is definitely better - it's a much better environment, a better place to live. It's not just about security and better homes - one real difference between the council and the co-op is that you always know who you are talking to. You speak directly to the same staff on site - rather than a council office miles away - and everyone knows everyone else."

"Repairs are also done well, and pretty quickly - but it doesn't have to be a housing problem that you have - you can talk to the staff about pretty much anything. It's much more of a community now."

East meets west

The success of the West Whitlawburn Housing Co-op is perhaps best exemplified by the story of neighbouring East Whitlawburn, where more than 350 flats are scheduled for demolition.

The problems which bedevilled West Whitlawburn in the late 1980s are still there next door, says Paul Farrell, Chief Executive of the West Whitlawburn Housing Co-op Ltd.

"There is no demand and high turnover at East Whitlawburn and 360 flats are going to be demolished - despite huge amounts of public money being poured into them," he says. "It's absolutely chronic."

Andy Duffin, Secretary of the Management Committee, recalls when he first saw the area: "When I came down here, I saw East Whitlawburn first and I was put off because it looks so run down. The two areas are so different."

Vice-Chair Susan Anderson says when any problems arise in West Whitlawburn, she counts her blessings: "You look across at East Whitlawburn, which is being demolished, and realise how lucky you are to be living in the co-op."

Anne Anderson, Chair of the Management Committee, puts it simply: "If the co-op hadn't been formed, I don't think West Whitlawburn would be here. I think the towers would have been knocked down. This was the area's worst housing stock 30 years ago."



"You look across at East Whitlawburn and realise how lucky you are to be living in the co-op."

05

Less is not more

If housing co-ops work, why don't we have more?

How does Paul Farrell, Chief Executive of West Whitlawburn Housing Co-op, feel tenants have benefited from having a co-op - and if their experience has been so positive, why have more housing co-ops not been set up in Scotland?

"Social housing estates can be chaotic, dangerous, crime-ridden and drug-ridden places – and what tenants want above all else is safety and security. They don't want people selling drugs or wrecking their car."

"When the co-op was formed in 1989, people were finding syringes at the back door and in the lifts and people were knocking on neighbours' doors to buy hard drugs in the middle of the night."

"The co-op has delivered safety and security in a residential environment which is non-chaotic and not dangerous. Our rents are relatively higher [than council rents] but our tenants have no problem with that; 37 per cent of tenants are on some kind of benefit but they are happy to pay that bit extra if they see something that delivers value."

"We have looked at what tenants want – and delivered on that. As well as security, they want wind and watertight conditions. They don't want dampness. They want good heating systems and they want space."

"They also want transparency – to know who their landlord is. They want to go to an office and see the same faces. Most tenants are on first name terms with our staff. We are not impersonal, like a local authority reception area miles away from most people's lives."

"We deliver in all areas to improve the quality of people's lives. It's much more than bricks and mortar. We offer financial inclusion and digital inclusion – and by setting up our energy company in 2012, we have frozen power bills and helped to tackle fuel poverty."

"Our latest statistics on tenant satisfaction show that on 15 indicators, West Whitlawburn was higher than the Scottish average for social housing in 13. This is hard statistical evidence of comparative success."

"We get very positive comments from tenants. We are governed by the Scottish Public Service Ombudsman and every six months, we need to report how many complaints we get. We have turned that on its head and also collated compliments – emails, letters and cards. In the last recorded six-month period, we had seven complaints and 20 compliments."



"All the statistics show that the day-to-day lives of tenants have improved. One way to judge it is demand for homes and turnover of tenants. Before the co-op took over, there was no demand and very high turnover. Within five years, we had turned that around to increase demand and reduce turnover - and that's still the case 25 years later."

"Compare us to East Whitlawburn, next door; there is no demand, high turnover and more than 350 flats due to be demolished - despite pouring in huge amounts of public money. We are doing well, but we are not complacent. We conduct a formal tenant satisfaction survey of 40 percent of West Whitlawburn tenants every three years. The average success figure is 90 percent, sometimes 98-99 percent."

"So people ask me why there aren't more housing co-ops being formed. The reasons are varied and complex. Part of the problem is the overarching government attitude; it has never been particularly supportive or promotional in a way I have never really understood. The housing co-op model works tremendously well. Some argue it does not benefit from economies of scale, but that's an argument by cost accountants, not social accountants like me. Big is not always beautiful, certainly not in a housing sense."

"Back in the day of the Glasgow Housing Association stock transfer [2003], I suggested a few housing co-ops could be formed. Scotland's housing regulator said they didn't want any more co-ops created because they are too difficult to regulate. That's a jaw-dropping statement. I wonder if there is still a prevailing attitude that we are too awkward, too difficult?"

"I wrote to Housing Minister Kevin Stewart MSP in 2017 and he said 'We do not choose to promote one form of housing over another'. That's astonishing when we have one form that works - housing co-ops - and one that patently doesn't, council housing. It's like saying 'We aren't in favour of promoting tenant choice, of letting people know what options are open.'"

"Scotland is behind the curve. In Wales, the Welsh Co-operative Housing Development Company is putting in £50,000 a year for three years to promote, support and increase the number of co-ops in Wales. It's nothing in financial terms."

"The attitude of local authorities is another barrier. We are in South Lanarkshire and there is no history of, or appetite, to transfer council housing stock to community level; no appetite to give up control. Glasgow is supportive of the idea of housing co-ops but doesn't have the stock. South Lanarkshire and others have the stock, but want to continue as a social municipal landlord."



"West Whitlawburn is sandwiched between two local authority estates which are failing abjectly. They are dreadfully managed and maintained. There is no tenant input or participation, no transparency."

"Central and local government often argue that tenants aren't interested. It's an easy argument to use. Yes, some tenants just want to get on with it and let someone look after them. Others seem apathetic because they don't know about the options."

"It would be interesting to test it with a promotional campaign. That would disturb the apathy. In West Whitlawburn, tenants realised their future could be brighter. But tenants lack the awareness to go it alone if local authorities will not promote co-ops."

"Local authorities also argue it is too expensive to disaggregate housing stock - but there are huge financial savings to the public purse. We took control of an estate that was in chaos and turned it around."

"So how can we improve things and create an environment where we can create more housing co-ops? I think we need an awareness and publicity campaign to tell people what we are doing - as simple as that. It won't happen overnight, so educating people about housing co-ops is important. And let's not reinvent the wheel; let's look at what Wales has done and at places like West Whitlawburn. What successes are we reaping for our tenants and how do we repeat them? I really believe future generations could benefit from many more housing co-ops."

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06 Student co-ops

The case for student housing co-ops

Students face a range of problems in their search for housing. Costs have skyrocketed across all housing types, with rents of £550-plus per month the norm for a room in Edinburgh, and close to £1000 not uncommon in the high-end accommodation springing up across the city.

Increasing student numbers – almost one in five Edinburgh residents is in higher or further education – put pressure on local communities and can displace existing residents, as landlords and agencies buy up flats (for Houses in Multiple Occupation – HMOs) and private developers drop hundreds of bedrooms into new multi-storey blocks.

Despite the rising cost, students can still expect draughty windows, old carpets, springy mattresses and shoddy appliances in the average private let. And despite the higher standard of repair in newer halls, students often describe their housing as sterile, oppressive and, ultimately, lonely.

The Edinburgh Student Housing Co-operative (ESHC) offers a stark contrast. Rent this year is £322 per month, including all utilities, internet, laundry and basics like washing-up liquid and toilet paper. To members like Nathan Bower-Bir – a student, researcher, and co-op activist – ESHC is far more than its (comparatively) low rent. Entirely run by its 106 members, it is a strong community buzzing with activity. Self-management helps drive down rent, but its benefits spill over into residents' personal and social worlds. As Nathan explains: "Members who had never before used a hammer have since built new kitchen shelves, replaced boiler thermostats, and wired new light fittings – developing valuable skills and boosting their own confidence."

Residents in one flat tore up their old kitchen lino and carpeting to lay in its place hardwood flooring salvaged from the old Portobello High School gym. When they talk about it, Nathan says: "Pride beams from their faces – they know their efforts will long outlast them in this place. Members often find joy in working together to improve their home, for themselves and future generations."

Organising 106 people to run two buildings of 24 flats is no small task. This is especially true in a student co-op, where membership changes every year. But, Nathan says, working through these challenges is one of ESHC's biggest benefits.

"Living in a co-op is much more reflective of how society works - you live within a community, getting used to people, both those you like and those who drive you a little nuts," he says. "This is a place where everyone has to learn to communicate better with each other, work things out, co-operate."



Founded in 2014, ESHC is the largest of only three student housing co-ops in the UK. Its buildings were formerly Napier University student halls, and are owned by housing association Castle Rock Edinvar and leased to the co-op.

Nathan believes a cornerstone of housing co-ops is having control over your housing, rather than relying on a landlord to get things done - and, of course, affordability. He says: "Most student housing is either run down or outrageously expensive – or both. Nearly all of it is overcrowded and sterile. Student housing is now a lucrative 'investment opportunity', with privately-financed student halls driving up costs and disrupting communities. But students deserve homes over which they have control and that are integrated into wider society."

Nathan, who came to Edinburgh from Indiana in 2011 for a Masters degree – and never left – believes the student co-operative model could do much more. However, he notes many obstacles in the way: "The biggest cost in housing is paying for someone else's surplus revenue. Two-thirds of ESHC's rental income goes straight to Castle Rock Edinvar. That greatly limits our ability to build up enough reserves to invest in new properties." Also, because ESHC is not a registered social landlord, it has limited access to government funding.

"We are also limited by architecture," says Nathan. "Buildings are generally not designed for communal living, but with the sole intent of maximising profit, which in student housing means either cramming in as many bedrooms as possible or building an outsize number of en suite and studio accommodation which only the wealthiest can afford."

At ESHC, the focus is on improving current properties and looking for new ones. Members are converting car parks beneath each building into habitable spaces for residents and the wider public to enjoy, carrying out most of the work themselves. Once complete, one basement will offer a large multi-purpose room with a kitchenette and toilets, to be used by community groups for little or no charge. ESHC hopes to change people's perspectives of students and become a local community hub.

"There are real opportunities for housing co-ops in general to bring generations together," says Nathan. "I'd love to see an intergenerational housing co-op that brings together students, single people, families and older people. We are better served living in diverse communities."

"I know many students who miss their younger siblings and would love to babysit for a neighbour. What family doesn't need a babysitter? Lots of older people want to participate actively in society; retired people have so many skills they can teach us. Sharing and learning are fundamental in co-ops. Personally, my own time living in this co-op has been transformational, and in that, I am not alone."

Time to invest

So how do we take student housing to the next level? Edinburgh Student Housing Co-operative's Nathan Bower-Bir believes Government must invest in co-operative housing.

"Demand for co-operative housing among students is through the roof. Every year, Edinburgh Student Housing Co-operative (ESHC) receives 4-10 times as many applications as places available – with next to no advertising. Groups of students in Glasgow, Stirling, Aberdeen, Leeds, Bristol, Brighton, Nottingham, Norwich and others are looking for properties to set up co-ops."


"The greatest obstacles are financial. At ESHC, two-thirds (almost £272,000) of our rental income goes straight to Castle Rock Edinvar, which for them constitutes mostly surplus revenue. Of the remaining income, we use about half (circa £70,000) for our general operations and maintenance. This means that despite charging the lowest institutional rent in Edinburgh for student housing, we still generate around £70,000 surplus each year. In recent years, we have invested much of that into our buildings, creating a publicly accessible hall to be used by our wider community at little or no cost. We also aspire to acquire new buildings to help more people take control over their housing."

"When the Glasgow Student Housing Co-operative (GSHC) told us they had found a suitable property for sale, we agreed in principle to help them buy the building. But as we arranged for surveys and negotiated with banks for financing, three separate cash offers were made on the property. We could have made a competitive offer – but not with the same speed."

"When a set of halls came on the market a few years ago, we leapt at the chance to double in size. We negotiated bank financing to make a competitive bid, but the associated costs of acquiring such a large property – especially Land and Buildings Transaction Tax of around £250,000 – pushed it out of our reach for purchasing."

"ESHC's mission is not only to provide good, affordable homes to our 106 students; we also want to help new co-ops start and grow. Any investment in co-operative housing is self-replicating. If ESHC owned its buildings outright, we would generate more than £300,000 per year in surplus. Three ESHCs – just over 300 students, or 0.4 per cent of Edinburgh's student population – and we would have £1 million per year to invest in our communities, and in better homes for people."

"As we see it, an early investment in co-operative housing by the Scottish Government and local authorities would yield substantial annual returns and reinvestment by those co-ops. The need for financial support from the government would quickly dwindle and many more people would live in better homes that they control."



"Demand for co-operative housing among students is through the roof."

07 Shared space

Ploughshare: building a shared community

For the residents of Ploughshare in Edinburgh, building a community is central to their vision of what a housing co-op could – and should – be.

Ploughshare was set up in 1984 to accommodate people on low incomes in a traditionally well-off area. It is a small co-op, with eight people (and a cat) living in a large terraced house in Bruntsfield. Members of the co-op are both tenants and directors of the limited company that owns the building; there is no landlord.

Laura Davis and Oliver Dickson, two members of the housing co-op, told the Scottish Parliament's Cross Party Group on Co-ops in late 2018: "For us, it is all about the community and tackling isolation and loneliness. People have immediate access to social interaction, help and support. They can be part of a community, but have their own space and autonomy when they want it.

"It's also about being able to control how things happen and when they happen. You have security that you won't be kicked out randomly or have your rent hiked suddenly."

Oliver makes a similar point to Nathan Bower-Bir about shared experience: "It is multi-generational living – everyone has a role to play; older people can share skills with younger people."

Like the Edinburgh Student Housing Co-op, any expansion of co-ops in Edinburgh has a big hurdle to climb. The biggest hurdle, according to Oliver, is that: "It is so expensive to buy a property."



08 Across the UK

What can Scotland learn from England and Wales?

While the progress of housing co-ops has been stalled in Scotland for some years, there is clear momentum in the sector in both England and Wales. So what can housing co-ops in Scotland learn from their counterparts in England and Wales?

In England, the community-led housing movement has been developing over the last decade. The Community Housing Fund and a national programme to develop a range of community-led housing runs until at least 2021/22.

The Confederation of Co-operative Housing (CCH), the national representative body for the sector since 1994, has highlighted the following key aspects of the programme:

- Revenue funding to support development of housing co-ops
- Funding for local authorities to provide infrastructure support
- A capital programme to support the development of various community-led housing schemes
- A national training and accreditation programme to train up community-led housing advisors
- A programme to develop community-led housing 'hubs', currently in London, Birmingham, Leeds, Bristol, the North East and the North West
- An online portal providing advice/support for community-led housing
- A national publicity programme for community-led housing
- The CCH currently has around 180 co-operative housing member organisations, most of them Registered Providers

The programme aims to support the development of a wide variety of community-led housing schemes that could be for different tenures, different income groups, urban and rural, for community-led housing schemes that are resident-led and for community-led housing schemes that are about communities developing homes that meet local housing needs, but might not be for the members of the organisations.

The CCH is also exploring a scheme to develop a Co-operative Foundation which develops community-led housing schemes at scale (100-200 homes) which are leased from the Foundation, and aim to develop across incomes and potentially with limited subsidy.



This scheme is at an early stage, but aims to replicate some features of the Community Land Trust British Columbia in Canada, which currently has 2,300 homes in the pipeline.

While the sector in Wales is less mature, impetus was delivered by a three-year fund of almost £150,000, awarded to the Wales Co-operative Centre (WCC) in 2017 by the Welsh Government to support the development of housing co-ops.

The CCH has worked to implement the Welsh Government's co-operative housing strategy. With no existing co-operative housing sector in Wales, the programme has developed three pioneer schemes (social, intermediate rental and shared ownership) with 20 other schemes at various stages of development.

Other initiatives in England include the proposal by the CCH to the current social housing Green Paper review to establish a community-led housing regulator to ensure effective governance and management in community-led housing schemes.

More broadly, the CCH is supporting the tenant movement in England. In the wake of the Grenfell Tower tragedy in June 2017, the CCH has initiated a campaign to establish 'A Voice for Tenants Steering Group' to deliver national representation, built on grassroots tenant activity.

In terms of student co-op housing, the success of existing co-ops in Birmingham, Sheffield and Edinburgh – and need for more accommodation – has prompted students to take a step further and create Student Co-operative Homes (SCH). The national development body will support the growth of the sector and aims to provide a suitable vehicle to attract and manage funds – from investors, government and existing student co-ops – to purchase properties for student groups and provide the expertise to successfully set-up and manage student housing co-ops.

SCH has received support – financial and expertise – from Co-operatives UK and other societies in its incubation phase, but would greatly benefit from more direct government support to deliver student housing co-ops quickly and on a large scale.

In summary there is more overt support for housing co-ops as a policy option in England and Wales – and lessons for Scotland in terms of driving forward the housing co-ops agenda north of the border.

09 Why co-ops?

The benefits of housing co-ops

Affordability: Co-ops are an affordable place to live at a time when house prices and rents are increasing. The affordability of co-ops in the private rental sector, including shared housing and student accommodation, is particularly significant, as rents are increasingly expensive, especially in major cities.

Empowerment: Housing co-ops in the social and private rental sectors give residents unparalleled agency, ownership and control in matters that fundamentally affect their lives.

Community: The three very different housing co-ops featured in this report have all highlighted the greater sense of community delivered by a housing co-operative. This can help to address issues of isolation, loneliness and mental ill-health.

Stronger social housing: West Whitlawburn demonstrates how housing co-ops can deliver a more attractive, warmer and safer homes than some more traditional social housing solutions. This is starkly illustrated by the success of West Whitlawburn and the failure of neighbouring East Whitlawburn, where more than 350 homes are due to be demolished.



10 Time to act

Policy recommendations:

This is our eight-point plan to help deliver more housing co-ops in Scotland.

We believe Scottish Government should:

1 Fund a three year pilot programme providing expert facilitation and advice to aid the development of more housing co-ops in the social and private rental sectors

2 Consult Scotland's social tenants to better understand their appetite for increased involvement in decisions regarding their homes and neighbourhoods

3 Lower costs and increase scale by working with sector bodies to create a 'Co-operative Foundation' that helps finance larger community-led projects through a co-investment and leasing arrangement

4 Examine whether the regulatory framework for social housing responds appropriately to the distinct characteristics of co-ops



5 Guarantee support for social housing co-ops to undertake urgent safety improvements post-Grenfell

6 Help non-registered housing co-ops to expand, by granting a carefully targeted relief from Land and Buildings Transaction Tax on additional property purchases made by fully mutual housing co-operatives with non-distributable assets

7 Guide local authorities to be supportive of the social value created by housing co-ops, when applying planning legislation to their planning applications

8 Designate appropriately-purposed housing co-ops with non-distributable assets as 'community transfer bodies', to allow them to make asset transfer requests under the Community Empowerment (Scotland) Act 2015



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