Associations to develop 'alternative' merger code

3 May 2016 | By Carl Brown

A group of nine housing associations will work to develop an alternative to the National Housing Federation merger code.

The nine associations (see box), including 6,000-home Soha Housing, have commissioned consultancy Housing Quality Network and law firm Anthony Collins Solicitors to come up with a new set of guidelines for mergers as they are unhappy with the NHF’s code, which they feel is too prescriptive.

They will also work with the Tenant Participation Advisory Service (TPAS) to obtain input from tenants – something the landlords felt was missing from the NHF code.

The voluntary NHF merger code, published in December, was intended to promote transparency and dispel perceptions of inefficiency. However it has been criticised as too burdensome and biased towards predatory associations by some. An Inside Housing survey in February found 46 out of 103 chief executives felt their organisation would be unlikely to sign up.

Richard Peacock, chief executive of Soha Housing, said the NHF code was too prescriptive and places too much of an onus on organisations that are approached to justify why they shouldn’t merge.

He said: “The NHF code implies that mergers are a good idea per se and they will always create efficiencies – the evidence for that is far from clear.” He said there is nothing wrong with mid-sized organisations growing organically – as opposed to through mergers – if their services are good and focused on local needs.

He also said the NHF code does not include any mention of tenants and he criticised the fact there is no option to sign up to the code in part.

Instead, the nine associations’ alternative framework is likely to involve a number of ‘core principles’ for all participating landlords to sign up to, but also options to choose to adopt different elements according to need. This could include landlords of different sizes or operating in different parts of the country signing up to different guidelines.
Mr Peacock said the landlords are choosing to develop a code – as opposed to sticking with the status quo – to ensure the regulator does not force them to sign up to something they don’t want.

The landlords will hold their first meeting to discuss the code, which they hope will be supported more widely in the sector, in May and hope to have it in place by the autumn.

http://www.insidehousing.co.uk/7015023.article?utm_source=housing60&utm_medium=email&utm_content=article_link&utm_campaign=h60?mobilesite=enabled