

## RACE EQUALITY AND DIVERSITY

### INTRODUCTION

The Housing Corporation registers and regulates housing associations, legally known as registered social landlords, in England. We set out our expectations of housing associations in the Regulatory Code and Guidance, published in 2002.

In addition, we produce Good Practice Notes, such as this one, which expand upon our requirements and give advice to housing associations on how they can be met.

This Good Practice Note is about Race Equality and Diversity. The note covers:

- the Corporation's role in relation to Race Equality and Diversity;
- why Race Equality and Diversity are important for housing associations;
- the standards of performance that associations must meet;
- the target dates for meeting these standards;
- how the Corporation will regulate performance on Race Equality and Diversity;
- other sources of Good Practice and information.

A Good Practice Note covering wider Equality and Diversity issues will be published at a later date.

### WHAT IS THE CORPORATION'S ROLE IN RELATION TO RACE EQUALITY AND DIVERSITY?

The Housing Corporation is identified as a statutory body in the Race Relations (Amendment) Act 2000. This means that we have general duties to eliminate unlawful racial discrimination; promote equality of opportunity; and promote good relations between people of different racial groups. It also means that the Corporation must produce a Race Equality Scheme, in which we identify our core activities and how we will ensure that we promote race equality across all of these areas.

Regulation is central to the work of the Corporation. Therefore, in order to meet our statutory responsibilities we must ensure that we regulate housing associations in a way that promotes race equality.

Apart from this legal duty, we believe that Race Equality and Diversity are key to delivering good performance across the housing association sector, another of our main aims for regulation.

### WHY IS RACE EQUALITY AND DIVERSITY IMPORTANT FOR HOUSING ASSOCIATIONS?

Achieving the highest standard of performance on Race Equality and Diversity is important

- because of the legal and regulatory framework in which associations work;
- because of the moral responsibility associations have to work towards a just and tolerant society;
- because it makes good business sense.



## WHY DOES RACE EQUALITY MAKE GOOD BUSINESS SENSE FOR HOUSING ASSOCIATIONS?

There are a number of reasons why achieving the best possible performance on Race Equality and Diversity is good for an association's business.

**Understanding the customer.** Central to delivering continuous improvement of services is understanding the views and needs of customers and using this information to drive forward review and reform. Understanding the diversity of customers and their needs is, therefore, at the heart of any effective system of delivering high quality services.

**Developing new products and services.** Over time associations need to look at the products and services they provide in order to ensure that they continue to meet the needs of the communities they work in. Taking account of the diversity of these communities will be crucial to developing the right products and services for the future.

**Ensuring continued demand for products and services.** As well as developing new products and services, housing associations need to ensure that they keep the existing products and services they offer relevant to the needs of the communities where they work. Taking account of diversity of customers and their aspirations when doing this will keep the appeal of these products and services as broad as possible and help sustain long term demand.

**Winning new business.** Many housing associations actively pursue new business from a number of sources from transfer of local authority housing and contracts for supplying key worker accommodation to providing affordable housing in conjunction with private developers. Good performance on Race Equality and Diversity is increasingly becoming a criterion in the selection process for all these types of partnership.

**Recruiting the best staff.** Only by drawing the best talent from all sections of the community can housing associations ensure that they have the best staff for the job. This can only be done by having fair recruitment processes and corporate commitment to encouraging and supporting applications from a diverse range of people.

**Delivering the best leadership.** The senior management teams and governing bodies of associations need to understand their customers in order to deliver clear business leadership. One of the best ways of achieving this is by ensuring these teams reflect the diversity of communities the organisations they lead work in.

**Building and protecting a good reputation.** Poor performance on Race Equality and Diversity can lead to bad publicity and damage the reputation of a housing association. In contrast, good performance often delivers good publicity and can enhance an association's reputation.

## WHAT ARE THE STANDARDS OF PERFORMANCE ON RACE EQUALITY AND DIVERSITY THAT HOUSING ASSOCIATIONS ARE EXPECTED TO MEET?

Our expectations of housing associations are set out in the Regulatory Code and Guidance. The relevant sections are:

- 2.7 which includes general requirements as to associations' performance on the full range of equalities and diversity, plus specific measurable expectations on race equality;
- 3.2 which includes an expectation that associations' governing bodies receive regular reports on all aspects of performance;
- 3.5 which includes an expectation that associations' services should be responsive to the individual characteristics and circumstances of residents.



## WHAT ARE THE TARGET DATES FOR ACHIEVING THESE LEVELS OF PERFORMANCE?

All associations should seek to achieve the highest standards of performance at the earliest possible opportunity. However, we recognise that improved performance on Race Equality and Diversity may not happen overnight. In our response to the Race and Housing Inquiry Challenge Report we said that our regulatory requirement would be that associations should work towards achieving targets over a three year period. We indicated a phased introduction, and the timetable (Table 1) sets out our expectations for improvement. If associations do not appear to be making the sort of progress envisaged, the Corporation will expect to investigate.

## HOW WILL THE CORPORATION REGULATE HOUSING ASSOCIATION PERFORMANCE OF RACE EQUALITY AND DIVERSITY?

We regulate to ensure good performance on Race Equality and Diversity using three principal tools:

- Lead Regulation
- Equality and Diversity Reviews
- the Inspection Process

### LEAD REGULATION

Lead regulators and Financial Analysts have a continuous engagement with associations and will take Race Equality and Diversity issues into account when they carry out a range of activities, including

- Risk Reviews
- Governance Reviews
- Procurement Reviews
- Reviews of the approach to Continuous Improvement

**Table 1**

Area of activity	By April 2003	By April 2004	By April 2005	By April 2006
<ul style="list-style-type: none"> <li>• Lettings</li> <li>• Tenant satisfaction</li> <li>• Dealing with racial harassment</li> <li>• Staffing</li> <li>• Governing body membership</li> </ul>	Targets set and performance monitored	Action plans to rectify any shortfall against target	Demonstrable improvements in performance	Continuous improvement
<ul style="list-style-type: none"> <li>• Tenant and resident association membership</li> <li>• Employment of contractors, consultants and suppliers</li> </ul>		Targets set and performance monitored	Action plans to rectify any shortfall against target	Demonstrable improvements in performance



They will also check on the implementation of recommendations made after Inspections and Equality and Diversity Reviews, and keep a watching brief on progress. In this way, we hope to send a clear message that good performance on Race Equality and Diversity is critical to good performance across an association's activities and not a separate, stand-alone exercise.

## EQUALITY AND DIVERSITY REVIEWS

From time to time Lead Regulators may carry out reviews looking specifically at performance on Equality and Diversity. In some cases these reviews may be even more specific and concentrate on Race Equality.

Both kinds of review will focus on the full range of requirements set out in the Regulatory Code and Guidance and check that progress towards meeting these standards is in line with the timetable identified in this Good Practice Note.

An Equality and Diversity Review could be included on an association's Regulatory Plan for a number of reasons, some of the most likely of which are:

- because we may be seeking to develop an understanding of performance across the sector on Race Equality and Diversity in a particular area or at a specific point in time;
- because an association works in an area with a very diverse population;
- because we have received indications of an association's poor performance on Race Equality and Diversity;
- because we are aware that an association has a good reputation and we want to identify Good Practice.

As with Inspection and other forms of regulatory review, poor performance identified as part of Equality and Diversity Review could lead to an association being placed under our supervision. This might happen because the association:

- is significantly failing to meet our regulatory requirements relating to Race Equality and

Diversity as set out in the Code and Guidance;

- does not have in place adequate plans for delivering improved performance within the required timescale and has fallen behind the timetable indicated in this note;
- refuses to accept its responsibilities with regard to Race Equality and Diversity;
- does not accept the findings of our review or inspection and refuses to put our recommendations for improvement into place.

## INSPECTION

The Housing Corporation introduced a programme of formal inspections for housing associations in April 2002. Government has now decided to introduce a new single housing inspectorate which will be based at the Audit Commission. This is expected to start in April 2003. We will be working closely with the Commission to deliver the programme, which will continue to regard Equality and Diversity performance as key. The inspections, which will be carried out periodically, are focussed on assessing and improving the performance of associations in terms of their services for residents.

As part of this process, inspection teams will examine performance on the customer facing aspects of Equality and Diversity; make a formal assessment of performance and recommendations for how services can be improved.

In particular they will look at:

1. how services are planned.  
This will include:
  - how information on the diversity of customers and the broader community is used to develop and improve products and services.
  - what policies, guidance and training are in place for staff on Equality and Diversity issues
  - how Equality and Diversity issues are



‘mainstreamed’ into the business planning, risk and operational management of associations

2. how services are delivered.  
This will include:
  - how associations ensure that their services are easily accessible to all.
  - that staff and governing body members are aware of their obligations in respect of Equality and Diversity issues.
  - that the quality of services provided is equally as good for all tenants and residents.
3. how tenants and residents are involved with and consulted on the management of their homes.  
This will include:
  - the range of involvement and consultation techniques used by associations.
  - how associations ensure that they involve and consult with vulnerable and marginalized communities.
  - how associations involve and consult with a broad range of stakeholders, including those working with and on behalf of vulnerable and marginalized groups within the community.
4. how outcomes for tenants and residents are monitored.  
This will include:
  - the range of Performance Indicators and other information on Equality and Diversity issues that are recorded and reported to the governing body, tenants and other stakeholders.

- that the performance of associations is at the same high level for all tenants and residents.

5. how performance, policy and practice are reviewed and evaluated.  
This will include:
  - the programme and scope of service reviews carried out by associations.
  - how the views of tenants and residents from diverse communities are used to inform service reviews.
  - the targets for improvement that are set following service reviews.

#### WHAT OTHER SOURCES OF INFORMATION AND GOOD PRACTICE ON RACE EQUALITY AND DIVERSITY CAN ASSOCIATIONS ACCESS?

The Corporation’s Bank of Good Practice for Continuous Improvement includes a section on compliance with section 2.7 of the Regulatory Code, which sets our expectations on Race Equality and Diversity. The information includes links to some of our recent publications in this area, guidance and good practice produced by others and some useful websites and sources of information. It is continually updated.

The Good Practice Bank can be found in the Resources section of the Corporation’s website [www.housingcorp.gov.uk](http://www.housingcorp.gov.uk)

Information on Race Equality and Diversity is in element 2.7 of the **Properly Governed** part of the site.