The big issue

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David Cowans runs England’s biggest housing association group and last year earned the sector’s biggest salary. So does size matter? Martin Hilditch asks him

“I hate the word social.”

This may seem a surprising confession for the chief executive of England’s largest registered social landlord but then David Cowans is no traditionalist.

The Places for People Group boss is well known for his calls for the sector to change and adapt. Earlier this year he said associations which focus on completing more and more rented housing were failing to position themselves for the 21st century. And while he’s a fan of the concept behind the government’s social Homebuy proposal, he’s wary of anything that may stigmatise the sector’s customers.

“If you ask anyone where they live they don’t tell you what tenure they are in,” he says. “You shouldn’t be identified by where you live. I call it aesthetic apartheid.”

Affordable housing should be built to the same standard as for sale.

Places for People’s size — its turnover in 2004/05 was some £208 million, “the same as Aga cookers”, and it is responsible for 52,000 homes — means Mr Cowans occupies an influential position in the sector. He has even landed a place in the current edition of Who’s Who.

It’s a role he is certainly well rewarded for. This year he overtook John Belcher, chief executive of Anchor Trust, to become the highest-paid person in social housing with a salary of £235,000 (although this included a bonus owed from the previous year). A historic financial mistake which meant he hadn’t received pension payments for a number of years took his actual take-home in 2004/05 up to almost a third of a million pounds (Inside Housing, 19 August). It is something Mr Cowans is keen to point out he has no direct responsibility for.

“To be honest I stay away from these issues,” he says. “There were some one-off issues that impacted this year. The pension payment was a one-off.”

“The remuneration of the chief executive is formally a board issue. It is their decision. They took advice. They need to be able to justify what they pay me. That is really what I have got to say about it.”

He is more engaged when talking about the future of the sector. Despite the recent rash of mergers he said he thinks the sector will continue to be made up of a variety of differently-sized players.

“It’s a very broad church,” he says. “I think there is room for an awful lot of different types of organisation who can play useful roles.”

“If people are seriously listening to what their customers require then I think they will prosper. If they respond to what their customers are saying maybe outside of the box they will prosper even more.”

It is this last theme which, more than anything, seems to characterise Mr Cowans’ thinking. His warning to the sector at the Chartered Institute of Housing conference

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in Harrogate in June predicted that organisations that don’t get involved in mixed tenure and homes for sale schemes would find themselves marginalised in the future. He said the extension of social housing grant to developers meant associations would be forced to look at increasing the scale of their operations or be left looking like they were competing for crumbs from the table.

It’s not quite adapt or die but, he says, providers should be looking to take ‘more radical’ approaches. He cites the example of affordable childcare provider Places for Children, a new company within the group.

‘There are lots of places where people provide housing answers where there isn’t really a housing issue,’ says Mr Cowans. ‘We want to start a programme well beyond asset management. In some cases it will be investment in infrastructure or a local school. It will be whatever the issues are. Each neighbourhood would have a detailed improvement plan.’

One area the group is looking at is setting up its own financial services organisation to provide a range of financial products including mortgages, equity loans and equity stakes to extend tenure diversity.

The organisation – ‘it’s not a bank’, the group’s spokesperson stresses – would also create a range of new home ownership options, including more investment in low-cost home ownership and shared-ownership tenure.

Discussions are currently ongoing but Mr Cowans appears confident about the prospects.

He talks enthusiastically about plans to roll out financial advice at all of Places for People’s offices, saying there is the potential for a housing supermarket. The idea would see people talk to advisers about their circumstances and the group ‘put together a package’ to meet their requirements.

The group is also looking to run a pilot of social Homebuy, which under the government’s plans will see social housing tenants who have lived in their homes for at least five years given the chance to buy a share at a discount with the remainder being held by the landlord.

‘We are probably the only part of the economy that when someone’s circumstances improve we wave goodbye to them,’ he says. ‘Inadvertently there are concentrations of disadvantage created. [With Homebuy] let’s say we have an existing neighbourhood and people are telling us they want to buy and can’t buy here so they want to move. A response is to use Homebuy to give them the chance to stay where they are.

‘None of these things are panaceas but they are all tools.’

It is fair to say that the group’s future is also rosier than it was two years ago when it was put into supervision after concerns about its governance. Although it emerged from supervision in March 2004 the problems cost it Housing Corporation partner status. Places for People is now bidding for grant under the corporation’s pilot scheme to give grant for developers and received a boost last week when it was shortlisted for partner status again.

‘We have always been keen to be partners,’ Mr Cowans confirms. ‘We are obviously keen to enhance our impact on people’s lives. That is fundamentally what we have to do. We have pre-qualified to bid for partner status and we will be putting a bid forward.’

With or without partner status, Mr Cowans says he wants Places for People to be involved in policy debate at the highest level. He says he ‘marinades’ the corporation and government in ideas in his meetings with them. Five minutes’ worth of conversation — in which he ranges from how the Australian government deals with infrastructure problems to the difficulties of buying wind farms — probably provides an idea how it works.

‘It is the way of the world that people have different views,’ he says. ‘Our role is to try and contribute to the debate and try to make sure that it is happening.

‘I think you influence not by your size but by the quality of your ideas.’

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