

Residents' choice

**Guidance on tenant management and other options supported
through the Tenant Empowerment Programme**



Residents' choice

**Guidance on tenant management and other options supported
through the Tenant Empowerment Programme**

Acknowledgements

This guide was commissioned by Communities and Local Government to accompany the revised Housing (Right To Manage) (England) Regulations 2008.

Communities and Local Government would like to thank the ATIC team led by Solon Community Network: Paul Lusk, Susy Lloyd, Keith Mann, Vic Berry, Tom Hopkins and Ruth Miller

Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 020 7944 4400
Website: www.communities.gov.uk

© Crown Copyright, 2008

Copyright in the typographical arrangement rests with the Crown.

This publication, excluding logos, may be reproduced free of charge in any format or medium for research, private study or for internal circulation within an organisation. This is subject to it being reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the publication specified.

Any other use of the contents of this publication would require a copyright licence. Please apply for a Click-Use Licence for core material at www.opsi.gov.uk/click-use/system/online/pLogin.asp, or by writing to the Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU

e-mail: licensing@opsi.gov.uk

If you require this publication in an alternative format please email alternativeformats@communities.gsi.gov.uk

Communities and Local Government Publications
PO Box 236
Wetherby
West Yorkshire
LS23 7NB
Tel: 08701 226 236
Fax: 08701 226 237
Textphone: 08701 207 405
Email: communities@capita.co.uk
Online via the Communities and Local Government website: www.communities.gov.uk

75% recycled

This is printed on
75% recycled paper

October 2008

Product Code: 08 TEB 05490

ISBN: 978-1-4098-0544-1

Contents

Introduction	5
What's this about?	5
Who is this for?	5
Chapter 1: What's it all about?	6
Can we do it for ourselves?	6
Controlling housing services	8
The possible benefits	9
What is right for us?	10
Support under the Tenant Empowerment Programme	11
Getting more help: landlord and Lead Advisor	14
How do we make sure things go to plan?	16
Chapter 2: Exploring the Options	18
Taking control	18
Choosing the Route that's right for you	18
Getting started	23
Getting all the help you need	27
Consulting and involving your community	28
Training	28
Outcomes from the Exploring the Options stage	29
Funding the work programme	30
Applying for Tenant Empowerment Grant	31
Chapter 3: Feasibility and Development	33
The work programme	33
The right skills for the job	35
Approved Assessor: first visit	40
What you will do in your Feasibility and Development study	40
Working in partnership	44
Making a difference	46
Winning and holding support	47
Strengthening your committee	48

Competence	49
Moving on – offer and ballot on a TMO	51
What happens now?	54
Chapter 4: Now it's for real	55
Implementation (entering into an agreement)	55
Completing the management agreement	55
Choosing your staff team	56
Setting up your office	58
What happens now?	59
Appendix 1: Choosing a constitution that's right for you	60
Why do we need a constitution?	60
Appendix 2: Choosing a Lead Advisor	64
Choosing your Lead Advisor – 5 steps to success	64
Appendix 3: Person Specification for Lead Advisor	71
Appendix 4: Sample Tri-Partite Agreement	73
Agreement of principles for Sunnyside TMO's feasibility and development study	73
Settling disputes	75
Appendix 5: RTM Proposal Notice	76
Appendix 6: Useful contacts	77
Glossary which explains some of the jargon/terms used throughout this guide	80

Introduction

What's this about?

This handbook provides information for residents who live in social housing and who are considering taking control of housing and related services. It looks at how you can consider the choices for having more influence over housing and other community-based services in your neighbourhood. It explains how to set up a tenant management organisation (TMO) or negotiate a local management agreement (LMA). It provides information on the Tenant Empowerment Programme, the 'Right to Manage route' and the 'voluntary route', and the funding and the support available to you to make it happen.

Who is this for?

Tenants, residents and leaseholders who are looking at possible ways to improve services and strengthen their community

Other residents, including homeowners who want to help build a thriving neighbourhood

Community groups, **including residents' associations who want more local power over** services

Councillors and board members of housing organisations who may transfer power to neighbourhoods to give more responsibility to their residents and customers

Housing professionals whose skills are needed to develop TMOs, negotiate an LMA or work with residents to improve how services are provided

Community workers and other people who are interested in strengthening democracy and giving communities the power to make decisions for themselves

Anyone else who wants to know about how they can take control of public services

Chapter 1

What's it all about?

Can we do it for ourselves?

Local people can run local services – and make a real difference to their communities, neighbourhoods and the quality of people's lives.

When it comes to things like the quality of the neighbourhood, open spaces, communal (shared) areas and public facilities, or how well homes and buildings are looked after, local residents usually know what goes on – and are in a good position to solve problems and decide future plans.

These days all social-housing providers – and other organisations that provide services to the community – should already be consulting and involving local people in the decisions that affect their lives.

But sometimes local people are ready to go further – they may actually want to take more control and start making decisions for themselves. That includes having legal responsibility for decisions, setting priorities and managing budgets for things like cleaning, caretaking, repairs and improvements. They are prepared to take responsibility and justify their actions, and the results, to the community and neighbourhoods.

Not everyone wants to go that far. But you, or communities you work with, might be thinking:

'Could we make a difference – could we run some or all of the services for ourselves?'

If so, this handbook should interest you.

Table 1a (page 7) shows the range of choices for local communities to influence services in their neighbourhood. There are many ways for people to have control. For example:

- recognised tenants' groups can manage services such as caretaking and contracts for cutting grass
- TMOs can run estate or neighbourhood housing services, manage rent and decide on improvements to their homes; and
- local people can set up a development or land trust that owns land and property and runs services.

Table 1a: Ways to have a say or manage local services

This table sets out the range of ways you can get involved in providing local services. The options range from giving and receiving information and being consulted, through to the highest level where you and other residents manage and control services. The areas in **bold text** in level 5 are covered in more detail in this guidance.

	Social housing	General involvement in neighbourhood services	Community land and buildings
Level 1	<ul style="list-style-type: none"> • Satisfaction surveys • Information 	<ul style="list-style-type: none"> • Surveys • Complaints • Feedback from councillors 	<ul style="list-style-type: none"> • Service user surveys • Complaints and suggestions
Level 4	<ul style="list-style-type: none"> • Consultation on proposals • Estate or neighbourhood groups 	<ul style="list-style-type: none"> • PACT ('Police/ Partners and Communities Together') meetings • Neighbourhood forums 	<ul style="list-style-type: none"> • User groups • Service level agreements
Level 3	<ul style="list-style-type: none"> • Active tenant and resident associations • Housing forums • Tenant participation compacts • Board membership 	<ul style="list-style-type: none"> • Active community groups • Representations from the community • Petitions, and community calls for action 	<ul style="list-style-type: none"> • Management committees • Management agreements
Level 4	<ul style="list-style-type: none"> • Estate agreements 	<ul style="list-style-type: none"> • Area committees • Partnerships • Neighbourhood management 	<ul style="list-style-type: none"> • Leasing community assets to community partners
Level 5	<ul style="list-style-type: none"> • Local management agreements (LMAs) • Tenant management organisations (TMOs) • Community associations and co-operatives owning homes 	<ul style="list-style-type: none"> • Local community, neighbourhood and parish councils 	<ul style="list-style-type: none"> • Development trusts • Community land trusts

Controlling housing services

Local communities can take over running the housing services provided by councils, arm's-length management organisations (ALMOs) or housing associations.

The services they can run include:

- day-to-day housing repairs
- cleaning and caretaking services
- managing tenancy agreements and lettings
- overseeing estate services, such as car parking or open spaces that belong to the landlord
- dealing with antisocial behaviour on behalf of the landlord
- major improvement work to homes.

When residents directly run all or some of these services, it does not, in most cases, mean that they themselves take over the jobs of paid professional staff. It means that housing staff, caretakers and repairs contractors become responsible to the local community for what they do. The money collected from rent and service charges, set aside for managing and maintaining homes and surrounding land, is given to the community organisation that decides how to spend it. A legal contract is negotiated to set out what the organisation takes over, the standards it must meet and how much money it receives.

A community group that has come together and set up an organisation to run services on behalf of the landlord is usually called a tenant management organisation, or TMO for short. The TMO's members may include tenants, leaseholders and other residents. TMOs are based on a set of democratic principles, which say that 'the people who use a service are the people who decide how to run it'.

Belle Isle TMO (BITMO) in Leeds, which manages 2000 homes, has 36 staff all directly employed by the TMO. Below are some comments from residents of BITMO.

"The real benefits of tenant management are local control of resources and services and the ability to direct them to where the community needs them; tenants having direct contact with, or being part of, the decision-making process."

"A TMO allows greater flexibility to revisit and change policies and procedures which are specifically designed for Belle Isle. It also connects officers to the local community and gives them a deeper understanding of that community. Belle Isle has the highest performing repairs service in the city."

"We have established a Credit Union Branch and debt management service in the community and completed the Decent Homes programme quickly, getting very good feedback from tenants."

Sometimes community groups take over the ownership of their homes and land. These types of organisations are often called 'community housing associations' or 'housing co-operatives'. They continue to rent out the homes, but the properties themselves are legally owned by a democratic organisation which all residents can join as voting members.

Sometimes TMOs decide, after a few years, that it would be better to become owners in their own right, so they persuade their landlords to transfer the ownership to them. One example is WATMOS (see below).

A few years ago, Walsall Council decided to set up a new housing association and transfer every council home in Walsall to the new landlord.

The TMOs in the area weren't happy with this so they decided to set up their own landlord organisation instead. Now WATMOS Community Homes owns the 1700 houses and flats, but each TMO continues to manage properties on behalf of WATMOS.

Since it was set up in 2003, WATMOS has significantly improved the standard of its homes, the quality of its services and its overall performance. Its tenants are very satisfied with its work and all its properties meet the Decent Homes Standard.

This guide takes you, step-by-step, through how you could have more control of your housing through an LMA or by forming a TMO to manage homes owned by a council or housing association. It will also be of wider interest to other neighbourhood groups that run or influence other services, such as looking after community land and buildings.

The possible benefits

The **benefits** of managing housing and local services can include the following.

- Better-quality services – tailored to local needs and priorities
- Better value for money – less waste, focusing cash where it can do most good
- Better community spirit – promotes diversity (that is, recognising and welcoming people of different backgrounds) and encourages community spirit, bringing people together to solve everyday problems
- Better community safety – people looking out for each other
- Better democracy – more say for citizens in running things that matter to them
- Greater long-term success – more community 'ownership' and local people are more satisfied with the type and quality of services they receive

Martlett Court Co-operative, which manages 124 flats in Westminster, feels there are clear advantages to involving residents in managing services.

The committee is democratically elected by and from its members. The committee's decisions are put into practice by a professional manager who is based in the local estate office. The co-operative employ a resident caretaker and chooses their own repairs contractors. This means problems are handled quickly and efficiently.

The money saved by running the co-operative efficiently is used to improve the estate. For example, the co-operative employ their own clerk of works to make sure the major-works programme is completed satisfactorily. They transformed some derelict land into an award-winning garden and plan to update the outdoor lighting to make it more attractive and energy-efficient.

The possible downside to managing housing and local services can include the following.

- More responsibility – being in charge means having to give up extra time and make more of a commitment. Things don't always go right – sometimes it means taking tough decisions and answering for mistakes and unpopular choices.
- Working as a team – a community group needs enough people to get involved, who are willing to work as a team despite personal problems that sometimes come up. This team should try to broadly represent the community it serves, with constant effort to attract interest from outside the existing group.
- Developing skills – community groups need the right skills, especially on their committees, in matters such as appointing and leading staff, understanding money and reports and acting legally and fairly. Members must dedicate time for training and developing their skills.
- Working in partnership – success is usually the result of hard work and lots of effort to build trust with important partners, including councils, landlords and other agencies.

What is right for us?

There are many ways for you to have a say in local decisions in your neighbourhood. Table 1a (page 6) sets out the range of ways you can get involved, including making sure you are consulted, having a say in decisions, or even having complete legal control over land, money and buildings.

To decide what is right for you or a community you work with, try answering the following questions.

Question 1: Would some people in the community like to consider having control over local services?

Yes

Go to the next question.

No

Go back to table 1a.

Consider the choices at levels 1 and 2.

Question 2: Are there a number of homes in the area owned by social landlords (councils or housing associations), or rented or leased to local residents?

Yes

Go to the next question.

No

Go back to table 1a.

Do not consider the options in the social-housing column.

Question 3: Could controlling or influencing the services currently provided by the landlord help to improve your neighbourhood?

Yes

Go to the next question.

No

Go back to table 1a.

Do not consider the options in the social-housing column.

Question 4: Are there tenants and leaseholders who want to be active in an organisation and look further into the choices?

Yes

No

Go back to table 1a.

Do not include social-housing choices.

If you have answered 'Yes' to all the questions above, you are now ready to explore whether you want to take control of your housing and related services (for example, by forming a TMO).

Support under the Tenant Empowerment Programme

The Tenant Empowerment Programme (TEP) is funded by the Government. It has two aims. First, to provide general information to allow social-housing residents to explore and develop their ideas about how they can have a greater say in how their homes are managed. Second, funding may be available to help residents' groups to put their ideas into practice – for example, by setting up a TMO. Funding is **only** available to support work in neighbourhoods where there is 'social' housing (homes owned by councils or housing associations).

The Tenant Empowerment Programme:

- helps residents who want to consider their choices for having more control or influence over local services
- helps residents get advice about the best route or way forward (this may include entering into a formal agreement to run some services locally and make other changes to LMAs)
- gives further support, including training, for residents who, after considering their choices and discussing these with their landlord, have decided to set up a TMO
- Chapter 2 gives further help and support if residents choose to set up an organisation to take over the ownership of local council (but not housing association) homes.

At all stages, the support offered under the programme allows you to:

- where necessary, choose and appoint a person or agency called a 'lead advisor' for expert help and guidance
- communicate with your neighbourhood through newsletters, events and so on
- consult people to see whether they support your ideas
- join training programmes and develop essential skills
- visit other places to see what has happened there
- meet other essential costs for your project.

Chapter 2 gives information on the choices and routes available to you.

Generally, there are three stages to developing and setting up a TMO.

Stage 1 Exploring the options

This is the first stage in the process. It should also help you to:

- explore the choices open to you to take more control of managing your homes and estates
- find out how services are provided and which ones need to change to improve the quality of life in your area
- decide on the best route for your neighbourhood to achieve these changes
- get support from your community and other people who may want to be involved
- put together an action plan which sets out the **what**, **how** and **when**.
 - **What** – for example, the route you have chosen may be an LMA with your landlord or you may have chosen to set up a TMO.

- **How** – getting people involved, agreeing a set of rules for your new organisation, and negotiating an agreement with your landlord.
- **When** – the timetable and dates to achieve the various activities you have listed in the '**how**' column.

If your chosen route is to form a TMO, you can either serve a proposal notice on your landlord (if you are council tenants using the Right to Manage route) or agree and sign a simple written agreement with your landlord if you are taking the voluntary route. The notice or agreement should set out:

- the area and properties to be covered
- a timetable for the process
- responsibilities during the process, including who will make sure properties in the area receive information about the proposal
- the support that tenants will receive from the landlord and from independent sources.

Stage 2 Feasibility and development

If your chosen route is to set up a TMO, your next step is to move to the 'Feasibility and development' stage. This stage includes training your committee to give you the knowledge, skills and confidence to manage large budgets and control local services. Training can include:

- teamworking
- negotiation skills
- how to run meetings
- understanding budgets and financial planning

You will need to develop a business plan and agree arrangements such as:

- the rules of your organisation
- financial arrangements
- how you will consult local people so they always have a say
- a list of services you want to run
- where your office will be based
- how many staff you will employ.

You will need to show evidence that you have the organisation skills to create a successful TMO. This will be independently checked by an approved assessor (see page 39).

After you have decided which services you want to run, you will develop an 'offer'. This 'offer' will set out which services your organisation would run, give details of the office arrangements and what staff you would employ. You would need to make sure residents were clear about any changes you plan to make to the services and how you would deliver them. Your 'offer' would then be put to local residents in a secret ballot and they would be asked to formally vote 'yes' or 'no' to the plans.

Stage 3 Entering into an agreement

If tenants have voted to accept your offer, the next stage is to:

- set up the new organisation
- put staff and resources in place
- transfer services and management to the new organisation
- take control.

Getting more help – the landlord and lead advisor

Once you have decided to look at taking control, your next step should be to talk to your landlord to get more information and their support.

You should also consider appointing a lead advisor to support you. A good lead advisor will make sure that you have all the information you need to make a decision, and help make clear to the outside world that you have received the appropriate training and advice you need to go forward. Appendix 2 gives details of what is considered to be good practice when appointing a lead advisor.

What is a lead advisor?

A lead advisor is a person or organisation, chosen and appointed by your group, who can guide you through the process and support you to achieve your aims (for example, setting up a TMO). Whatever route you choose, you will need access to a range of expertise and advice.

It is unlikely that your lead advisor will have **all** the expertise you need, but they will help you to bring in the right people at the right time.

What does a lead advisor do?

A good lead advisor will:

- clearly explain the process and the laws that apply to tenants who want to take control of local services
- work with you to develop a clear work plan, which sets out the costs and realistic timescales

- help you to access the expertise and advice that you need
- direct you to sources of information and good training
- help you to review the competence of your group, and provide evidence of this, as your project goes forward
- explore whether you are eligible for grant funding to pay for the programme
- help develop your group and help with the practical arrangements for running it
- build strong relationships with the people you have to work with, including the council, your landlord and other partners
- give you advice on tactics and choices to achieve your aims.

Who can be a lead advisor?

A lead advisor can be any organisation or person who has the skills and experience to give you the right advice and information. This may be an agency on a list kept by an organisation such as the National Federation of Tenant Management Organisations (NFTMO) or Agencies and Trainers for Involved Communities (ATIC) (see 'Where can we find a lead advisor?' on page 16). Or, you could appoint someone from a community organisation, an existing TMO, a charity or another tenant organisation. You can also appoint your landlord as your lead advisor, if the group agrees to this. In this case, you need to be confident that the specific staff who will be advising you have the authority to give independent advice and challenge your landlord if necessary.

Who pays for the lead advisor?

The lead advisor may be able to apply for Tenant Empowerment Grant to pay for their work, as long as they meet the conditions set out by the Housing Corporation, who manages the grant programme (see www.housingcorp.gov.uk). (From December 2008, the Housing Corporation will be replaced with two new organisations, the Tenant Services Authority and the Homes and Community Agency. The Tenant Empowerment Programme will be managed by the Tenant Services Authority).

If a group appoints their landlord as a lead advisor, the Housing Corporation will not pay grant **direct** to the landlord. The landlord will provide the funding themselves. If you choose to set up a TMO and you 'incorporate' (see Appendix 1, page 60), your TMO will be able to apply for grant to pay the fees of a lead advisor, who may be your landlord.

Who appoints the lead advisor?

Your group will choose and appoint a lead advisor by following a selection process similar to the one set out in Appendix 2, page 64. If you are thinking of applying for a grant, it is important to make sure that you follow any guidance relating to that grant programme and keep to the conditions for grant funding. This covers the appointment of a lead advisor.

When do we appoint a lead advisor?

Some groups will find it useful to appoint a lead advisor at the start of the 'Exploring the options' stage (stage 1), but you can review the appointment of your lead advisor at any stage in the process. This helps to make sure that you have the right person with the right skills to take you forward through the overall process.

As you progress through the project and your needs change, you may decide to appoint a different lead advisor at different stages of the programme. In particular, if you move on to develop a TMO through the 'Feasibility and development' stage, you need to make sure that your lead advisor has the right skills and expertise.

Where can we find a lead advisor?

A number of organisations, such as NFTMO and ATIC, keep lists of companies who carry out this type of work (see Appendix 6, page 77 for contact details). Or, you can ask your landlord if they have a list of appropriate consultants. You need to make sure, however, that your appointment procedure allows you to carry out your own quality assessment.

How do we make sure things go to plan?

You're in charge

During the study, you will get regular updates from your lead advisor which will show you what has been done. You can check this against the agreed programme. It is likely that there will be changes, compared with the original plans. If these changes are big, your advisor will ask you to approve them.

Problems

Problems may come up if, for example, you cancel meetings at short notice, or you want to approve the content of a newsletter but take weeks to respond. Your advisor needs to be able to complete the job in good time, and needs your help for this to happen. Ideally, you should agree some ground rules with your lead advisor at the beginning of the process.

Your advisor is expected to treat you as the client – they are working for you, even though before you incorporate you are not paying for the work yourselves. It is important to talk through any issues about the lead advisor's performance. If you have any of the following concerns, you should raise them at the earliest opportunity.

- If your advisor is not doing the work agreed
- If your advisor is not doing it properly or taking too long
- If you find it difficult to contact your advisor

If any issues are not sorted out or you are still not happy, you might want to include your landlord in the discussions or contact the NFTMO (email contact@nftmo.com or phone 01704 227053) and ask them for suggestions about how to proceed.

The group can reappoint a lead advisor at any time through the process, but this should only be considered after the group has first gone through the proper mediation procedures.

Closing and restarting a project

Sometimes a work programme is not completed. This may happen if:

- your group stops meeting
- your group refuses to complete a study, perhaps because it changes its mind; or
- there are changes or disputes within the group.

If your project does end, for whatever reason, the lead advisor will draft a report setting out the work completed so far and the reasons for the project coming to an end. Most residents will have normally gained something from the process.

If, in the future, circumstances change or you want to continue with the process or begin another project, you should speak to your landlord. If you have the support of other residents on the estate, there is no reason for you not to continue the work you started and put together a new action plan. You may be eligible to reapply for Tenant Empowerment Programme Grant and reappoint a lead advisor.

Chapter 2

Exploring the options

Taking control

Tenants, leaseholders and other residents can look at ways to take control of some or all aspects of managing council and housing association homes in their neighbourhood.

This chapter explains how to get started and covers the following.

- The different routes open to you
- Getting started
 - Getting your group in place
 - Instructing a lead advisor
 - Agreeing a work programme
 - Getting all the help you need
- Outcomes from the 'Exploring the options' stage
 - 'Beginning the process' (serving a Right to Manage Notice, where local-authority tenants go down the Right to Manage route)
 - Action plan
- Grant funding

Choosing the route that's right for you

The main outcomes of the 'Exploring the options' stage will be an action plan and, depending on the route you choose, beginning the process by serving a Right to Manage notice. At the heart of the action plan is your decision about the route ahead. Choosing the right route for you is what the 'Exploring the options' stage is all about.

There are **seven** possible routes.

Route 1 – Voluntary arrangement with the council to set up a TMO

You and your council can decide to work together to set up a TMO. Because this is a voluntary agreement, you do not need to serve a Right to Manage proposal notice. If the voluntary arrangement does not work out, you can still switch to the Right to Manage route.

If your homes are managed by an arm's-length management organisation (ALMO), your landlord should include them in the discussions about setting up a TMO.

Your council will need to be satisfied that any arrangement keeps to the EU Procurement Regulations (see the glossary) and that you have the relevant permission ('consent') under section 27 of the Housing Act 1985. (We refer to this from now on as 'section 27 consent', and it is explained in the glossary.)

Torridon Resident Co-op in Westminster, London, was set up in 1991 using a voluntary route. It followed a three-year period of training and development supported by Westminster City Council's housing department and was one of the first tenants' associations in the borough to take over management as a TMO.

Torridon House is a nine-story block of flats and maisonettes in Maida Vale Estate in W9. The block was built by the Greater London Council (GLC) in 1967, and ownership of the block transferred to Westminster City Council when the GLC was formally ended in 1982. The block has 98 flats and maisonettes with a range of tenancies, a mix of different cultures and a population that changes quite often, a feature of many blocks of flats in central London.

Route 2 – Voluntary arrangement with a housing association to set up a TMO

You can work together to set up a TMO with one or more housing associations that act as landlords in your neighbourhood. One TMO can provide services to several landlords, as long as they all agree.

The registered social landlord will need to get advice about whether the EU Procurement Regulations apply to any proposed agreement.

Cedarwood Housing Co-op is a TMO in housing association stock. It is made up of 12 two-bed flats built in 2000 by Swan Housing Association in Harlow, Essex. The first tenants were chosen from Harlow's waiting list after expressing an interest in the co-op and received training in all aspects of management before moving in. The tenants manage day-to-day repairs, rent collection and allocations (deciding who a property should be awarded to).

John Nolan, a co-op member since 2001, says: "The idea of tenants managing their housing is a great idea. We keep it clean and tidy and I would certainly recommend it to other tenants."

Springfield Horseshoe Co-operative began in 1996, managing 135 local-authority homes in Wolverhampton as well as 13 newly built properties owned by Bromford Housing Group. Residents worked closely with Bromford to demolish and rebuild a small estate of houses, flats and bungalows. These homes are managed through a management agreement that reflects the management agreement with the local authority.

The co-op is now working closely with Bromford Housing Group and Wolverhampton City Council to secure a further 41 newly built homes (about 50% are shared ownership) on land where homes were previously demolished or that is not currently fully used for the benefit of the community.

Route 3 – Local management agreement

Any group can enter into a simple management agreement with their landlord (a housing association or a council, though Section 27 consent will be required for an agreement with a council) to manage a service such as gardening or caretaking. You do not have to be a TMO to do this. The agreement is a legal contract and the maximum value of the contract that can be transferred to a TMO under an LMA is currently about £139,893. You should find out what this maximum value is before you go ahead. There is a guide to local management agreements on CityWest Homes' website at www.cwh.org.uk/main.asp?page=339.

Residents who live in the heart of Bayswater, in the London borough of Westminster, decided to explore the option for local management when they heard that CityWest Homes was carrying out a trial scheme for residents to take control of limited housing services through an LMA. The residents' association took the first step of talking to CityWest Homes because they wanted to improve the local gardens.

Christine Williams, who looks after the project on behalf of Porchester Estate Residents Association, said: "The gardens were looking a little tired, and when we saw the money involved I thought we could get a better, more personal and improved service by doing the work ourselves. Residents really appreciate the effort that is being put in – we no longer have a contractor, we have a gardener who enjoys working for us and we are slowly bringing the garden back to life. Our annual garden party gives us the opportunity to showcase our gardens and increases resident involvement in the community."

Route 4 – The Right to Manage with a council landlord

By law, council tenants can serve a **Right to Manage notice** on their council. This means that the council, as your landlord, must work with you to set up your TMO.

If you want to serve a Right to Manage notice, your organisation must be working to become a tenant management steering group (see page 26). This means:

- your organisation must have a constitution (see Appendix 1, page 60)
- your organisation must have a rule against illegal discrimination
- all tenants and leaseholders must be able to join as voting members if they want to
- your organisation's constitution must say who is in charge (normally this means the committee, but if not, the general meeting takes all the decisions)
- there must be a defined area that your organisation serves.

The members of your organisation must include at least 20% of **all** tenants (including tenants and leaseholders). Of this number, at least 20% must be secure tenants in the defined area.

Your organisation must then **vote** to issue the notice. This vote can be at a general meeting or through a written ballot. **Before** this vote, everyone living in a home affected by the notice must receive a copy of the notice (see the example of a Right to Manage notice in Appendix 5, page 76).

Route 5 – Tenant Led Stock Options for council tenants

A Tenant Led Stock Options study allows you to take the lead in looking at future options for managing or owning homes in your local area. You can decide to set up an organisation to own the homes. When this happens, it is called a 'stock transfer'. In this case, you would set up a new, community-led housing association or housing co-operative to own the homes transferred from a council. This transfer would need to be approved by the Government.

Tenant Led Stock Options is separately funded under the Tenant Empowerment Programme, and you can find out more information and guidance about this route at www.housingcorp.gov.uk/server/show/nav.3459.

Beechwood and Ballantyne Estate Management Board in Wirral was set up after a long period of tenants campaigning for improvements to be made to the estate. In 1995, the day-to-day management of the housing and repairs service was handed over to tenants and in 2002 they used the Right to Manage to firm up these arrangements.

In 2004, the local authority proposed transferring all its housing to a new landlord, Wirral Partnership Homes. Local tenants, however, wanted to keep the control they had won so far and started to campaign. This time they were determined to create their own community-led housing association and, after securing a £5.5 million bank loan, the council agreed to hold a ballot on whether to transfer the estate to the newly created Beechwood and Ballantyne Community Housing Association.

Now, after 25 years of hard work, tenants and leaseholders have got what they really wanted – firm control of the future of their estate.

Route 6 – Neighbourhood arrangements

This route is suitable if you want to influence not just housing, but a wider range of services, including street maintenance, cleaning, youth services and policing.

This is possible through an agreed neighbourhood governance structure such as a 'neighbourhood charter' or 'compact' (many different names are possible) between your tenants' group and the various organisations that are responsible for services.

Other options within this route are possible, including petitioning for a Community Governance Review. To do this, your district or city council needs to consider whether to let you have your own local neighbourhood council with the ability to raise taxes to run services.

When residents in the North Prospect area of Plymouth, Devon, were asked what they thought about the cleaning and rubbish collection service, they gave lots of useful feedback, both good and bad.

There are 2100 homes in the area – 800 are local-authority homes, while another 800 used to be local-authority homes but were later sold freehold under the Right to Buy. The rest are a mix of privately owned homes, properties rented by private landlords and a few properties rented by housing association landlords.

Following feedback from local residents, a Cleaner Streets Working Group was set up to give residents and council managers and supervisors a forum to meet and talk through solutions. The Neighbourhood Management Team agreed to develop a service level agreement which was known locally as a Residents' Charter. This set out the roles and responsibilities of the council and the residents. It allows residents to have a say in how services are run, as well as about what type of services are provided locally and how often.

Since it was set up, the Waste and Street Services has included new areas in the cleaning schedule which were previously missed and installed new litter bins in places identified by residents. The working group collect evidence by taking photos. Residents, as well as the council, have a greater understanding of where the litter comes from and recognise that they need to clean up their act. The charter is expected to be formally agreed in June 2008.

Route 7 – No route chosen

You may decide that you do not want to take on extra responsibility for services. Your action plan will set out how the council, landlords and other agencies will aim to improve services and consult your neighbourhood in the future. If this is not successful, you can always review your action plan and decide on a different route later on.

Getting started

Your group

You should have in place a group with a name and an appropriate structure to oversee the first stage of work (the 'exploring the options stage').

You may already have an existing tenants' and residents' association or community organisation on your estate. If this organisation is seen to be representing tenants, or representing the local neighbourhood generally, it is probably the right organisation to take your study forward.

If you are not already an existing tenants' or community association, you can form a 'steering group' to oversee your work for the 'Exploring the options' stage. A steering group is a small group that acts on behalf of the wider community to take things forward. You need a simple set of rules to make sure you are responsible to the people you represent. The rules will include:

- the name of your group
- what you aim to do
- who can be a member – with a statement that all sections of the community are welcomed and encouraged to join
- the address and phone number where people can contact you
- where you will meet and how often.

Write these down in a document and get it agreed at a meeting. Record the names of the people who attend this meeting. You may only have a few people to start with, but you should try to increase your management group to between seven and 14 residents and offer ordinary membership to everyone in the area.

You will also need to agree the area you are planning to represent. If possible, get a map and mark out the boundaries on it.

If there are other groups in the area, especially if they are concerned with housing and neighbourhood services, let them know what you are doing and ask if they support what you are doing.

Get together and agree a rough plan for what you want to achieve as you 'explore the options'. Here are some questions to consider.

- How much do you know about the area you represent and what goes on there?
- What are the main problems that need to be tackled?
- What routes are you interested in exploring?
- How strong is your group and what needs to be done to make it stronger and more representative of the community?
- What skills and knowledge does the group already have, what training do you want, and do you want to get some kind of qualifications?
- What other groups are there in the area and what are their views?
- What do the council or your landlord (or both) know about the group and your aims?
- What do you want to happen in your project and what is your 'vision' for your area?

Arrange a meeting with your landlord and any other agencies whose homes are affected by your plans. Explain first that you are interested in using the Tenant Empowerment Programme to explore the options for having more control over local services. Ask what support they will offer to help you achieve your vision for the area. If you want to appoint a lead advisor, discuss this and ask your landlord for views on how they might work with a lead advisor.

Table 2a shows the main activities you should try to carry out, with the help of your landlord, in the 'Exploring the options' stage.

Table 2b shows the tasks that a lead advisor or your landlord may be able to help with. You can use this table to identify which tasks you can do yourselves and where you think you might need extra help and advice.

Table 2a: Themes and outcomes for the 'Exploring the options' work programme

Theme 1 Developing the tenants' group and helping it to continue	Outcome 1 The group is well organised with a suitable set of rules. It is working towards representing and involving all sections of the community to reflect how the local neighbourhood is made up (see theme 5).
Theme 2 Looking at the local issues	Outcome 2 The group has an understanding of residents' priorities. An assessment has been made of how residents could work together to improve local management or the local neighbourhood.
Theme 3 Involving the whole community	Outcome 3 All sections of the community, especially hard-to-reach groups, have been consulted through surveys, meetings, local events and going door-to-door.
Theme 4 Developing an action plan	Outcome 4 An action plan has been agreed with the landlord and other important partners. This plan should reflect what local people want and should tackle local issues.

Table 2a: Themes and outcomes for the 'Exploring the options' work programme
(continued)

Theme 5 Choosing a route	Outcome 5 Bringing together all the above, choose one or more of the following routes. <ol style="list-style-type: none"> 1 A voluntary route, where you agree with your council landlord to work together to set up a TMO 2 A voluntary route, where you agree with your housing association landlord (or landlords) to work together to set up a TMO 3 Entering into a voluntary arrangement with your landlord to negotiate an LMA where you control, run or provide a limited number of services for your landlord or managing agent 4 A Right to Manage route, where a tenant management steering group serves a Right to Manage notice on their council landlord, giving the landlord a duty to enter into a management agreement 5 A Tenant Led Stock Options for council tenants to explore future options for management and ownership, including transfer to a housing association 6 Looking at neighbourhood arrangements and how they can influence not just housing but a wider range of services 7 No route
------------------------------------	--

Table 2b: Possible help from your landlord or a lead advisor

Theme 1 Developing the tenants' group and helping it to continue	<ul style="list-style-type: none"> ✓ Working with you to involve new members, including using newsletters and going out and talking to people in person as much as possible. ✓ Looking at any sections of the community who are not involved and working on ways to attract these people to the project. Visiting all sections of the community, as far as time allows. ✓ Advising you on a constitution and any other arrangements that will achieve the results you want. ✓ Arranging training, including committee skills, fairness and communications (this training can be provided by the advisor or other local or national organisations).
Theme 2 Looking at the local issues	Building a picture of how your community is made up, and its main problems and priorities, using: <ul style="list-style-type: none"> ✓ published facts and figures ✓ official reports ✓ interviews with other local agencies ✓ discussions with you ✓ surveys and drop-in events.

Table 2b: Possible help from your landlord or a lead advisor (*continued*)

Theme 3 Involving the whole community	<ul style="list-style-type: none"> ✓ Creating newsletters with you to tell people about the work. ✓ Using surveys, drop-in sessions, focus groups and events – as well as meetings – to get people’s views. ✓ Giving everyone the chance to join the group as a voting member. ✓ Using personal contact as much as possible to reach out to all sections of the community, especially any sections that are under-represented. Giving everyone in the community a summary of the final report and action plan. ✓ Using a vote, a survey or other ways to show that you have support from the community generally for your action plan.
Theme 4 Developing an action plan	<p>The action plan sets out what needs to happen to achieve your vision for the neighbourhood.</p> <p>The action plan will also describe the route you have chosen and a short outline of the work needed in the ‘Feasibility and development’ stage, if this is planned as a next step.</p>
Theme 5 Developing an option for transferring control of local services	<p>You will get training and information about the range of options for how to take control of local services (see table 1a, chapter 1, page 7).</p> <p>This will include information about management agreements and contracts.</p> <p>If you want to move on to the ‘Feasibility and development’ stage, you must set up a tenant organisation that meets the ‘five tests’ (see the Right to Manage statutory guidance, pages 6 and 7).</p> <p>If you choose another option, you should still think about the type of arrangements you need for your organisation. Who will make decisions? How will they check progress and make changes in the future?</p> <p>If your action plan includes an LMA for you to control or run a limited number of services, you should include this in your action plan.</p>

Getting all the help you need

There are many agencies that influence the quality of services locally. There may be anything from one to three councils responsible for many things including cleaning, repairing and lighting the streets, providing education, and caring for vulnerable people. Voters elect councillors to run these organisations.

Other important services are not run by elected councillors. Examples include the police service and the health service. Councillors can influence these as 'community leaders' but not control them directly. In every area, there are 'local strategic partnerships' that bring all the main services together with community, council and business representatives to set priorities. Local area agreements, community strategies and neighbourhood action plans all work towards achieving these agreed aims using different 'pots' of public money.

As you work through 'Exploring the options', you should find out more about who to contact and how to 'work the system' to get the best for your neighbourhood.

Consulting and involving your community

A vital part of your 'Exploring the options' study is to involve your local community. You are likely to do this in a number of ways, including the following.

- Newsletters and information in the local media
- Drop-in events for residents at convenient locations, where residents can talk about the plans and ask questions
- Different approaches which have been sensitively put together to consider the needs of minority and other hard-to-reach communities
- Meetings to make decisions
- Focus groups for invited people to share and discuss problems
- Surveys to find out people's main concerns and opinions
- Visits and personal contact

Part of your study will include learning more about how effective the different ways to consult your community are. All these methods have strengths and limitations. The 'Exploring the options' work should include an affordable mix of methods to get as many people involved as possible and make sure your action plan has plenty of local support.

Training

As part of your work for the first stage, you will be gaining new insights into things like:

- how public services work
- consultation and communication skills
- forming and running a neighbourhood organisation
- your choices of routes for controlling local housing services

You should also consider the courses available through:

- the National Communities Resource Centre (www.traffordhall.com)
- InSTEP (www.instepservices.co.uk)
- the National Federation of Tenant Management Organisations (www.nftmo.com)
- other regional and national training programmes
- local colleges
- the council
- landlords
- other training providers.

As you progress, you will find a continuing need for training. Good training helps attract new members, build a successful committee and provide a flow of stimulating new ideas.

Whatever training you go on, expect it to be lively and enjoyable. It should direct you to books and websites where you can continue to learn new things. It may offer qualifications. It should be comfortable, well prepared and relevant – the trainer should find out about your needs and take account of them. There should be a chance for you to say what you thought about the session and how it could be improved.

Outcomes from the 'Exploring the options' stage

The action plan

By the end of the 'Exploring the options' stage, you will have chosen a route. You will then agree an action plan to achieve your aims. The action plan will be 'SMART', which means '**specific**', '**measurable**', '**achievable**', '**realistic**' and '**timed**'.

- ✓ It will make clear what route you have chosen and what help and support you need to make things happen.
- ✓ It should say who will do what, when, and how you will know when they've done it.
- ✓ It should be agreed with everyone whose help you need to make it happen.
- ✓ It should refer to any other local plans like neighbourhood action plans or local area agreement targets.
- ✓ It should include a few simple things that can definitely be achieved, as well as any ambitious projects that will take longer!
- ✓ It should concentrate on things that the community wants and deal with local issues.
- ✓ It should identify councillors, a senior officer or a housing association board member who can help you if you run into any problems.

- ✓ It will be signed by all the agencies giving you help. At the very least, it must be signed and agreed by your residents' group and by any landlords whose homes were included in the study.

Moving on to tenant management

If you are tenants of a local authority and have chosen to go down the Right to Manage route (route 4) at the end of the first stage, you will now formally 'Initiate the Process' (as set out in the statutory guidance) by serving a Right to Manage notice on the council. This must be agreed by your members in a vote. This route is not open to housing association residents, who do not have the Right to Manage.

Both council and housing association tenants can go down the voluntary route to a TMO (routes 1 and 2). In this case, you and your landlord will have agreed a simple statement during the 'Exploring the options' stage, which sets out your plans to set up a TMO. The statement will say which neighbourhood you will manage, the support your landlord will offer and your plans for training. It will also show that you have the local tenants' support.

Funding the work programme

How will the work programme be funded?

You and your landlord will need to think carefully about how the group will be given the right support and how this support will be funded. In some cases, the landlord may decide they can fund all the work themselves. Or, you may come to a decision together to apply for the Tenant Empowerment Programme Grant to pay for a lead advisor, and other training and development costs.

The work programme you agree with your lead advisor can be put forward to the Housing Corporation, who assess whether it is eligible. Depending on the resources available, the work programme may be funded by the Tenant Empowerment Programme. If you are not eligible for the Tenant Empowerment Programme Grant, you need to make sure that you have agreed a source of funding before you formally appoint your lead advisor.

Support from your landlord

If your lead advisor is applying for the Tenant Empowerment Programme Grant, this grant application will need the support of any landlords whose homes will be covered by your study. Landlords are not, at this stage, asked to contribute to the cost of the Tenant Empowerment Grant – but they are asked to give their support, which means they say that they agree with the programme and will co-operate with the work. The Government will expect the landlord to give this support unless they think there is evidence that:

- you do not plan to really represent the local community in your area; or
- the study will seriously interfere with other plans and proposals that they have agreed, after consulting your community.

Applying for the Tenant Empowerment Programme Grant

There are three options in applying for the grant.

- 1 If you are an incorporated organisation (see Appendix 1, page 60), you can apply for a grant in your own right. If you receive the grant, you will appoint and pay the trainers or experts that you decide to use. Once you get the grant, you will have to account for it. You must have effective and efficient systems for keeping books and controlling money, and the approved assessor will confirm this before you apply. The approved assessor will check that you are genuinely independent and that you have made an informed choice in choosing your lead advisor.
- 2 Before you become an incorporated organisation, the only way to get a grant is through your lead advisor. Your lead advisor will apply for the grant but will report to you on how it is spent. When you become incorporated, your group will then apply direct for the rest of the grant.
- 3 If you use your landlord as lead advisor, the landlord will not be able to receive the grant themselves as the grant is not available to landlords. However, if you are incorporated and you get the grant yourselves, you can then pay your lead advisor, even if this is your landlord.

You can find more information about the Tenant Empowerment Programme Grant on the Housing Corporation's website at www.housingcorp.gov.uk.

What happens next?

Depending on which route you take, there may be more support available from the Tenant Empowerment Programme (TEP) after the 'Exploring the options' stage. The table on the next page shows what support you might get.

Route	Triggers for the next step	Where more help comes from
Route 1 – Voluntary arrangement with the council to set up a TMO	Written agreement between the tenants' group and the council	Help should come from your landlord, and possibly funding from the TEP, to support you through the 'Feasibility and development' stage. The landlord is expected to contribute 25% of the grant.
Route 2 – Voluntary arrangement with a housing association to set up a TMO	Written agreement between the tenants' group and the housing association	
Route 3 – Local management agreement (LMA)	Negotiate and plan an LMA	Landlords provide support, as set out in a signed action plan. TEP helps you agree and negotiate your plan.
Route 4 – The Right to Manage with a council landlord	The tenants' group serves the council with a Right to Manage notice	Support is available from the TEP for the 'Feasibility and development' stage. The council is expected to contribute 25% of the cost.
Route 5 – Tenant Led Stock Options for council tenants	Action plan and ballot or survey of tenants to test their support for the proposal	Funding from the TEP for a Tenant Led Stock Options or Feasibility Study
Route 6 – Neighbourhood arrangements	Draft and agree an action plan	The council should give continuing support, as set out in a signed action plan.
Route 7 – No route chosen		

Whether you receive funding from the Tenant Empowerment Programme depends on your eligibility, your current priorities and whether the money is available.

Final report

When the work programme is completed, your lead advisor will put together a final report. You will be asked to check, agree and sign this document.

Chapter 3

Feasibility and development

The work programme

Aims

If, at the end of the first stage, you have decided to set up a TMO, you will now move on to the next stage. This is called 'Feasibility and development'. You will need to develop a work programme for the 'Feasibility and development' stage for your chosen route (for example, a voluntary route to set up a TMO). At this stage, you should make sure that you have an agreed action plan setting out 'SMART' targets for you to get the important skills you need to be competent, as well as resources to support the next stage of your development. This might include appointing a lead advisor who has the appropriate skills and experience to work with you to develop a TMO. The aims of the programme are for you to:

- develop the skills in your organisation, especially the committee, to manage effectively
- agree what services you want to manage, and negotiate these with your landlord
- agree how much money you will have from the landlord to do this
- decide on how your organisation will be run in the future, including the role of the committee or board, elections and so on.

Tripartite agreements

When you draw up your work programme, it is essential that you consult the landlord. You, the landlord and the lead advisor (if you have appointed one) will sign an agreement at the start of the 'Feasibility and development' stage. This is known as a 'tripartite agreement'. The agreement will set out how you will work together for the rest of the process of transferring control to the TMO. (See Appendix 4, page 73, for an example of a tripartite agreement.)

Voluntary route with local authorities (route 1) – special issues

The voluntary route encourages local authorities and tenants to work together to develop and support agreed arrangements to make tenant management work as well as possible for a local area.

However, it protects the process by still giving you the option of serving a Right to Manage notice at any time in the process. In other words, route 1 includes an option to switch to route 4, even after the 'Feasibility and development' stage has started.

When might this be necessary?

In some situations, both you and the local authority may agree that it is the best way forward. One example would be if the local authority finds that, in line with European competition law, it has to advertise a competitive contract for the management work that your TMO wants to take on. In this case, your TMO can serve a Right to Manage notice, which means that the local authority must, by law, enter into the TMO management agreement, provided the requirements of the Right to Manage are met.

To make sure you are able to serve a notice if you need to, your TMO should attract new members and make sure that at least 20% of all tenants and leaseholders (including 20% of all secure tenants) are members. You can then serve a Right to Manage proposal notice after a vote in favour at a general meeting.

For more information about the option to switch at any stage to the Right to Manage route, see the section called 'Changing from the voluntary route to the Right to Manage route' on page 28 of 'Local control' (the statutory guidance on the Right to Manage).

Working with a housing association (route 2) – special issues

When residents form a TMO to manage homes on behalf of a housing association, certain issues need to be considered. These issues are identified below. Your TMO and your landlord will need to work through these issues and find a solution that you are both satisfied with.

VAT

Value added tax (VAT) is a tax that a business charges to its customers for certain goods or services. A business has to register for VAT and charge the VAT if its turnover goes beyond a set figure (currently £67,000). The business then pays the VAT it has collected to the Government, after taking off any VAT that it has itself had to pay out.

Housing associations do not usually register for or collect VAT. However, because your TMO would be providing management services, you would have to register for VAT if your yearly allowances went beyond the set amount. Local authorities can get the VAT back, so registering for VAT is an advantage if your TMO is working for a local authority – they end up saving the cost of the VAT they pay to suppliers such as repairs contractors and providers of office equipment. But housing associations cannot usually get the VAT back, which could be a disadvantage to you.

If your allowances are likely to go beyond the VAT limit, your TMO and your housing association landlord, together with your advisors, should take this into account when you set the business plan and consider the legal and commercial relationship between your TMO and your landlord.

European competition rules

The European Union (EU) promotes laws to make sure that there is fair competition between businesses that trade in the EU. One rule is that contracts over a certain limit have to be advertised and open to competition. For housing management services, this limit is £139,893 (at the time this document was produced).

A TMO management agreement with a housing association is likely to be a contract to which these rules apply.

Again, it is important to consider this issue early in the negotiations between your landlord and the TMO. There are a number of possible solutions, depending on the size of the allowances and the exact legal arrangements that you make. We cannot explain these here, as different advice applies in different circumstances. You should get specialist advice (for example, from an experienced lead advisor).

The right skills for the job

The training programme

It will be vital for your committee to develop the skills of **governance** (see below). The National Federation of Tenant Management Organisations (NFTMO) has developed a quality standard for TMO governance, known as the 'Kite Mark for TMOs'. This standard sets the benchmark which you should aim to achieve. There are more details on the NFTMO's website at www.nftmo.com. The Confederation of Cooperative Housing also has a model 'Code of Governance' (see Appendix 6, page 77 for contact details).

Governance

Good governance is summed up as '**making sure the committee is in control of the organisation**'. When organisations fail, it is usually because the governance has failed. Governance makes everything else possible.

Of course, your committee may include people who have a real passion for housing, public services or some area of policy and community action. This gives your group its identity.

To be able to run services successfully, your organisation will need a range of skills on its management committee. Each committee member does not need every skill, but together your committee will need all these skills. You can score your committee against the **governance** skills in the table on the next page.

Governance skills	Explanation	Rating
Working as a team	All committees have a shared legal responsibility for the decisions and actions of the organisation, no matter how individual committee members vote. Working in the interests of the organisation is a legal duty for all committee members.	
Officer skills	A chair needs to lead a meeting to make a democratic decision (a decision that everyone has contributed to and agreed). A secretary checks the committee is working legally, calls meetings and takes minutes. A treasurer keeps the books and makes financial reports.	
Controlling money	Committees must understand budgets and basic financial reports and be able to put in place rules to control money.	
Understanding the constitution	Acting outside the constitution can get members into serious legal trouble.	
Regulations	Understanding and keeping to important regulations.	
Negotiating	Reaching an agreement with whoever is on the 'other side of the table' – it may be the landlord, funders, Government or trade unions.	
Managing staff	Acting legally as an employer and providing a safe working environment. Motivating, rewarding and training your staff to achieve the organisation's aims.	
Managing contracts	Letting contracts legally, getting best value and being an effective client.	
Reporting and presenting	Being able to report back and present information clearly and simply to staff, members, partner organisations and residents.	
Leading and representing a community	Giving the community confidence that you are heading in the right direction, and making sure that all parts of the community have a voice.	
Working with others	Looking outwards and building thriving partnerships is the key to continued success.	
Setting goals and having ambition	A good committee is confident that it knows where it is going in the next year and in 10 years' time.	

Committees usually act 'strategically' by setting policies, budgets and priorities. They employ staff and other professionals who are trained and qualified to do the 'hands-on' housing jobs like allocating properties to tenants, collecting rent and dealing with repairs.

Sometimes, more often in small TMOs, committee members can be 'hands-on' in actually providing services. In this case, committees will need training in customer care, health and safety and so on.

How do we develop these skills?

Your lead advisor will focus on helping your group develop skills so you are competent to manage. You can get the right skills on your committee by doing the following.

- **Monitoring** – review your committee's skills, and check for strengths and weaknesses.
- **Training** – all these skills can be learnt and thousands of 'ordinary' (or 'extraordinary'!) people learn to run big organisations as community volunteers.
- **Recruiting** – all committees need a supply of new people every year or two. Sometimes particular skills can be gained by recruiting the right newcomer as an elected member.
- **Co-opting** – approach someone with the right skills and ask if they will join your committee to add their expertise. This is called 'co-opting', which is usual in constitutions. The constitution will say if a co-opted person has a vote or not.

What you need to know

Developing policy

You will need to know about the following areas of policy.

Policy area	What it covers	Tick
Allocations	Understanding the legal requirement on a social landlord and their policy for how they prioritise who gets housed How an allocations policy is written and applied Your choices within the allocations policy	
Repairs	The legal responsibilities of the landlord and tenants' duties Methods for budgeting, contracting, monitoring and planning repair programmes Different types of repairs, including response, voids, planned and major work	

Policy area	What it covers	Tick
Collecting rent and managing arrears (when people fall behind with payments)	The payment methods offered to tenants, different financial record-keeping and monitoring systems and account management The legal framework you are working in, and the Housing Benefit system	
Tenancy management and enforcement	The legal responsibilities of the landlord and the enforcement duties, including dealing with antisocial behaviour, domestic violence, disputes between neighbours, social services and mental-health issues Signing up new tenants and involving and consulting residents	
Customer care and managing complaints	Dealing with and managing complaints Complaint levels, response times and satisfaction with the complaints process	
Regulation and auditing	Meeting the inspection, regulations and audit requirements of social landlords Understanding the difference between a 'fair' and a 'good' service	

You do not need to know how to do these jobs yourselves. You will need to know enough to make sure that you keep to the law and good practice as a tenant-controlled organisation. You will also need to make sure that the people who provide the service are clear about what you want and the standards you expect. If you decide to take responsibility for a particular service, you will need to decide on the best way to provide that service – is it through your staff or should you employ a contractor?

Through your training programme, you should also gain an understanding of housing finance and housing policy, which includes:

- where the money comes from
- what it pays for
- how much money goes on management (for example, staff salaries and meeting costs)
- how much money goes on maintenance (for example, repairs and looking after open space)
- how much it costs to run your estate office (for example, rent, heating and rates).

How you will get to know it

When developing a work programme, you will start with a 'needs analysis'.

- ✓ What do you know at the start?
- ✓ What do you need to know at the end?
- ✓ How will you get there?

With your advisor, you will draw up a training programme. This will include:

- going on training provided by the National Communities Resource Centre and InSTEP or any other training provider
- training provided by your lead advisor or other trainers you bring in
- visits to existing TMOs for training and advice
- local training provided by colleges or voluntary-sector organisations; and
- training provided by, or with, your landlord.

You should work out the costs of this and include them in your work programme.

Approved assessor

The approved assessor is appointed on behalf of the Government to assess the competence of groups who want to manage council or social housing. An approved assessor is appointed at the start of the 'Feasibility and development' stage. They have two main jobs.

- To attend a meeting with you and sign off the work programme to support the application for the Tenant Empowerment Grant for the 'Feasibility and development' stage. This especially means checking that the plan will allow your group to achieve its aims and reach the appropriate standard of competence.
- To check the competence of the group at the end of the 'Feasibility and development' stage. The ballot cannot happen until the approved assessor is satisfied that the group is competent to manage the functions it plans to take on.

The approved assessor may do a couple of short checks during the 'Feasibility and development' stage to make sure the programme is on track and going according to plan.

A lead advisor on your project cannot be the same person (or from the same organisation) as your approved assessor – you must keep these two roles separate.

Approved assessor: first visit

When you are ready with your 'Feasibility and development' work programme, you should arrange for the approved assessor to visit.

The approved assessor will hold a 'workshop' with you to go over the work programme and the grant application for the 'Feasibility and development' stage. They will expect to see evidence that you have properly assessed your group's training needs, and considered the ultimate aim of setting up a successful TMO.

To help you understand what the assessor will be looking for at this stage and to prepare for the visit, your group and your lead advisor should refer to the NFTMO 'Common Assessment Model' for guidance. The NFTMO developed the Common Assessment Model to make sure there was consistency in assessing the competence of groups that were setting up TMOs. The model can also be used by a TMO committee to monitor their own progress.

The approved assessor will confirm that:

- your plans are likely to result in a competent organisation; and
- your group understands the responsibilities of the process, and is in control of its own affairs.

The fact that the council has accepted the Right to Manage notice does not guarantee that you are entitled to a grant to fund the 'Feasibility and development' programme. If the approved assessor is not satisfied that the programme is likely to result in a competent TMO, they may suggest that you rethink the programme or even reconsider your plans to set up a TMO.

What you will do in your 'Feasibility and development' study

Developing an outline business plan

After you have taken part in training on the topics already listed (see pages 35 to 37), you will have an idea of which tasks you want to take charge of, how you want to provide the services and what level of resources you will need. You will then start developing a vision for your organisation.

Deciding what you will run under tenant management

If you are using your Right to Manage to take control of some or all of your council housing services, you will use the modular management agreement (MMA) published by Communities and Local Government (www.communities.gov.uk). This is the only agreement that can be used for the Right to Manage. This agreement has 'section 27 consent', which means that the MMA is authorised for use (see page 5 of the Right to

Manage statutory guidance) and is also suitable for voluntary management of council housing (route 1). The model can also be adapted for use with housing association homes (route 2).

The MMA lists all the tasks associated with housing management and maintenance. For each task, it gives choices for the amount of control that a TMO has. You can 'mix and match' these choices to produce your own management agreement.

Rather than read through the whole document, you can choose one or two examples and get a feel for how it works.

How the modular management agreement (MMA) works – an example

The MMA works by giving you choices about how much control you want. For example, over day-to-day repairs, there are two choices.

- The landlord continues to provide the service as before.
- The TMO takes responsibility for some or all repair jobs. In this case, a separate list or 'schedule' sets out the jobs the TMO is responsible for. The landlord has to provide money ('allowances') to cover the value of this work, and the TMO does not have to do jobs if the allowances do not cover the costs.

Another example is with lettings, where there are four choices.

- The landlord continues to let the homes and the TMO is not involved.
- The TMO can make recommendations but the landlord has the final decision on a letting.
- The landlord gives the TMO a list of eligible people who all want a vacant home and are equally qualified to get it. The TMO makes the final choice.
- The TMO chooses tenants under the terms of a local lettings policy, using agreed arrangements which are set out in a schedule. The way the TMO does its job is regularly reviewed. The landlord can overrule the TMO and choose a tenant if there is an 'exceptionally urgent housing need'.

The AdaPT toolset

On the NFTMO website (www.nftmo.com), there is a toolset developed by First Adapt Ltd with support from the Tenant Empowerment Programme. This offers a convenient 'click-through' way to look at the choices in the MMA.

You will probably start with your 'vision' – what are the results you want to achieve and what are the important services you want to control?

You might then work with your advisor to consider these main questions.

- **Repairs** – do you want to be able to use your own contractors? Do you want to manage repair requests and control your own budget? Do you want to provide your own estate services?
- **Allocations** – do you want the responsibility of offering homes to a tenant in line with an agreed allocations policy? (There are significant legal rules involved in this.)
- **Tenancy enforcement** – will your staff deal with tenancy management, disputes and warnings leading to possible court action?
- **Rent** – do you want your own rent collection systems? Do you want your staff to deal with rent arrears and action to recover rent?
- **Leasehold service charges** – do you want to work out and collect service charges from leaseholders?

You or your advisor will plan a detailed management agreement to reflect what you want. Before you complete the 'Feasibility and development' stage, you will decide what tasks you will take on and you will receive an offer of an allowance from the landlord (how much you will be paid, see below) based on this.

Under the Right to Manage (route 4), you can take over any tasks in the MMA, as long as you are competent to take these on (see the sections on the approved assessor, page 39, and competence, page 49).

Under voluntary arrangements (routes 1 and 2), you may be offered a different agreement or a more restricted version of the MMA. You will still want to consider if this meets your needs and ambitions. If you are a council tenant, you will still have the Right to Manage and you will still be able to serve a Right to Manage proposal notice with tenants' support – this means that you could then insist on the full MMA. However, by using a voluntary agreement your landlord has offered, you may get the process completed more quickly with more help.

Paying for your management services – allowances

As a TMO (routes 1, 2 and 4), your landlord pays for your services using the money which is included in the rent (and Housing Benefit, for tenants who get help with rent) for the tasks you take over. If there is no TMO, the landlord pays staff and contractors for housing management and maintenance, and also runs computer systems, buildings and so on. Once a TMO is in place, the landlord works out the actual cost of all these, related to the area the TMO serves. This cost is paid over to the TMO as an 'allowance'. Under the Right to Manage, the allowance is worked out according to a specific formula (see the guidance on 'Calculating Allowances for Tenant Management Organisations' at www.communities.gov.uk/publications/housing/volumecalculatingallowances). Under voluntary arrangements, the landlord should work out the amount with you, based on something similar to the Right to Manage formula.

What will you spend the money on?

With your lead advisor, you will consider how many staff you need (and how many you can afford from your allowance), where they will work and how you will manage them. You will give some thought to how you would like to deal with repairs and contractors. You will put all these into your plan, which will be set out for tenants to vote on in a ballot.

Setting up your organisation

If you plan to set up a TMO under routes 1, 2 and 4, you will need to be registered (incorporated). If you negotiate an LMA (route 3), you may also decide to incorporate to limit your individual liability and to provide extra protection for committee members.

With a TMO, this should happen in the 'Feasibility and development' stage. You will become either a company or an Industrial and Provident Society. Either way, you will have members who will elect a board or committee (they mean the same thing). Members of the board must work together and have control over the organisation's affairs. The board may have representatives on it from your landlord (routes 1, 2, and 4) or, if you go for transferred ownership into a group structure (route 5), from the 'senior' (sometimes called 'parent') association in the group.

Financial rules will say who can spend money and on what, in line with the budget, and the board will get regular reports on spending and income.

You will have a number of other policies. The important ones at this stage include the following.

Equal opportunities and diversity	It is vital that your organisation shows that it can act fairly and follow the law and good practice as you provide a public service in a diverse society (that is, a society which values people's differences).
Code of governance	This sets out how your board will act to make sure it is in control of the business (see the section on governance on page 35 and 36).
Code of confidentiality	This will set out how personal or 'sensitive' items are kept confidential.
Complaints and customer care	This shows how you will make sure that each person who uses your service will be treated properly and have the opportunity to complain.
Employment policies and procedures	This will include how you plan to appoint and manage your chief officer, and whether you will be asking the landlord to 'lend' staff to you under 'secondment' arrangements.
Business plan	A plan with a budget which sets out what you will do, how you will do it and when you will do it.

Working in partnership

Experience shows that you are more likely to achieve your aims, whatever route you take, if you work in partnership with all those who can influence or help you to provide better services.

Landlord

Often it is the tenants' group who take the initiative, but in other cases landlords themselves promote community control because they think it is the right way to achieve a good service and maintain that standard over the long term. Either way, it is important to remember that the end result will be to manage homes on behalf of the landlord (routes 1, 2, 3 and 4) or set up a new housing association (route 5) that will need the backing of the council. Working in partnership recognises that everyone has something positive to bring to the table – and the sooner everyone learns this, the better the results will be.

In the 'Feasibility and development' stage, your landlord should be fully involved in the process. They will:

- have to provide 25% of any funding you are awarded from the Tenant Empowerment Programme
- be expected to appoint a senior staff member to act as the main point of contact with your group
- be expected to support any work programme you put forward to the Housing Corporation.

You should regularly meet with your landlord (these are often known as 'project meetings') to discuss the outcomes of the work in the 'Feasibility and development' stage, focusing particularly on plans for management and for showing evidence of your group's competence. You should ask the landlord to attend your group's committee meetings and contribute positively to discussions. The landlord should also:

- take part in the training programme;
- provide some accommodation for your organisation when you need it and are ready to make good use of it (this can be a place to do administrative jobs, keep records and equipment and hold small meetings, and you will probably pay rent and other running costs for this out of any grant); and
- provide information about the management and maintenance allowances (money) that you will qualify for when you have a rough idea of which services you want to manage as a TMO.

The MMA (routes 1, 2 and 4) includes an option for the landlord to nominate at least one person to become a co-opted member of the board of the TMO. Every board member has a duty to act in the interests of the organisation as a whole. If this option is taken up, the person (or people) nominated must be there to support and develop the TMO – **not** to represent the landlord in a monitoring or other role.

Staff

It is likely that so far you have had active help and interest from some housing staff – almost certainly tenant participation staff and possibly local housing managers and others. Some staff will have helped to provide information such as address lists, and information on the quality of housing.

Now staff should be starting to realise that a change of manager or even ownership may happen. If your estate is large and is managed by an area office, your activity could have an effect on their own jobs. Staff should get information about your plans, and be able to give correct information to tenants and residents they speak to. Tenants will ask staff (including repair workers) questions about their housing service.

- At this stage, it is important to work with the landlord to provide information (maybe in the form of written briefings) for staff about what you are doing, what you aim to achieve, where this may lead, and when important decisions about services and staff are likely to be made. Ask managers to give out this information, or to agree that you will provide it.
- Be responsible. Never use the development of tenant control to make threats or promises to staff, contractors or other people. Make sure that all your committee members understand this – a lot of damage can result from any ‘loose cannons’ talking about future staffing arrangements.
- When you are ready to make changes to staffing, there may be legal responsibilities for existing staff, and there are likely to be arrangements with the landlord over future employment. These will be announced at the proper time, and all existing staff will be dealt with fairly and equally. Trade unions will be consulted, and if they have questions, they should first talk to the existing employer.
- Always be open. Hold meetings for staff if you are asked to. Allow staff to attend your training sessions. Give feedback to existing staff (if they want it) on your progress and your views on how you plan to improve local services. Ask the employer to provide training to help staff understand tenant-controlled housing choices. Include ‘change management’ in your agenda for liaison meetings with the landlord in the later stages of ‘Feasibility and development’.
- Encourage staff to actively support what you are doing. If you get the chance, ask for ideas and feedback. Often staff will welcome the opportunity to make suggestions and contribute to changes at a local level. However, respect the fact that staff work under the terms of existing contracts, are not free to change the way they provide services and may not feel they can criticise their employer’s current arrangements.

Community groups

You may not be the only community group in your area. In any active community there are many self-help groups, pressure groups and organised associations with a range of purposes. It is important to keep these informed and use their help and expertise whenever possible.

Some of these groups may be set up to represent residents, perhaps in particular parts of the estate. New groups may form while you are developing your own organisation. Sometimes there can be real or rumoured conflict between different tenant and resident groups.

Your first step should always be to try to involve all the groups in your area in what you are doing – for example, by asking for their views on your plans, inviting them to training, or asking how you can help.

Experience shows that persistent conflict between community groups in the same area will affect how successful a tenant-controlled housing organisation is.

- Be active in trying to sort out any conflicts.
- Find out where there are practical disagreements and try to come to a compromise. Listen carefully. Conflict within the community is one of the biggest threats to your progress.
- Learn to work in partnership with other groups.

Making a difference

Many tenant organisations are already active in a whole range of ways in their community. Sometimes, groups focus mainly on developing a tenant management or community ownership organisation. It is important to gain practical experience of running things and improving a neighbourhood in the 'Feasibility and development' stage, for two main reasons.

- To show residents what you are capable of and help build support.
- To give you practical experience of the kind of challenges you will face as a working organisation which is managing projects and resources.

The sort of things you can do to 'make a difference' at this stage might include:

- running a fun day, a 'clean-up day' (a day where the community get together to clean up an area where, for example, rubbish may have been dumped or graffiti may have been written), or leisure or play activities
- working with your landlord to change a policy or a procedure

- providing a local drop-in enquiry service, helping your landlord or another organisation to improve how quickly it responds to local people's concerns; or
- supporting new residents to settle in to the area or giving practical help to vulnerable groups.

These are just a few examples. Show how you considered risk and dealt with it. Keep records of what you do and the obstacles you overcome. You can assess the experience afterwards and think about how you might do things differently in the future.

Winning and holding support

The 'Feasibility and development' stage will end with a ballot of all tenants and leaseholders, asking them to approve your proposals for taking control of local services. The proposals should not come as a surprise to residents, and the ballot result should not come as a shock to you!

Throughout this stage, you should make sure your plans and proposals are well known and understood. You can do this with:

- newsletters
- presentations at meetings
- personal contact, especially with community leaders
- contact with local papers and radio stations (try to get to know a reporter and think of opportunities for events that will offer a chance for a good photograph)
- contact with councillors
- notices and leaflets in places people use, such as estate offices, surgeries, libraries, social centres, schools and shops
- websites, text messaging, emailing and social networking sites (such as Facebook).

Do not expect large numbers of people to attend meetings unless there is a crisis of some kind. However, try to get good attendance at special events such as your annual general meeting. Think of ways to make meetings interesting and give people a chance to get involved. Don't forget to be sensitive to the needs of minority groups and any special needs people may have (for example, don't think that a pub will be a suitable venue for all your residents). Use personal contact to raise awareness, offer refreshments and have an interesting guest speaker. But don't always expect people to turn out for meetings in large numbers.

Try to track opinion, using things such as:

- surveys
- focus groups (where you invite about 12 people from different sections of the community to discuss ideas and react to them) – these can also be aimed at particular hard-to-reach groups of tenants and you can use incentives (for example, gift vouchers) to encourage people to take part
- drop-in events with different ways for people to leave comments.

Look out especially for sections of the neighbourhood that may not be aware of what you are doing or may be hostile towards it. Try to build positive support among different age groups, minority groups, types of households and local parts of the estate. If you notice any loss of support, try to find out why it is happening and take early steps to reverse it.

You can get advice about promoting your organisation, testing opinion, carrying out surveys and designing publicity. But it is essential that your own group is ready to lead on this, especially in talking personally to as many people as possible. The most effective communications tool is word of mouth, and people believe and act on what they hear from trusted neighbours. When you hold the ballot, help people to be confident in you as the leaders who say they will do things differently and better. You are the only people who can convince them.

Strengthening your committee

Most community groups start out with a 'core group' who get the organisation started and usually provide the leadership for the first few years. It is important to attract new committee members to join this group. Do not expect large numbers to come forward. If you can get two or three newcomers to any existing committee each year, you are doing well. The important thing is to attract at least some new people to allow existing members to move on.

Ways to attract new committee members include:

- personal contact – inviting people to be involved
- making sure that the atmosphere in meetings is welcoming and that no-one feels left out, with the right balance between being comfortable and friendly, yet formal enough to get decisions made
- avoiding behaviour that may make people feel unwelcome or excluded
- choosing a time and venue that is convenient, accepted and trusted
- asking people to take on limited, achievable tasks to build confidence

- avoiding jargon
- providing basic information about rules, procedures, past history and other information that will allow people to contribute
- encouraging people to speak
- giving praise and encouragement – acting on suggestions
- offering induction and training.

Competence

An independent approved assessor will assess the competence of groups that want to set up a TMO (routes 1, 2, and 4). The statutory guidance (chapter 3) shows the competence you are expected to show at the end of the 'Feasibility and development' stage. It is important that the TMO group, your advisors and your landlord have a clear and common understanding of what is meant by 'competent'. In particular, you will need to know how the approved assessor will assess competence and decide if your group can go ahead with a ballot.

With this in mind, your group should be familiar with the 'Common Assessment Model' that the assessor will be using. This is a table of standards that the assessor will use to measure your competence. Each standard is backed up with a short explanation and examples of the sort of evidence the assessor may look for. You can use the Common Assessment Model to check your progress during the development programme and to prepare for the final assessment.

This section deals with assessing competence for a TMO (route 1, 2 and 4).

Competence can be considered under three headings.

- Organisational competence – your organisation has the procedures and systems to run properly.
- Group competence – your committee or board shows that it can act together to have control over decisions, money, staff and contractors (see the table on governance skills on page 36).
- Individual competence – each committee member needs to have knowledge and an understanding of the committee's responsibilities. Some people need particular skills, especially the people who are acting as chair, secretary and treasurer. If your plans include committee members doing some of the 'hands-on' work (such as receiving customers or interviewing applicants for homes), you will need to show appropriate individual competence.

It is up to you to produce the evidence for your competence. You can add to this file of evidence throughout the 'Feasibility and development' stage. Here are some examples of how this works.

- When you make a decision (for example, a choice of whether or not to manage a service), you record who was present and how they took part. The record also shows the options considered, the facts you took into account, the risks, costs and benefits you considered in relation to different courses of action, and finally the decision you made and whether this was by a vote or by a consensus (a majority agreement).
- If you run a general meeting, the record shows how you planned the agenda (giving enough time to each item), how you chose the venue, what refreshments you offered, who came, what worked well and less well, what people thought about the meeting from their feedback forms, how you acted on the decisions made and how you reported the results to the community, and what you have learnt about running successful meetings in the future.
- If you run an event (for example, a fun day), your record shows that you took account of the aims of the event and the costs, risks and benefits of running it. You considered other ways of achieving the aims. You planned the resources and you asked yourselves 'what-if' questions about what might happen on the day (bad weather, accidents, important people not showing up). You set up systems to manage money (budgets, petty cash, security) and you reported accurately and clearly on the results (performance compared with budget, profit and loss). You recorded who attended and how they felt, and you reviewed the day and decided what you could do better in the future. You thanked everyone involved and reported all this in a community newsletter.
- You record individual experience and life skills, as well as the training that people have done and qualifications that committee members have gained. You show how you decided what training to do and how far the training has met the needs of the group. You have made plans for future and continuing training.

Everything you say should be supported by evidence and should be able to be confirmed – for example, by checking with other people, looking at attendance records and so on. Types of records include minutes, reports, budgets, newsletters, photographs, video, witness statements and so on.

Check the Common Assessment Model to see what evidence the approved assessor will be looking for. Try to support each competency with evidence and vary it to show the range of what you have achieved. Try to keep things brief.

When you and your lead advisor have prepared your evidence, the approved assessor will review it and talk to you, your lead advisor and your landlord.

The approved assessor will either confirm that your group is competent or write a report asking you to do some more work on particular issues and prepare new evidence. If this happens, your group and the landlord will need to focus on dealing with the issues raised in the report. If, when they visit again, the assessor is still not satisfied that your group is competent, your project to set up a TMO will be ended.

Moving on – offer and ballot on a TMO

When you have been assessed as competent, you will work with your landlord to produce your 'offer to tenants'.

At the time of preparing the offer, you and the landlord are not expected to have agreed the final text of the MMA, including the annexes and schedules containing essential policies and procedures. The ballot will authorise the detailed work to complete the agreement. At the time of the offer, however, you and the landlord must have worked through the agreement and set out enough detail to allow tenants and residents to vote on whether they want the TMO to manage the estate based on the agreement.

This offer of a **TMO** will explain:

- who you are – your organisation, who is on the committee, how many members there are
- how you can show your competence
- the services you plan to offer and any major changes you may make
- where the office will be based, and how you will manage and staff the organisation
- how much money you have for management and maintenance
- any changes or consequences as a result of transferring management from the council to the TMO.

This means the 'offer to tenants' that is agreed between the landlord and the TMO must include the following.

- The management duties the TMO will take over, and the duties the landlord will continue to be responsible for. The list of duties should be based on the options in the MMA.
- How the TMO and the landlord will carry out their duties.
- The allowances the TMO will be paid.
- An outline staffing structure, including an idea of the numbers of staff who will be employed and the purpose of each post.

- Recruitment procedures, including any agreed arrangements for secondment, and the rights of existing employees to transfer with protected rights.
- Plans for providing a head office for the TMO.
- Arrangements for using contractors, including whether the TMO will have its own lists of contractors.
- Customer care, including arrangements for dealing with neighbour disputes, alleged antisocial behaviour and complaints about the TMO and its service.
- Arrangements for how the TMO will manage performance and how the landlord will monitor the TMO.

The offer should highlight any major changes the TMO plans to make to how it will provide services, including the expected benefits and risks involved in making the changes.

There are various schedules with a list of policies within the MMA. The following policies must be agreed by the time of the offer (the chapter and schedule numbers refer to the MMA, which can be used as a model for agreements between registered social landlords and their tenants). The offer should describe these and say where the full document can be inspected.

- Chapter 1, schedule 2 – 'Equal opportunities policy'
- Chapter 5, schedule 1 – 'Calculation and payment of allowances'
- Chapter 6, schedule 2 – 'Selection of tenancy policy and procedure (if applicable)'
- Chapter 6, schedule 4 – 'Tenancy agreement changes procedure'

The offer statement should also set out the TMO's membership and how the organisation will be run ('governance'). This must include the following.

- The legal status of the TMO, including any plans for changing this in the future. This includes registering if the TMO is not registered (incorporated) at the time of the offer.
- The existing board (committee) membership and how members are elected, including any changes which are expected if the TMO registers in the future.
- An outline of plans for giving powers to staff and subcommittees.
- The number of members of the TMO at the time of preparing the offer, and future plans for recruitment.
- Members' rights, including how often general meetings will take place.
- The plans for financial control, including an outline of the proposed financial control procedures, accounting and audit arrangements.

After the offer is made, all tenants and leaseholders of your estate will be asked to vote in a Right to Manage ballot. Votes are usually cast on a written voting slip and placed in a sealed envelope. You can collect these door-to-door or ask tenants to return them by Freepost. During the ballot, you can campaign. You must make sure that every ballot is confidential. You can see lists of who has voted (but not how they voted) so you can target your efforts at people who have not voted. The ballot can last a week or more, depending on the size of the estate. Experience shows that if people are going to vote, they will mostly do so within a few days of the start of the ballot, and you should not leave more than four weeks for voting.

If you are using the Right to Manage (route 4), there are set time limits for each stage.

- The offer must go out within three months after the approved assessor has confirmed that you are competent.
- The ballot must be completed within three months after the offer goes out to tenants.
- If you want to change the timescales, you can, but you and the landlord must agree to this.

If the majority of eligible residents (including leaseholders) who are taking part in the ballot vote 'yes' to a TMO, you can then move on to the 'Entering into an agreement' stage. A majority of all secure tenants who vote must vote 'yes' for the ballot to be successful. An example is shown below.

Number of eligible secure tenants	300
Number of votes cast	140
Number of 'yes' votes	105
Number of eligible leaseholders	100
Number of votes cast	50
Number of 'yes' votes	45
Total number of eligible residents	400
Total number of residents who voted	190
Total number of residents who voted 'yes'	150

If more leaseholders than secure tenants take part in the ballot, that is fine, as long as the majority of secure tenants who take part vote 'yes'.

If the majority of residents vote 'no' in the ballot, you will be extremely disappointed. As soon as possible, think about why residents turned you down. Consider what other ways there are to continue to try to achieve the benefits you are aiming for. You may be able to restart the process in the future, but this is not the time to look at that. The community has said 'no' – listen and find out why.

What happens now?

If the result of the ballot is in your favour at the end of the 'Feasibility and development stage', you have the authority to complete and sign a management agreement for you to run services as a TMO.

You can now move on to the Implementation (entering into an agreement) stage.

Chapter 4

Now it's for real

Implementation (entering into an agreement)

The final stage to set up the TMO, after the 'Feasibility and development' stage, is the 'Entering into an agreement' stage, where you will complete and sign your management agreement. You will now be able to recruit a chief officer and prepare to manage your estate in this stage. You may also pay for other advice, if you can afford to pay for it out of the grant you have been offered.

Applying and accounting for a grant

You may be eligible for:

Tenant Empowerment Programme Grant to put in place arrangements for your TMO. Your landlord will need to contribute 25% towards this grant. This grant will include your costs to:

- agree policies and procedures for your registered (incorporated) organisation, and arrangements for giving powers to staff
- develop your management agreement to the point where it is complete and can be signed
- prepare job descriptions and person specifications, staff contracts and agree recruitment arrangements and appoint staff
- agree the terms of contracts for repairs or cleaning to be in place when you start managing
- appoint a senior member of staff to guide you through this process for up to three months.

Completing the management agreement

You will now complete your management agreement, which is probably based on the MMA. Depending on the choices and the outline business plan you included in your offer document, you will now agree the final plans for the services you will manage and work out the detailed terms with your landlord.

You will also include all the schedules and the policies that you will apply. There will be a lot of detailed work involved in preparing these.

Choosing your staff team

In the 'Feasibility and development' stage, you will have considered the number of staff you will need or can afford and the service you want them to provide.

You can now:

- appoint a chief officer to support you in setting up your local team; and
- start work on recruiting the rest of the team.

How staff recruitment works

The following apply generally in recruiting staff.

Defining the post	The job title and overall role
Defining the job	A job description sets out the work a member of staff will carry out, including their level of responsibility, how they will be supervised and who they report to
Defining the person	A person specification sets out the personal skills, qualities and any qualifications that are essential or desirable
Terms and conditions	Salary, other benefits (for example, pension), hours, holidays and expenses (for example, car mileage or allowance)
Attracting applicants	How you will advertise the positions
Assessing applicants	Tests and interviews
Selection	By fair and legal requirements and conditions
Terms and conditions of service	Including grievance and disciplinary procedures
Health and safety	Including a risk assessment and risk management procedures (for example, working alone, home visits and so on)
Supervision	Making sure you have effective line management and leadership of your staff team
Training and development	Providing an environment where staff learn not only to do the job but also to develop their personal and career prospects
Working environment	Making sure there is a satisfactory environment where staff can work to the best of their ability

Choices in employing staff

When you decide on your recruitment procedure, you will need to take account of the following.

- 1 TUPE – do the Transfer of Undertakings and Protection of Employment (TUPE) regulations apply to the staff who currently provide the service? TUPE offers protection to employees in certain jobs when there is a transfer of ownership or management. This is more likely to be the case if your TMO serves a large estate or neighbourhood, where there may be a legal responsibility to keep existing staff with protected terms and conditions under the TUPE regulations.
- 2 Secondment or direct employment – the landlord may be willing to 'second' staff. This means that some or all of your posts will be filled by staff who are employed by the landlord. The landlord will continue to pay their salaries and deal with the legal side of employment. You will still be responsible for managing the staff and a detailed agreement sets out the responsibilities. The posts will still be your posts within your organisation – not the landlord's. Secondment lasts for up to two years, after which it is reviewed (see the 'Guidance on Secondment to Tenant Management Organisations' at www.communities.gov.uk/publications/housing/volumeguidance). Even if you second most of your staff, you can still directly employ a chief executive (and other staff). You and your landlord should get legal advice about TUPE and secondment.
- 3 Recruitment procedures – you may agree with the landlord that posts will be advertised only within the existing workforce, at least at first. Or, you may recruit directly through advertising in the national or local media.

Setting up your staff team is, obviously, a process which has an important influence on your success as a TMO. It is essential that you get expert advice throughout the process, usually from a Human Resources professional. You can include costs for this in your Tenant Empowerment Programme Grant application.

Appointing your senior officer

A Tenant Empowerment Grant may be available for you to employ a senior officer while you set up your TMO. This person will help set up your organisation and support you through the recruitment of the rest of your team. You should start to plan for this appointment as early as possible. Consider the post, salary and recruitment arrangements before the ballot, and perhaps also the job description and person specification. Advertise the post as soon as possible, which means as soon as you are confident you will have the money to pay for the recruitment. (From advertising a post to having someone start work will take at least three months, allowing time for that person to work their notice in their previous job).

It is likely that this senior officer will stay with you once your TMO starts up.

As part of setting up a TMO, the committee of Grosvenor & Regency TMO in Westminster were trained to recruit the Estate Director. Their main requirements were knowledge and experience, especially in managing staff. They were helped by the council and their lead advisor.

The successful candidate had a high level of financial knowledge, strong interpersonal skills (the ability to deal with people) and was able to develop good working relationships with both the council and the TMO committee.

Setting up your office

You will have been working with the landlord during the 'Feasibility and development' stage to identify premises for your office. This should include welcoming and safe reception facilities, confidential interview rooms for residents, offices for staff to work in, a print room, confidential storage areas and a TMO base, including, preferably, a committee room and meeting space. For a large staff team, you will probably want to consider open-plan working areas to build a sense of teamwork. Facilities for the TMO committee should not get in the way of staff office space where confidential information is dealt with, but should confirm the message that staff are working for a voluntary committee that gives leadership and makes the major decisions.

The landlord will have to meet the cost of providing these facilities and the cost and specification should be carefully worked out.

Your office will depend on computer systems to store and manage tenancy records, details of applicants, repair orders, and information about collecting rent and arrears (payments people have missed). This may be linked into your landlord's network and your staff will have access to the parts of the system they need to run the TMO's service. Setting up this system needs careful planning.

Starting to work

When you have set up the necessary systems and have your staff in place, and once your management agreement is completed and signed and the arrangements are in place for you to be paid allowances, you can then start managing. Some details may be dealt with later in the process, and you can expect to spend the first year or so settling in and dealing with any 'teething problems'.

What happens now?

After all your hard work, you have now become a TMO.

In your first year or two, become familiar with your systems. Work to make sure that the reports from staff give your committee a clear picture of what is going on. During this period, be sure you know:

- how much money is being committed and spent, compared with the budget
- that the finances are under control, by arranging to receive regular financial reports
- whether the staff feel encouraged, supported and challenged
- how many contractors you are using, how they are chosen and what they are doing with your money
- what the performance targets are and whether they are being met
- whether residents experience a better service and how they want it to continue to improve.

These are the basics of being a successful committee and TMO.

Your committee or board will need to be regularly refreshed with new ideas and information. Develop your vision of where you are going to be in five or ten years' time. Develop new plans and challenges.

As Winston Churchill once said: *"You are not at the end, or even the beginning of the end. But you may be at the end of the beginning."* Congratulations!

Appendix 1

Choosing a constitution that's right for you

Why do we need a constitution?

You are likely to need a constitution for various different purposes, for example:

- to be recognised as a negotiating partner with councils, housing associations and other organisations
- to serve a Right to Manage notice as a proposed TMO steering group (route 4)
- to become a registered TMO (routes 1, 2 and 4).

For the first two purposes, you do not usually need to take a legal step called 'incorporation'. However, to get a grant and then negotiate a management agreement, you will need to incorporate. You may also need to incorporate if you want to have an LMA, as this will provide some level of protection for committee or board members in terms of financial liability.

What is the difference between constituting and incorporation?

The difference between the two is as follows.

Constituted but not incorporated	Incorporated with limited liability
A constitution sets out publicly the legal existence and the powers of your organisation. It is a legal contract between the people who decide to become members.	An incorporated organisation is one that has a legal identity apart from its individual members – it is a legal entity and exists in its own right. It can enter into contracts and legal arrangements as if it is a real person.
Why do it? It is easier and cheaper to adopt a constitution than to become an incorporated organisation. It is normally the first step in the process for groups which are considering taking on management but have not yet made a total commitment. In law, an unincorporated association is a collection of named individuals who are personally liable for any debts, liabilities or other legal responsibilities. Normally all the committee would have this personal liability.	Why do it? Incorporation is a way of protecting the people on your committee. Individual members of an incorporated organisation are not usually personally liable in law for debts above a named 'limited' amount (so the word 'Limited' or 'Ltd' appears at the end of the name).

Constituted but not incorporated	Incorporated with limited liability
It gives you the opportunity to build your confidence and work to a set of rules without having to meet the requirements of a regulator.	Regulated by law through Companies House (for companies) or the Financial Services Agencies (for Industrial and Provident Societies). You must produce suitable accounts, so balance the benefits of incorporation against the extra costs, monitoring and reporting requirements it will bring, to see if it is either necessary or beneficial.
If you are only taking on one service through an LMA (route 3), such as managing your cleaning or gardening service, you may not need to incorporate. It may be enough to have a constitution. The deciding factor might be the value of the contract and associated risks.	To be legally clear on your position and to protect your members, it is essential for your TMO (routes 1, 2 and 4) to incorporate before it: <ul style="list-style-type: none"> • controls significant amounts of money (including receiving the Tenant Empowerment Grant itself); and • enters into contracts such as employing staff, agents and other advisors.

What do you need in a constitution for an unincorporated association?

The constitution is a public document which sets out your commitment to act openly and democratically and which respects diversity and equal opportunities. It shows you are responsible to your local community and gives comfort to those working with you (such as your landlord or council) that you are a fit organisation to work with and will properly represent the interests of local people.

The constitution should always make clear the following.

Name – what your group is called

- Your name can be anything you choose, as long as it's not offensive, protected by law (for example, 'Royal') or already used by another organisation that might object to someone else 'pretending' to be them.

Aims – what it exists to do

- You must think through these aims carefully – once you are set up, you can only do the things that your aims allow you to do.

Powers – what powers it allows itself to have

- Powers can be to do anything legal to fulfil the aims.

Members – who is able to become a member and how they can become a member

- Members are the people allowed to vote at general meetings – they must be accepted and included on a list.

Committee (including officers) – who is in charge and who chooses who is in charge

- The committee are the people legally responsible for running the day-to-day business. They have a duty to work together and make decisions in the interests of the organisation as a whole.
- The officers must include a **secretary** to call meetings and keep records. There is usually also a **chairperson** and, if the group has money, a **treasurer**. The officers are part of the committee and follow its directions.

Dissolution – what steps your group takes if it wants to stop existing and what happens to any money.

As long as your group keeps to the law, you are allowed to do anything you choose. You are only restricted by your own constitution, which is a private agreement between the members.

Your members are liable for any debts your group runs up or if it breaks any laws. Any legal contracts are between the members, as individuals, and other people or organisations.

Your landlord may insist on certain standards you will need to meet for it to recognise your constitution and be happy to support you as a group.

What are the choices for incorporation?

Incorporation means either registering your organisation as:

- a **company** at Companies House; or
- an **Industrial and Provident Society (IPS)** with the Financial Services Authority.

Company

The form of company many tenant organisations use is a 'company limited by guarantee' (where members guarantee a token amount of money towards any debts, often as little as 10p).

Industrial and Provident Society

Industrial and Provident Societies register with the Financial Services Authority (email musal.societies@fsa.gov.uk). There are model IPS rules for a TMO, available from PEP (email admin@pep.org.uk). PEP also provides a registration service.

Registering as a company is usually cheaper, easier and more flexible than choosing an IPS. Whatever you choose, and it is often down to personal preference, your lead advisor will normally be able to provide the necessary documents, tailored to your group's needs, and arrange registration.

Appendix 2

Choosing a lead advisor

It is strongly recommended that you consider appointing a lead advisor to support you through the process. This appendix explains how to choose a lead advisor who is right for you and gives you ideas of what to include in the 'brief' (instructions) you send to them.

Choosing your lead advisor – five steps to success

Choosing a lead advisor is an important decision and you need to make this choice carefully. The best way to choose the right person for you is to follow a process similar to the one set out below.

The selection process

The group will need to agree:

- an interview panel
- a brief and person specification for the lead advisor
- a list of people or organisations who will be invited to apply for the role of lead advisor
- a timetable with dates for applications to be returned and dates for interviews
- selection criteria (conditions for choosing which advisor is the most suitable).

Step 1 – The interview panel

You will need to agree a small group of between three and six residents who will form an interview panel to choose the lead advisor. Try to make sure that this group reflects the diversity of the whole community you represent in terms of age, sex and ethnic background. The more diverse your panel, the better you will be able to judge if your lead advisor can work well with all sections of your community.

Step 2 – The brief and person specification

The brief

The first step is to be clear about what you want your lead advisor to do. You will find an **outline brief** on pages 70 to 72, which you can use to develop your own brief to send to companies you might want to interview for the role of lead advisor.

The brief should give some background information about your area, neighbourhood or estate, the community you represent, your group, your landlord and what you want to achieve.

It should also set out:

- what you want your lead advisor to do
- how they should do it
- whether you need references and information on groups and similar projects they have worked on.

The person specification

You need to think about the knowledge, qualities and skills you might look for in a lead advisor. This exercise will help you to be clear on the sort of person or organisation you are looking for. In Appendix 3 on page 73, we show a basic person specification for a lead advisor. You could work from this document to develop your own **person specification** and make any changes you feel are necessary.

Step 3 – Inviting applications

Once the interview panel has agreed the brief and person specification, you should send these, with a covering letter, to the list of advisors you have drawn up (normally between five and 10 advisors). The covering letter will give them a date to return their application or express their interest in the position, and another date for when the interviews will take place.

Step 4 – Short-listing applications for interview

The interview panel will need to sit down together and look at the returned applications and expressions of interest. They should check to see how well the advisors have responded to the questions they asked. For example, they should consider the following questions.

- Does the advisor meet the criteria in the person specification?
- Have they put time and effort into their application?
- Is the application clear and easy to understand?
- Does the application show they understand what you want them to do?
- Do they have the right skills and have they done similar work elsewhere?

Choose a short-list of around three to five from the best applications for you to interview. Follow up any references and raise any concerns you may have. Contact each of the short-listed advisors by letter or phone to tell them they are invited to an interview.

Step 5 – Interviewing and appointing an advisor

Plan the interviews and try and hold them close together, preferably on the same day, as this makes it easier to compare them to each other. You could ask each advisor to give a 10-minute presentation on a topic you suggest. This could be something like 'How will tenant management allow us to achieve the aims set out in our action plan?' or 'What routes are available to our group to give us more of a say in how services are provided?'

Then allow 30 to 50 minutes for the panel to ask five or six prepared questions. These questions should test the advisor's experience and what they can do.

- Make sure the people you see are the people who will do the work.
- Will they be able to cope with your estate, your landlord and unexpected situations?
- Will they be able to make themselves clearly understood?
- What is the worst thing that could happen and how would they deal with it?
- Do they have the necessary skills and knowledge to advise you and manage your project in line with set timescales?

Leave space between interviews for a comfort break. Have someone available to welcome advisors and give them somewhere to sit while they wait for their interview.

Things to remember

- 1 The Interview panel should make the choice on behalf of the whole group, contact referees (people who have provided references) and then contact the advisor they have chosen.
- 2 Sometimes you may need to hold a second interview to make your final decision. Or, you may want to put your recommendation to the whole group for approval before you appoint an advisor.
- 3 When the advisor has accepted, write to them to confirm what you want them to do, and ask them to provide a written response.
- 4 Tell the people you have not chosen that they have not been successful. Thank them for attending the interview and try to give them honest, polite feedback on how they might have done better.

Unwin and Friary TMO in Southwark, London started the selection procedure for a lead advisor by drawing up a 'wish list'. They identified three priorities.

- 1 Knowledge and experience
- 2 Training expertise
- 3 Interpersonal skills (the ability to deal with people)

Before short-listing, the group agreed a list of criteria that the lead advisors had to meet. Those that did not meet the criteria were not short-listed.

At the interview, all short-listed candidates were asked to give a presentation, because residents wanted to assess their ability to present information and to see if they really understood the group's needs. The interviews were scored using a simple scoring system with 1 for poor, 2 for average, 3 for good and 4 for very good.

The interviews took place in a local community centre. Before the interview, each candidate was given a list of questions. This allowed them to spend some time planning their answers and making sure they did not repeat information in different parts of the interview.

The brief

Set out below is a sample brief that you can customise to send to prospective lead advisors.

Introduction

This is an invitation from Sunnyside Residents Association for you to apply for the role of **lead advisor**.

Background information

We, Sunnyside Residents Association (SRA), have 300 members and represent residents living on the Sunnyside estate. Our landlord is Another Council and our homes are managed by Newstart Arms Length Management Organisation.

Please find attached a copy of our organisation's rules.

The Sunnyside estate has 450 homes. 380 of these are for tenants and 70 are for leaseholders. The estate is a mix of low-rise, brick-built blocks and two high-rise tower blocks in the centre.

The main issues on our estate are as follows.

- Residents are not happy with the day-to-day repairs service.

- We would like to improve our estate caretaking service.
- We would like to be more involved in tackling antisocial behaviour.

Our aims

We want to appoint a lead advisor to help us:

- confirm the choices we have made to get more involved in managing our estate
- decide which route would be best for us to follow (for example, an LMA or a TMO) and
- get more residents involved, especially young people and people from black and minority communities.

What the work involves

To meet the aims set out above, we expect that the work of the lead advisor will include the following.

- Assessing eligibility and securing grant funding under the Tenant Empowerment Programme (unless the lead advisor is your landlord) and making sure that the grant milestones are met.
- Providing expert advice and support to residents on all possible routes under the Tenant Empowerment Programme, including LMAs and TMOs.
- Identifying, providing or arranging appropriate training for tenants and leaseholders on the committee (or board) so they reach the necessary levels of competence.
- Advising on and helping to improve levels of diversity and the number of residents getting involved.
- Designing, planning and producing newsletters and consultation material for all residents.
- Carrying out estate surveys and going door-to-door to raise awareness and understanding, where appropriate.
- Negotiating with our landlord (see note below) and possibly other organisations about responsibilities or services we could run.
(**Note:** If a landlord is applying to be a lead advisor, they should set out arrangements to protect your interests and separate themselves from the housing management department of the council you will negotiate with.)
- Advising on future staffing, employment, management, TUPE regulations (regulations for transferring staff) and secondment.
- Providing professional advice on how to hold a ballot of all residents.
- Providing a resident Freephone helpline and attending resident meetings in the evenings and sometimes at weekends.
- Managing the process to meet deadlines and deliver agreed outcomes.

Putting forward your proposal

If you are interested in being considered for this role, please send us your proposal. It should be no more than eight pages of A4, and should include a summary providing:

- details of your company, its legal status and where it is based
- the name and details of the lead advisor and other staff or subcontractors who may work on this project (some of the subcontractors may not be known until the needs of the group have been identified)
- your approach to this assignment
- your knowledge of housing management, the Tenant Empowerment Programme and the various routes
- your experience and examples of other similar work carried out in the last three years
- the terms on which you would expect to be appointed (for example, hourly rates and travel expenses)
- how you would meet the criteria in 'What the work involves'
- the names of two referees.

Housing Corporation requirements

Under the Housing Corporation's rules, all organisations that receive grant funding must meet certain requirements. If you have not previously filled in a pre-qualification questionnaire for grant funding from the Housing Corporation, you will need to fill in their electronic 'Lead Advisor Pre-qualification Questionnaire'. A template for you to download and fill in is available on the Housing Corporation's website at www.housingcorp.gov.uk. You can e-mail your filled-in application to them.

If you do not keep to this instruction, your proposal may not be valid.

We will not accept applications we receive late.

Please send six copies of your proposal to:

Mrs B A Tenant
123 High Rise
Sunnyside Estate
Another Place
AP1 6EL.

We must receive them no later than *(insert time and date)*.

Interviews

Interviews for short-listed lead advisors will be held on the evening of *(insert time and date)*. All staff who may work directly with residents must attend.

Assessment

We will assess:

- whether you have a clear understanding of what the work involves
- your experience and expertise
- your ability to communicate effectively and build good relationships with the residents.

Appendix 3

Person specification for a lead advisor

The table below is a typical person specification for a lead advisor, setting out the skills, experience and knowledge you might expect them to have. Drafting a person specification is a good way of thinking through what you want from your lead advisor.

	Essential	✓	Desirable	✓
Experience	<p>Five years' experience of working with tenants, leaseholders, local authorities or housing associations</p> <p>An understanding of equal opportunities and diversity in a range of settings</p> <p>Experience of developing residents' groups</p> <p>Organisational development in a community setting</p> <p>Proven experience of managing projects</p> <p>Dealing with conflict</p>		<p>Setting up TMOs</p> <p>Negotiating LMAs</p> <p>Housing transfers and ALMOs</p> <p>Experience of governance and setting up boards and committees</p>	
Knowledge	<p>An understanding of options and routes in the guide 'Resident Choice'.</p> <ul style="list-style-type: none"> • Right to Manage legal framework 2008 • Tenant Empowerment Programme • Voluntary routes and LMAs • Models to transfer control to communities <p>An understanding of how housing management and public services work</p>		<p>An understanding of housing co-operatives and land trusts</p> <p>An understanding of the Companies Act 2006</p>	

	Essential	✓	Desirable	✓
Skills	<p>Excellent written skills to put together newsletters, reports and letters for a range of audiences</p> <p>Excellent verbal communication and the ability to create enthusiasm in a wide range of people</p> <p>Excellent negotiating skills</p> <p>Ability to prioritise and work to agreed budgets and timescales</p> <p>Initiative, strategic thinking (the ability to plan ahead) and problem-solving</p>			
Circumstances	<p>Able and willing to travel</p> <p>Able and willing to work evenings and weekends</p>			

Appendix 4

Sample tripartite agreement

Agreement of principles for Sunnyside TMO's feasibility and development study

This agreement between Sunnyside Tenant Management Steering Group, Another Council and the lead advisor ('the three parties') is not a legally binding contract. However, it sets out the main principles the three parties will aim for to make sure that the TMO feasibility and development study process runs as smoothly as possible.

The three parties recognise that, by keeping to these principles, problems can be dealt with quickly, costs can be better controlled, and the project is more likely to be successful.

The three parties have agreed to the content of this document, including the schedule of meetings and training, the methods they will use to contact each other, and timescales for providing information.

The three parties have agreed to the following.

- A clear commitment to exploring the various options for managing Another Council's housing in the future, from being more involved in decisions to taking on ownership of the homes.
- Regular liaison meetings to review progress. Joint project meetings will be held every other month, unless otherwise agreed by the three parties, and will cover:
 - an assessment of the work plan and agreed changes to it
 - information the group needs
 - an assessment of the training
 - a discussion of the ongoing motivation and competence within the group
 - the publications that have been produced
 - an assessment of risks to the project and arrangements to limit them
 - a review of the strategy to involve the wider community
 - whether the work plan is being followed.

- A commitment to settling issues as soon as possible.
 - First, the three parties will discuss their concerns and aim to come to an agreement on how they will be dealt with.
 - If the three parties cannot agree, they will refer their concerns for mediation (where a counsellor talks to the people involved to help them reach an agreement) or advice through an agreed process for settling disputes.

Sunnyside Tenant Management Steering Group agrees to do the following.

- Commit to taking an active role in managing the lead advisor. This will include:
 - monitoring how the grant is spent; and
 - raising concerns about performance, both with the lead advisor and Another Council, as soon as possible.
- Carry out 'self-skills audits' to confirm that training is meeting the needs of the group.
- Make sure all meetings exploring tenant management are open to all residents on the Sunnyside estate, representatives of Another Council, and the lead advisor.
- Show that it is setting up a new organisation which will listen to residents and which is capable of getting a wide range of people involved.
- Make every effort to include all residents in its work by:
 - actively working to increase its members
 - showing an understanding of, and commitment to, equal opportunities
 - making sure it always represents the community it serves
 - regularly (at least once every three months) monitoring how much it reflects the community it serves.
- Make sure that staff are committed to the process.

The lead advisor agrees to do the following.

- Provide a clear assessment of progress every three months.
- Make a clear commitment to this project by:
 - providing a named lead consultant, Mr Somebody
 - highlighting limits on resources as early as possible and working to tackle them
 - making sure that work will not be accepted if it affects the commitment to this project.
- Work closely with Sunnyside Tenant Management Steering Group and Another Council to identify 'in-house' and other training opportunities.

- Make sure that staff are committed to the process.
- Quickly informing the other two parties if there is a risk that the project may not be able to continue in the future.

Another Council agrees to do the following.

- Commit each part of their organisation to the principles of tenant management.
- Provide a named lead officer with the authority to deliver on its commitments. This officer is John Smith, Head of Tenant Services (or similar), with support from Janet Goody.
- Provide management information whenever it is needed.
 - The three parties have agreed that requests for basic information will be dealt with within a target of seven working days and no more than 15 working days.
 - Requests for complicated information (for example, a financial analysis) will be dealt with within a target of 20 working days. If, for any reason, the target cannot be met, the other parties will be told immediately.
- Make sure that staff and members are committed to the process.
- Make sure appropriate staff members are available to attend steering group meetings and training sessions, if this will benefit the project.
- Actively look for opportunities to provide 'in-house' staff or tenant training.

Settling disputes

If there is a dispute, all parties agree to follow the 'model dispute resolution' as defined by the Right to Manage statutory guidance.

Organisation	Signature
Sunnyside Tenant Management Steering Group
Another Council
Lead advisor

Appendix 5

Right to Manage proposal notice

To the Director of Housing *(or equivalent office)*

Date:

This letter gives notice that, in line with the Housing (Right to Manage) Regulations 2008, (name of your organisation) wants to use the Right to Manage in relation to the following households and land in its area.

(identify housing and land, perhaps by a map)

I have attached a copy of our constitution, which meets the conditions in regulation 10. A copy of the notice has been delivered to all the homes it refers to.

We have the necessary membership of the tenants of the housing this notice relates to, as set out below.

- Total number of tenants (including leaseholders) in the identified housing
- Total number of tenants (including leaseholders) in the identified housing who are members of (name of your organisation)
- Total number of secure tenants in the identified housing
- Total number of secure tenants in the identified housing who are members of (name of your organisation)

A vote of members was taken on this proposal on (dates), with the following results.

- Total number of tenants (including leaseholders) in the identified housing who are members of (name of your organisation) and who voted
- Total number of secure tenants in the identified housing who are members of (name of your organisation) and who voted
- Total number of tenants (including leaseholders) in the identified housing who are members of (name of your organisation) and who voted in favour of the Right to Manage proposal
- Total number of secure tenants in the identified housing who are members of (name of your organisation) and who voted in favour of the Right to Manage proposal

(Signatures)

Chairperson

Secretary

Appendix 6

Useful contacts

Group name	Who to contact	Address	Contact details
Alpha Tenant Management Co-operative	Brian Manning, Chair	19 Hyde Park Walk Carlisle S2 5LX	Phone: 01142 752170 E-mail: brinet.19hpw@talktalk.net
Agencies and Trainers for Involved Communities	Paul Lusk, Secretary	c/o BCHS Fairgate House 205 Kings Road, Birmingham B11 2AA	Phone: 020 3239 3431 or 07977 517334 (Secretary) Website: www.atlc.org.uk
Beechwood & Ballantyne Community Housing Association	Andy Hall, Managing Director	Beechwood Ballantyne Manor House Beechwood Drive Beechwood Prenton Wirral CH43 7ZU	Phone: 0151 606 6262 E-mail: info@bbcha.org.uk Website: www.bbcha.org.uk
Belle Isle TMO	Dr Linda Helen, Estate Director	Belle Isle TMO Aberfield Gate Belle Isle Leeds LS10 3QH	Phone: 0113 2141833 E-mail: enquiries@belleisleimo.co.uk Website: www.belleisleimo.co.uk
Bushbury Hill Estate Management Board	Juliet Davies, Community Liaison Officer	Bushbury Hill EMB The Management Centre 14 Kempthorne Avenue Low Hill Wolverhampton WV10 9JG	Phone: 01902 551628 E-mail: info@bushburyhill.co.uk Website: www.bushburyhill.co.uk
Cedarwood Housing Co-op	John Nolan	Cedarwood Housing Co-op Cedarwood Court Tye Green Village Harlow Essex CM18 6QF	Phone: 01279 319548 E-mail: john.d.nolan@ntlworld.com
Communities and Local Government	Richard Crossley or Lesley Storer	1/A1 Eland House Bressenden Place London SW1E 5DU	Phone: 0207 944 8316 Website: www.communities.gov.uk
Confederation of Co-operative Housing	Nick Bliss, Chair	Fairgate House 205 Kings Road Tyseley Birmingham B11 2AA	Phone: 0121 449 9588 E-mail: info@cch.coop Website: www.cch.coop

Group name	Who to contact	Address	Contact details
Glebe Court Management Organisation	Sandra Hall, Estate Administrator	Glebe Court MO 233 Glebe Court London Road Mitcham Surrey CR4 3NZ	Phone: 0208 286 7474 E-mail: sandra.hall@merton.gov.uk Website: www.glebecourt.org.uk
Grosvenor and Regency Management Organisation	Dee Hazeldene-Lloyd, Estate Director	G&RMO 20 Tothill House Vincent Street London SW1P 4DG	Phone: 020 7592 1766 E-mail: grosvenorEO@cwh.org.uk Website: www.cwh.org.uk (follow links to TMOs)
Halfway House Tenants and Residents Association	Reginald Taylor, Chair	Halfway House Tenants & Residents Association Claydon Pavillion Community Centre Suffolk Road Gorleston Great Yarmouth Norfolk NR31 0QB	Phone: 01493 603515 E-mail: regtaylorhms@ntlworld.com
Housing Corporation	TEP Grant Administrator	Centre for Research and Market Intelligence Housing Corporation Block A Suite 1 Westbrook Centre Milton Road Cambridge CB4 1YD	E-mail: tenantempowerment@housingcorp.gsx.gov.uk Website: www.housingcorp.gov.uk
InSTEP	Tenant Advisor	Unit 5 Gaunts Business Centre Petersham Lane Wimborne Dorset BH21 4JT	Freephone: 0500 844 111 E-mail: info.instep@tribalgroup.co.uk Website: www.instepservices.co.uk
Martlett Court Co-op	David Brennan	Martlet Court Co-operative Ltd 3 Beaumont Buildings Martlett Court London WC2B 5SF	Phone: 0207 379 8097 E-mail: dbrennan@cwh.org.uk Website: www.cwh.org.uk (follow links to TMOs)
National Housing Federation	Policy Officer	Lion Court 25 Procter Street London WC1V 6NY	Phone: 0207 067 1010 Website: www.housing.org.uk
National Federation of Tenant Management Organisations	Trevor Bell	NFTMO c/o Burrowes Street TMC Resource Centre Burrowes Street Walsall WS2 8NN	Phone: 01704 227053 E-mail: trevor@nftmo.com Website: www.nftmo.com

Group name	Who to contact	Address	Contact details
National Community Resource Centre (NCRC)	Barbara Watson	NCRC Trafford Hall Ince Lane Wimbolds Trafford Chester CH2 4JP	Phone: 01244 300246 E-mail: h.evans@traffordhall.com Website: www.traffordhall.com
North Prospect Partnership	Karen Renshaw, Neighbourhood Manager	North Prospect Housing Office 91-93 North Prospect Road North Prospect Plymouth PL2 2NA	Phone: 01752 306387 E-mail: Karen.Renshaw@plymouth.gov.uk
SMART TMO	Leslie Dalton, Company Secretary	SMART TMO 18 Cambeck Close Brampton Cumbria CA8 1PG	Phone: 01697 72750 E-mail: smart123@btconnect.com
Springfield Horseshoe Housing Management Co-operative	Julia Pangbourne, Estate Manager	Springfield Horseshoe Co-op 27 Burton Road Springfields Wolverhampton WV10 0EG	Phone: 01902 552872 E-mail: julia.pangbourne@wolverhampton.gov.uk
Torridon Co-op	Lissa McKenzie	Torridon Co-op Ltd 1 Torridon House Randolph Gardens London NW6 5HP	Phone: 020 7625 8433 E-mail: lmckenzie@cwvh.org.uk Website: www.cwvh.org.uk (follow links to TMOs)
Unwin & Friary TMO	The Secretary	Unwin and Friary TMO c/o The Secretary 15 Tortington House Bird in Bush Road London SE15 1RX	Phone: 020 7732 3926 E-mail: unwinandfriaryTMO@yahoo.co.uk
Walterton & Elgin Community Homes	Andy Watson, Chief Executive	Walterton and Elgin Community Homes 416 Harrow Road London W9 2HX	Phone: 020 7266 3347 E-mail: awatson@wech.org.uk Website: www.wech.co.uk
WATMOS Community Homes	Terry Edis, Chair	WATMOS Community Homes 29 Stafford Street Walsall WS2 8DG	Phone: 01922 471910 E-mail: terry.edis@watmos.org.uk Website: www.watmos.org.uk
Wilfrid East Co-operative	Chris Hull Co-op member	40 Corbin House Bromley High Street Bromley by Bow London E3 3BQ	Phone: 020 8981 6329 E-mail: wilfrid.housing@dial.pipex.com

Glossary

The glossary below explains some of the jargon we use throughout this document.

Action plan	A document setting out what tasks have to be carried out, how the work will be done, who will do the work and when they will do it.
AdaPT Toolset	The toolkit tenant management organisations use to work through the modular management agreement.
Agencies and Trainers for Involved Communities (ATIC)	A partnership of consultants who specialise in resident involvement and control.
Approved assessor	A person approved by the Secretary of State to assess the competence of tenant management organisations.
Area committee	A subcommittee which has been given authority to manage a specific area (usually applies to council services or housing associations).
Arm's-length management organisation (ALMO)	A company set up by a local authority to manage its housing. The local authority owns the company and is the only shareholder.
Assured tenancy	Since 1989, all new housing-association tenants have assured tenancies. They have fewer rights in law than secure tenants, although, under Housing Corporation guidance, most of these rights must be written into assured tenancy agreements.
Best value	The Government has placed a duty of best value on all local authorities. This means that the local authorities must provide services to clear standards of cost and quality in the most efficient, effective and value-for-money ways available. Best value means that every local authority must publish an annual performance plan and review of all their services every five years.
Board (also see 'Committee')	A group of people who have volunteered or been elected to control the affairs of a housing association, an ALMO or a TMO. They should support the aims of the organisation and are responsible for its strategy and financial health. A board may also be called a 'committee', 'management board', 'board of management' or, if it is a charity, 'board of trustees'.
Budget	The amount of money an organisation estimates it will bring in ('income') and spend ('expenditure') over a certain period of time, usually a year.

Business plan	A document which sets out an organisation's plans, including its aims and financial strategies for its work and development in the future.
Code of Governance	A code setting out how the board or committee will act together to have effective control over the organisation's business.
Code of confidentiality	A code of conduct or policy setting out how personal and confidential information should be dealt with.
Committee	See ' Board '.
Common Assessment Model	The NFTMO developed the Common Assessment Model to make sure there was consistency in how approved assessors assessed the competence of groups that were setting up TMOs. The model can also be used by a TMO committee to monitor their own progress.
Community housing association	A housing association that is run by the community and has strong links to the local area it works in. Its board is often made up mostly of tenants.
Community land trust	An organisation which owns land and develops it for the benefit of the local community.
Companies Act 2006	The current law setting out how public and private companies are formed, governed and regulated.
Company limited by guarantee	A company with a constitution under which members of the company are 'guarantors' rather than shareholders. Each member guarantees the company's debts up to a fixed limit (often £1 or even 10p) if the company becomes bankrupt. This type of organisation is suitable for housing associations and TMOs.
Competence	Having the skills, knowledge, experience and attitude needed to meet set standards.
Constitution	A document agreed by a group which sets out its aims, membership, rules and how it is governed.
Co-operative	A membership society run on the co-operative principles based on one member, one vote and fair shares of any benefits.
Co-opting	Appointing extra people to a committee or board who can bring specialist (or extra) skills or knowledge.
Councillor	An elected member of a local authority.
Development trust	An organisation set up to benefit a local community by owning land or buildings, running businesses and training or providing other services, usually with the aim of boosting the local economy.

Direct employment	When someone is employed on a contract by an organisation on a 'pay as you earn' basis.
Diversity	Recognising and welcoming people of different backgrounds.
Drop-in	An informal session used to consult local people on a one-to-one basis.
Equal opportunities	Treating everyone equally and fairly and not discriminating against someone because of their race, ethnic background, religion, age, sexuality, sex or disability.
Estate agreement	A yearly agreement negotiated between the landlord and all the tenants on an estate. The agreement sets out issues and priorities such as the standard of a service, budgets, and how residents will be consulted. The agreement is not legally binding but is a public guarantee and commitment by both sides.
EU Procurement Regulations	European regulations setting out how service providers, such as local authorities and housing associations, must contract out their services to allow interested people to apply to provide those services. The regulations are set out in the Public Contracts Regulations 2006.
Feasibility study	A study carried out to assess whether a particular course of action can be taken or is likely to be successful.
Focus group	A method of testing which involves bringing together a random group of people (or a group of people that has already been chosen) to discuss an issue or range of issues.
Group structure	A group of companies, often with similar principles, that work together under one parent company.
Housing association	A not-for-profit organisation working to provide social housing.
Housing Corporation	A Government organisation which oversees and regulates housing associations, as well as managing investment funds and grants.
Industrial and Provident Society	A charitable or non-charitable organisation, a housing co-operative or a TMO. They must be non-profit-making and supervised by the Financial Services Authority.
Lead advisor	A consultant who works with, or supports the development of, a residents' group or community organisation.

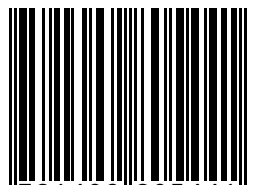
Leaseholder	Someone who owns a long lease of a property (usually a flat) but does not own a freehold.
Local area agreement	An agreement between a local strategic partnership and the Government to award public funding to achieve agreed priorities in a local area.
Local management agreement (LMA)	A neighbourhood agreement between the tenants and their landlord, where a limited number of management responsibilities are transferred to a tenants' organisation.
Local strategic partnership	A system that helps Government services to achieve their targets by working in partnerships. Local strategic partnerships work with the voluntary and other sectors.
Milestone	A term used in management to set and measure a clear target or task to be achieved.
Modular management agreement (MMA)	A Government document used by tenant management organisations (TMOs) and local authorities to agree how to divide the responsibilities and management duties that the TMO will take on. The agreement provides a range of options in each section (for example, finance and repairs) for the TMO to choose from.
Monitoring	Checking a system or process to make sure it is working properly and achieving its aims.
National Communities Resource Centre	A nationally recognised organisation, based at Trafford Hall, that provides residential, conference and training facilities.
National Federation of Tenant Management Organisations (NFTMO)	A national membership organisation for TMOs.
National Housing Federation	A membership organisation for housing associations in England.
Neighbourhood forum	A group of representatives from public services, voluntary agencies and the local community who meet regularly to monitor services to a specific area or neighbourhood.
Neighbourhood management	Making sure local services work together to provide the best results for local people and their quality of life. The National Strategy for Neighbourhood Renewal supports neighbourhood management as an important way to improve deprived neighbourhoods.
PACT (Police and Communities Together)	A forum which all police forces promote to consult local communities. May also be 'Partners and Communities Together' where several agencies co-operate as well as the police.

Partnerships	Organisations in the public, voluntary, community or private sector working together towards a common goal or aim.
Offer to tenants	The landlord's (usually the council's) outline proposal for transferring services to a TMO or transferring ownership to another landlord. The offer goes out before the ballot of residents is held.
Recruitment	The process of choosing new staff or board or committee members for an organisation.
Right to Manage	Introduced in 1994, the Right to Manage gives local-authority residents a legal right to take over the management of their homes by setting up a TMO.
Secretary of State	A Government cabinet minister.
Secondment	Temporarily transferring a staff member to another position (sometimes within another organisation).
Section 27 consent	Permission the Government gives to a council, under section 27 of the Housing Act 1985, for the council to enter into an agreement with another organisation to manage its housing services.
Secure tenancy	Most local-authority and housing-association tenants whose tenancies began before 1989 are secure tenants. This means they have a range of extra rights under the Housing Act 1985.
SMART	This stands for 'specific, measurable, achievable, realistic and timed' and is usually used in action plans to make sure outcomes can be measured.
Statutory guidance	Guidance issued by ministers that organisations and other people must follow when carrying out duties.
Stock transfer	The process by which a local authority transfers the ownership and management of its housing to a not-for-profit registered social landlord (usually a housing association). This usually only happens after secure tenants vote to accept the offer the council has made, which sets out the conditions of the transfer (see ' Offer to tenants '). If the majority of tenants vote 'no' to the offer, the transfer cannot go ahead.
Survey	A test of opinion carried out using a questionnaire.
Tenant Empowerment Programme	A Government-funded grant programme which supports a range of tenant-led initiatives, most of which are set out in the Right to Manage regulations.

Tenant management organisation (TMO)	An organisation controlled by tenants, which has a signed management agreement with the landlord that allows it to provide some or all housing-management services to tenants and leaseholders in a defined area.
Tenant	A person who agrees to live in a property in exchange for payment (rent).
TUPE	Transfer of Undertakings (Protection of Employment) Regulations, which give employment rights to staff.
Work programme	A plan produced alongside an application for the Tenant Empowerment Grant, which sets out the work which would be carried out with the grant funding.
Unincorporated	An organisation which is not registered as a company or an Industrial and Provident Society, so members are personally responsible for any unpaid debts and for entering into a contract.

ISBN: 978-1-4098-0544-1

ISBN 978-1-4098-0544-1



9 781409 805441