



## THE CCH ACCREDITATION FRAMEWORK FOR SERVICE PROVISION TO HOUSING CO-OPERATIVES

### Introduction

The Confederation of Co-operative Housing (CCH) has developed accreditation processes to strengthen standards in housing co-ops. This accreditation system is aimed at organisations that provide general management services on an ongoing basis to housing co-ops. It should be considered alongside our accreditation system for housing co-ops.

Various organisations provide services to housing co-operatives, from specialist secondary co-operatives, through to housing associations and individual consultants. However, because when people become members of housing co-ops, they rarely have the all the necessary skills and knowledge, the relationship between housing co-ops and the organisations providing services can never be just a straightforward customer relationship. Whilst the core of the relationship is basic - housing management services necessary to keep properties well managed and maintained - housing co-ops often require additional support on business planning, member involvement and empowerment, governance, good practice, legal and regulatory guidance, and sometimes on facilitating housing co-op identity, skills and confidence.

The relationship is made more complicated by the need for the service provider to ensure that the housing co-op remains in full control of their organisation, and therefore is able to define the services they receive and how they receive them, and made more complicated still by the reality of the resources available to housing co-ops to provide the support services they need. Co-ops also rarely have alternative options for where they buy services from, and rarely choose to change their service provider, and so the quality and control of their services need to be guaranteed through other means than could be guaranteed in a straightforward customer relationship.

The CCH investigated the housing co-op / service provider relationship in our research “Providing Services to Housing Co-ops” - available on our website [www.cch.coop](http://www.cch.coop). In this research, one service provider defined the relationship as follows:

“We’re there to provide a back-up, a level of expertise, a level of knowledge, to keep an eye on how things are going, to highlight issues, to point out

advantages that could be gained elsewhere, but to ultimately leave the decision up to the co-op.”

The primary aims of the accreditation system for service providers is to ensure the quality of services provided to housing co-ops, and to give comfort to housing co-ops that organisations that are accredited to provide services are effective and have a full knowledge and experience of how to work with housing co-ops, particularly in relation to meeting Tenant Services Authority (TSA) Standards for those co-ops registered with them. As the accreditation system develops, the CCH will advise housing co-ops to explore whether their needs can be better met through buying services from organisations or consultants who have been accredited.

### The Accreditation Process

The accreditation process is in three stages:

Accreditation stages	Description
Registration stage	Firstly your organisation will choose to seek accreditation and will register on the accreditation register at <a href="mailto:accreditation@cch.coop">accreditation@cch.coop</a>
Self assessment stage	Once registered you will undertake a self-assessment against the accreditation framework and develop and submit an action plan to address any areas where you need to take action to achieve accreditation.
External assessment stage	Formal accreditation will be granted following an independent external validation which will assess evidence that you are capable of providing effective services to housing co-ops which maintain and nurture their democracy and their control of their co-op. To be formally accredited, your organisation will need to have achieved the necessary standards in all areas of the framework.

### The Tenant Services Authority

The TSA is the new regulator for all social housing. It took over this function from the Housing Corporation in December 2008. The setting up of the TSA is a significant departure from the Housing Corporation’s approach, with significantly more emphasis placed on the level, quality and choice of service provided to tenants.

Following extensive consultation with tenants (including some tenants from housing co-ops), it has produced Standards which will apply from April 2010. The way that the TSA has developed its regulatory framework is largely aimed at housing associations and councils, but all co-ops registered with the TSA will be expected to comply with their Standards<sup>1</sup>. They have been deliberately drafted very broadly to focus on the results of what landlords do, particularly for tenants, rather than the specific processes used.

This accreditation framework for service providers complements our accreditation framework for housing co-ops. On its own it will not enable housing co-ops registered with the TSA to comply with TSA Standards, but compliance with TSA Standards have been taken into account in establishing this framework.

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<sup>1</sup> Further details on the TSA Standards are available at [www.tenantservicesauthority.org](http://www.tenantservicesauthority.org)

## Guidance for Service Providers

### The Framework

*This guidance has been designed to enable service providers to undertake their self assessments using the 'Service Provider Workbook'.*

Framework element		Framework detail
1	<b>Our mission and values</b>	<ul style="list-style-type: none"> <li>a) Why do we provide services to housing co-ops?</li> <li>b) How do we encourage and enhance the co-operative nature of the co-ops we provide services to?</li> <li>c) Do we enable co-ops to choose which services they buy from us and are they able to decide what role they will play in delivering these services?</li> </ul>
2	<b>Organisational</b>	<ul style="list-style-type: none"> <li>a) Are we a viable and sustainable organisation?</li> <li>b) How do we measure the quality of the services we provide?</li> <li>c) How are our new and existing staff inducted or supported in relation to providing services to housing co-ops?</li> <li>d) How do we operate our equality and diversity strategies?</li> </ul>
3	<b>Relationship with service users</b>	<ul style="list-style-type: none"> <li>a) How do we ensure that each housing co-op is in control of how it is governed and its services are provided?</li> <li>b) Is there a clear Management Agreement between the service provider and the housing co-op that is periodically reviewed that enables a flexible approach to providing services for each housing co-op?</li> <li>c) How do we report to and liaise with each housing co-op?</li> <li>d) How do we support co-ops in relation to compliance with legal and regulatory issues?</li> <li>e) Is there clarity of control and responsibility regarding any services provided jointly to more than one housing co-op?</li> <li>f) Is there a clear complaints system?</li> </ul>

Framework element		Framework detail
4	<b>Governance</b>	<ul style="list-style-type: none"> <li>a) What support do we provide to induct and train new members?</li> <li>b) How do we help co-ops develop their governance?</li> <li>c) What are our strategies for supporting co-ops that may have governance or other difficulties?</li> <li>d) How do we support co-ops to maintain financial control?</li> <li>e) How do we provide training &amp; development support?</li> </ul>
5	<b>Service provision</b>	<p>How do we support each co-op to operate their strategies/policies for:</p> <ul style="list-style-type: none"> <li>a) Business and forward planning?</li> <li>b) Financial management?</li> <li>c) Policy development and service reviews?</li> <li>d) Allocations and lettings?</li> <li>e) Rent collection and arrears?</li> <li>f) Anti-social behaviour?</li> <li>g) Management complaints?</li> <li>h) Day to day and void repairs?</li> <li>i) Asset management and planned maintenance?</li> </ul>
6	<b>Relationship with the outside world</b>	<ul style="list-style-type: none"> <li>a) How do we support and relate to the national co-operative housing movement?</li> <li>b) How are we aware of the latest developments which co-ops we provide services to need to be aware of?</li> <li>c) How do we manage our relationship with the Tenant Services Authority?</li> <li>d) How do we manage our relationship with local authorities that co-ops we provide services to own homes in?</li> <li>e) Do we engage in an appropriate way and learn from the wider co-operative movement locally and nationally.</li> </ul>

## Undertaking your Self Assessment

Your self assessment is in four parts:

- a) Your organisation should score your performance against each of the framework elements and details between 1 and 4 as below (a score of 3 is the necessary accreditation standard):

- 1 No compliance with the framework detail
- 2 Partial compliance with the framework detail
- 3 Full compliance with the framework detail
- 4 Exceeding the framework detail and offering additional value to client housing co-ops

How you carry out this self-assessment is up to you and will be different dependent on your circumstances (ie. in a dedicated service provider, you may wish to carry out your self assessment through your board; a housing association service provider may want to self-assess through relevant staff; a consultant will have to carry out the self-assessment themselves; there may be a service user committee that you will want to involve).

- b) You should ask the co-ops you provide services to carry out the same assessment exercise, assessing the services you provide to them. This assessment should be carried out independently by the co-ops and could be part of their own accreditation assessment process (bearing in mind that they are responsible for the services that you provide them). The co-ops you provide services to may wish to bring in some independent advice to enable them to assess your services.
- c) Your organisation and representatives from the co-ops you provide services to should meet to discuss similarities and differences in your self-assessments.
- d) Your organisation should develop an action plan that focuses in particular on addressing those framework details where you scored 1 or 2. This action plan should be agreed with representatives from the co-ops you provide services to.

## The Framework Elements and Details

### 1 Our mission and values

- a) ***Why do we provide services to housing co-ops?*** Service providers should provide services to housing co-ops because they believe in and support the co-operative values and principles<sup>2</sup> and should ensure that this is reflected in their values, vision, mission statement and aims.
- b) ***How do we encourage and enhance the co-operative nature of the co-ops we provide services to?*** Evidence shows that housing co-ops are more likely to sustain themselves if they clearly understand and consciously develop themselves as democratic membership controlled co-operatives linked into the national co-operative housing movement. Service providers should encourage and support its client co-ops to link with each other, and to link with housing co-ops elsewhere, possibly through the Confederation of Co-operative Housing, encouraging CCH membership and attendance at the CCH's annual conference.
- c) ***Do we enable co-ops to choose which services they buy from us and are they able to decide what role they play in delivering these services?*** To remain in control, housing co-ops need to be able to choose what services they buy from service providers and generally how they are provided. This should be done through a flexible Management / Service Level Agreement that allows client co-ops to negotiate and agree which services they will purchase and how those services are to be provided. Clear monitoring arrangements and agreed performance targets that allow each client co-op to make informed decisions regarding the effectiveness of the services they are receiving should be in place.

### 2 Organisational

- a) ***Are we a viable and sustainable organisation?*** How service providers operate is up to the service provider and its governance structures. However, housing co-ops who buy services need to make decisions about regularly renewing their relationship with their service provider in the knowledge of the viability and sustainability of the organisation. Service providers need to be open with client co-ops on these issues to enable them to make plans if there are any sustainability problems. This may particularly be an issue for smaller service providers, who need to agree short term recovery plans with co-ops for when particular staff are temporarily unavailable, and longer term sustainability plans for when individual staff members are permanently unavailable.

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<sup>2</sup> The Co-operative Values and Principles are detailed in Appendix One

- b) ***How do we measure the quality of the services we provide?*** It is important that service providers are able to demonstrate that the services they are providing are effective and meet the expectations of their client co-ops. Service providers can demonstrate the quality of their services through reports on services provided to each client co-op, their strategies on value for money and continuous improvement and internal target setting processes. The Management / Service Level Agreement should outline monitoring arrangements that ensure that client co-ops can assess the quality of the quality of the services they are purchasing.
- c) ***How are our new and existing staff inducted or supported in relation to providing services to housing co-ops?*** With only a limited number of staff in the sector who have skills, knowledge and experience of how to provide services to housing co-ops, service providers need to consider how they induct new staff so that they are trained in providing services to housing co-ops, in governing and delegated authority structures in each client co-op and in the co-operative values and principles.
- d) ***How do we operate our equality and diversity strategies?*** Client co-ops are responsible for their own equality and diversity strategies, but a part of their strategies should be that they expect organisations they work with to have equality and diversity strategies of their own which they implement. Therefore service providers need to have their own equality and diversity strategies; they should share these with client co-ops and demonstrate how they are implementing them.

### **3 Relationship with service users**

- a) ***How do we ensure that each housing co-op is in control of how it is governed and its services are provided?*** A housing co-op is not a housing co-op if it is not in control of its key decisions. Clearly where a service provider provides services, co-ops actively choose to delegate authority to the service provider, but this delegation needs to be clear and always leave the co-op in overall control of how it is managed. Some key issues that need to be considered are the input client co-ops have in designing and delivering services and how their bank accounts and financial reserves are controlled. The service provider should also ensure that in all the services and documentation it provides for co-ops, it always remains absolutely clear that the co-op is the landlord.
- b) ***Is there a clear Management Agreement between the service provider and the housing co-op that is periodically reviewed that enables a flexible approach to providing services for each housing co-op?*** Service providers should have an individual Management / Service Level Agreement with each client co-op that has been jointly negotiated between provider and co-op and that allows the co-op to choose from a suite of options about what services they buy (on the understanding that the co-op could choose

to deliver some services through other means and pay you as the service provider less money for services). The agreement should be formally monitored and periodically reviewed. The service provider should also provide support to enable client co-ops make informed decisions about what services they buy.

- c) ***How do we report to and liaise with each housing co-op?*** Service providers should provide regular monthly and quarterly reports to client co-ops that provide details about the services provided and co-ops should be involved in shaping the design and content of these reports. There should be clear liaison arrangements between the co-op and the service provider that identify a member of staff who is designated as the co-op's point of contact with the service provider. The co-op should also be aware of who to contact regarding particular matters.
- d) ***How do we support co-ops in relation to compliance with legal and regulatory issues?*** Co-ops need to comply with a range of legal and regulatory requirements; it would usually be expected that a service provider would provide support and guidance to their client co-ops in complying with these requirements. In particular, a service provider should provide support to co-ops registered with the TSA to comply with their National Standards framework. As yet, the Audit Commission has not inspected housing co-ops, but in the event of this happening in the future, service providers should be prepared to provide support to housing co-ops to respond to an inspection process (quite probably charging additional fees to do so).
- e) ***Is there clarity of control and responsibility regarding any services provided jointly to more than one housing co-op?*** Some housing co-ops achieve economies of scale through pooling arrangements for provision of services with other client co-ops buying services from the same service provider. Again, co-ops need to retain control over their governance and management, and there should be clarity regarding delegated authority regarding joint arrangements, where co-ops involved can jointly negotiate, design and monitor services provided jointly.
- f) ***Is there a clear complaints system?*** Whilst problems may be dealt with through informal liaison systems, co-ops need to have a clear formal procedure by which they can make complaints about service provision, where ultimately if a client co-op has exhausted the complaints procedure, and they are still not happy with the outcome, they are supported in raising the matter with the CCH. Similarly, service providers should set out expectations of their client co-ops, and procedures should include how problems will be resolved if expectations are not met - with the possibility of problems being referred to the CCH if they have not been resolved through the complaints system.

#### 4 Governance and development

- a) ***What support do we provide to induct and train new members?*** Housing co-ops need to have adequate systems to induct and train new members. Service providers have a responsibility to provide support and advice to client co-ops to enable them to meet this responsibility. In many cases, this means that the co-op contracts the service provider to produce information for new members about what being a housing co-operative member means (ensuring that new members are fully aware that the co-op is the landlord); the rights and responsibilities of co-op members; to support the co-op's member induction process; and to provide training.
- b) ***How do we help co-ops develop their governance?*** Housing co-ops are responsible for their governance, but service providers have a responsibility to ensure that they discharge their governance responsibilities effectively, particularly ensuring the effectiveness of:
- their governance and their compliance with the Code of Governance for Housing Co-operatives;
  - their democracy, empowerment and membership involvement strategies
  - compliance with co-operative values and principles;
  - policy development and service reviews;
  - organisational and business planning, asset management, long term financial planning and risk management;
  - equality and diversity strategies and meeting their legal, constitutional and regulatory requirements.
- c) ***What are our strategies for supporting co-ops that may have governance or other difficulties?*** Active involvement and effectiveness of co-ops can ebb and flow dependent on particular circumstances. Whilst continuing to ensure that the co-op remains in control, service providers should ensure that they have systems and auditing processes to support co-ops resolve any governance or other difficulties.
- d) ***How do we support co-ops to maintain financial control?*** Housing co-ops are responsible for their finances and resources. Where co-ops delegate day to day control of their finances to the service provider, service providers have a responsibility to produce clear and regular financial reports to client co-ops, and clear procedures should be in place for delegation of financial authority and for approving expenditure. Checks and balances should be in place that ensure the integrity of the co-op's finances, and that ultimate financial decision making authority remains with the co-op (regarding all finances, including reserve funds).
- e) ***How do we provide training & development support?*** Service providers should ensure that client co-ops have agreed appropriate training and

development strategies for their governing body and membership. Where the service provider provides training and development support, they should agree frameworks with client co-ops to assess and monitor the effectiveness of this training and development support.

## 5 Service provision

Client co-ops have responsibility for the delivery of housing management services to their members and must be in a position to choose whether to buy the services listed in this section from a service provider. The parts of this section apply where the service provider provides these services. Where a client co-op buys services from a service provider, the service provider has a responsibility to ensure wherever possible that at least one or more member of the client co-op's governing body represents the co-op in relation to each service area, and that wherever possible that member holds delegated authority in relation to the service area.

- a) ***Business and forward planning*** - service providers need to ensure the effectiveness of business and forward planning support provided, and that client co-ops have access to comprehensive and up to date information that would affect their business and forward planning processes
- b) ***Financial management*** - service providers need to ensure the effectiveness of financial management support provided and that it enables client co-ops to effectively manage their finances. This will include a provider's accounting systems, treasury management, procurement arrangements and ability to deliver value for money.
- c) ***Policy development and service reviews*** - service providers need to ensure that they can assist client co-ops develop appropriate policies that enable them to provide good quality services to their members and meet their legal and regulatory needs and that they can assist co-ops carry out service reviews. Service providers should particularly ensure that they provide up to date best practice information on service provision in carrying out service reviews, as well as advice on how to meet their members' changing needs and aspirations.
- d) ***Allocations and lettings*** - service providers should ensure that they have effective systems to support client co-ops' allocations and lettings systems that enable them to meet legal and regulatory requirements and comply with any nominations agreements with local authorities. Where client co-ops have agreed joint waiting lists, the operations of these waiting lists should be periodically reviewed with representatives from relevant client co-ops. Service providers should provide client co-ops with up to date guidance on national developments in allocations systems, such as choice based lettings systems and new flexibilities introduced by Government. Service providers should ensure that client co-op allocations and lettings

are carried out in partnership with co-op members and in accordance with good practice.

- e) ***Rent collection and arrears*** - service providers should provide advice and support to client co-ops in relation to their rent setting processes (advising regarding the Government's rent restructuring programme for co-ops registered with the TSA). The service provider should assist the client co-op develop and review its rent arrears policies and procedures. It should provide regular monitoring information to client co-ops. Decisions on serving notices and evictions should usually be made either through the co-op's governing body or through authority delegated to a co-op governing body representative.
- f) ***Anti-social behaviour*** - when anti-social behaviour occurs in housing co-ops service providers should be able to provide effective guidance and support, particularly ensuring that co-ops registered with the TSA comply with the Respect Standard for Housing Management. Service providers should provide assistance to their client co-ops to link with other agencies in relation to anti-social behaviour issues where necessary. Service providers should facilitate the provision of actions required in anti-social behaviour cases where necessary (eg. such as mediation services). Service providers should particularly ensure that co-op governing bodies or member(s) with delegated authority take any decisions regarding anti-social behaviour actions. Action needed to tackle anti-social behaviour issues can be resource intensive, client co-ops should recognise that it is legitimate for service providers to make specific additional charges in relation to tackling anti-social behaviour.
- g) ***Management complaints*** - service providers should provide support and advice to client co-ops with regards responding to and addressing management complaints. Responding to management complaints should always remain the responsibility of the client co-op; service providers should respond positively to the co-op with regards any management complaints made that relate to problems with the service providers provision of services and should provide particular assistance to the co-op in resolving such complaints. Service providers should ensure that management complaints are monitored and reported on to the co-op's governing body.
- h) ***Day to day and void repairs*** - service providers should ensure that they provide high quality day to day and void repairs services to client co-ops. Client co-ops should define their own repairs policies and procedures and service providers should assist co-ops involve their membership in defining repairs priorities, possibly in partnership with other client co-ops. Client co-ops should approve their own contractor lists, again possibly in conjunction with other client co-ops, and service providers should provide co-ops with regular monitoring information on the repairs service.

- i) ***Asset management and planned maintenance*** - service providers should provide a high quality asset management and planned maintenance service to client co-ops. This includes providing comprehensive advice on carrying out stock condition surveys and developing costed long term planned maintenance programmes, particularly providing assistance to co-ops to enable them to make decisions on their asset management strategy. Service providers should agree how they will work with their client co-ops on implementation of planned maintenance programmes, possibly in conjunction with other client co-ops to ensure value for money. Service providers should provide advice and support to co-ops to maximise the involvement of their members in the delivery and monitoring of planned maintenance programmes.

## 6 Relationship with the outside world

- a) ***How do we support and relate to the national co-operative housing movement?*** Service providers should engage with the national co-operative housing movement and consider CCH membership themselves.
- b) ***How are we aware of the latest developments which co-ops we provide services to need to be aware of?*** Service providers should ensure that they have full knowledge up to date information and the latest best practice developments in housing issues and in co-operative housing.
- c) ***How do we manage our relationship with the Tenant Services Authority?*** Where service providers provide services to client co-ops registered with the TSA, service providers should seek and maintain a practical relationship with TSA field officers to facilitate dialogue between client co-ops and the TSA.
- d) ***How do we manage our relationship with local authorities that client co-ops own homes in?*** There are a number of areas where housing co-ops need to have a relationship with their local authority, such as allocations, anti social behaviour and other issues. Service providers should ensure that they facilitate relationships with relevant local authorities, enabling appropriate and effective links between local authorities and client co-ops where appropriate.
- e) ***Do we engage in an appropriate way and learn from the wider co-operative movement locally and nationally?*** Service providers should be aware that housing co-ops are part of the wider co-operative movement. To enable them to engage and learn from that movement providers should establish and maintain links both locally and nationally (in certain cases providers will also engage on an international level).

## **Appendix One - The Co-operative Values and Principles**

The Statement of Co-operative Identity established by the International Co-operative Alliance (ICA) in 1995 agreed the following:

### **Values**

In order to maintain their identity co-operatives should ensure that they are supporting the following co-operative values:

- Self-help and responsibility
- Democracy
- Equality, equity and solidarity
- Honesty and openness
- Social responsibility and caring for others

### **Principles**

These are principles by which co-operatives put their values into practice. All co-operative should act in accordance with these following seven principles: -

#### **1st Principle: Voluntary and Open Membership**

Co-operatives are voluntary organisations; open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

#### **2nd Principle: Democratic Member Control**

Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote), and co-operatives at other levels are also organised in a democratic manner.

#### **3rd Principle: Member Economic Participation**

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

#### **4th Principle: Autonomy and Independence**

Co-operatives are autonomous, self-help organisations controlled by their members. If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

**5th Principle: Education, Training and Information**

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

**6th Principle: Co-operation Among Co-operatives**

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional, and international structures.

**7th Principle: Concern for Community**

Co-operatives work for the sustainable development of their communities through policies approved by their members.