



# D1 Managing a Housing Scheme



# Of course everything will be fine – it's community-led

- Lessons from history
- The 450 who became 250
- Reputational problems
- One man and his dog organisations
- Dysfunctionality by design (or lack of it)



# Dysfunctionality by design!

- A CLH organisation set up between 2006 and 2009
- Environmental scheme with 9 homes
- A CBS with a “global” membership
- With leases to the residents in the houses
- Tensions between the global membership and residents
- Led to a legal case where the court rules that freehold should be passed to the residents and a legal entity established to own/manage the common spaces
- Residents with polar disputes unwilling to compromise
- Income from the environmental scheme going into the hands of the residents
- Can you get us a method of making decisions?



# Managing a housing scheme

Who could provide management services in a CLH scheme?

- Voluntary members
- A service provider agency
- Employed staff
- A mixture of the above
- A housing association if leased out



# A housing association lease

- Long term leases where a housing association finances and develops scheme and manages homes
- Terms in lease regarding local lettings arrangements

## **What might be the management issues?**

- Who is responsible?
- Remote housing association management
- Service standards?
- Resident membership of the CLH organisation
- Sustainability of the CLH organisation



# Advantages of voluntary management

- Volunteers might deliver a better hands on personal and local service
- Volunteers will have a clearer idea of what goes on in the organisation
- Volunteers may be able to respond quicker to hands on issues
- Less management costs
- Skill building
- Potentially a stronger community team



# Disadvantages of voluntary management

- Are there volunteers who want to and have the skills to carry out all the functions?
- Challenges relating to personnel change
- Will volunteers know the legal and regulatory requirements?
- Will some things just not get done?
- Will the necessary bureaucracy be done?
- Potential conflicts or conflicts of interest
- Potential lack of clarity about delegations and about who does what
- Uneven or unfair service levels?
- Potential confidentiality issues



# Voluntary management - issues

- Deciding who does what
- Ensuring clarity about who does what
- Written role descriptions
- Specifying levels of delegated authority
- Volunteering – governance vs operations
- Accountability to the governing body
- Managing personnel change





# Service provider relationship

- Some CLH organisations buy services from organisations that provide services
- Some long-established organisations that started life as secondary housing co-ops
- Some are still secondary co-ops owned by their client co-ops
- Some now in housing associations
- Other new service providers



# Advantages of service providers

- Less onerous for volunteers and more reassuring
- CLH organisation not responsible for staff management
- Economies of scale
- Access to broader range of skills
- Working environment for staff



# Disadvantages of service providers

- Less direct control than through volunteers or directly employed staff
- Potential drift of ethos and CLH organisation responsibility
- Some members may think that the service provider is the landlord



# Relationship with service provider

- A contractual relationship – usually known as the “management agreement”
- Not to be confused with TMO management agreement
- More than a contractual relationship - proactive facilitatory advice/support role
- Advising when the organisation might make an ill-considered decision
- But the decision rests with the CLH organisation



# The management agreement covers:

- Parties to the agreement
- Period of appointment
- Termination and variations
- Delegation and record keeping
- Remuneration
- Accountability, review and management of complaints
- Properties covered



# Management agreement services

## Could include:

- Rent/service charge setting and accounting
- Arrears handling, benefit liaison and advice
- Preparing legal action
- Waiting lists, allocations, lettings and exchanges
- Management of voids
- Management of anti-social behaviour, tenant damage and other tenancy issues



# Management agreement services

## **Could include:**

- Day to day repairs and gas servicing
- Insurance claims
- Leasehold management
- Financial services, audit and treasury management

## **Needs to include:**

- Liaison with governing body
- Performance management and other reporting to governing body



# Management agreement services

## Other issues:

- Management of planned maintenance (% of works)
- Other additional services might be extra charges (e.g. extensive anti-social behaviour work, basic administration)
- Some providers enable the CLH organisation choose what services are provided; other provide full-service suite





# Service provider relationship

- The CLH organisation is legally responsible for its homes
- Does the service provider have the skills and insurances it needs to provide services?
- Staff in dedicated agencies are usually committed to CLH
- Procurement and tendering – but these relationships often last forever! A lack of competition
- VAT exemption for providers established solely to provide services to CLH organisations who govern the provider – process to register with HMRC
- Could the CLH hubs provide services to CLH organisations?



# Staff employment

- Some larger CLH organisations directly employ staff
- Several of the CLH “hubs” are already directly employing staff
- Contracting staff on an associate basis? Need to be able to satisfy HMRC that its not just a way around tax and other liabilities. Does the person work for other organisations? Is the work they are doing regular and ongoing work for the organisation?
- Ensuring that associate staff are responsible for their own tax and insurance liabilities
- Need to take appropriate employment advice



# Advantages of direct employment

- May be less onerous than voluntary management
- May be particularly appropriate in a larger CLH organisation
- Potentially more control over directly employed staff than in a service provider
- Staff dedicated to the CLH organisation
- No VAT costs



# Disadvantages of direct employment

- CLH organisation may not be able to afford it
- Volunteers responsible for recruitment and staff management – an onerous responsibility that is often delivered poorly in CLH organisations by untrained volunteers – leading to staff disputes that are difficult to manage
- Staff in broom cupboards with limited opportunities for career progression or interaction with other staff
- Who ends up making decisions?



# Employment law and practice

- CLH organisations need to seek and have access to proper HR advice and support
- Getting employment issues wrong will end in tribunals and costs for the CLH organisation
- Written and implied contracts of employment
- Leave and pay entitlement and two-year service rules
- Company rules and staff handbook
- Wrongful, constructive, unfair ... and fair dismissals
- Disciplinary and grievance procedures
- Demonstrating proper leadership
- Training and development
- Performance management – one to ones and appraisals





## Accredited Advisor information

The Community Led Housing section on the CCH website contains the following useful training resources:

- Course Notes
- Course Presentations
- Case Studies
- Videos

