



Department for
Communities and
Local Government

Right To Manage

Statutory Guidance

Part 1

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If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

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December 2013

ISBN: 978-1-4098-4054-1

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Introduction

1. This guidance explains the 2012 Right to Manage regulations (henceforth referred to as “the Regulations”), which have been introduced to make it easier for tenants to exercise their Right to Manage. It should be read alongside the statutory guidance on Modular Management Agreements, as well as the Regulations themselves. It replaces the previous guidance explaining the 2008 Regulations, see Annex A.

Context

2. Local authority tenants have had a statutory Right to Manage since 1994. By forming a Tenant Management Organisation, and following Right to Manage Regulations, such tenants can take over responsibility for managing housing services, such as repairs, caretaking, and rent collection from their landlord.
3. Tenant Management Organisations are proven models of community control that can improve service quality, secure better value for money, and boost satisfaction. Their members are unpaid volunteers who want to improve the quality of people’s lives by taking on more responsibility for local services.
4. The Right to Manage regulations provide a clear process for aspiring Tenant Management Organisations to take over management responsibility for local services. They also provide safeguards about service delivery and public finances for the tenants whose properties would be managed by the Tenant Management Organisation; the local authority; local council tax payers; as well as the Government.

Summary of Right to Manage procedures

5. The key stages in the Right to Manage process are as follows:
 - the tenants explore options for managing services, engage residents and decide that tenant management is the right option for them (although not part of the statutory Right to Manage process this stage is recommended);
 - a vote is held which authorises the Tenant Management Organisation to serve a Right to Manage proposal notice on the local authority;
 - the Tenant Management Organisation and local authority develop proposals for the services to be managed and budgets to be transferred, drawing on the authority’s support;
 - the competence of the Tenant Management Organisation is assessed by an independent approved assessor;
 - providing the group is deemed competent, affected residents are balloted to confirm community support, ahead of detailed work by the Tenant Management Organisation and local authority to finalise arrangements for transfer;
 - an agreement is prepared and signed transferring management responsibility to the Tenant Management Organisation.

For illustrative purposes, these stages are shown as a flow diagram at Annex B.

6. The Right to Manage provides tenants with responsibility and control of local services. In some ways, managing a Tenant Management Organisation is akin to running a small business, with the Tenant Management Organisation Board members responsible for issues such as:
 - service delivery;
 - effective control of public monies;
 - adhering to disability and equalities legislation in all policies and practices;
 - effective human resourcing issues for employers;
 - reflecting the views and wishes of residents.
7. Recognising the importance of these issues, local authorities and Tenant Management Organisations will want to ensure from the outset that they can devote time and resources to the Right to Manage, and have open channels for communicating and collaborating with each other.

Support for Tenant Management Organisations

8. Tenant Management Organisations will want to consider how to address their training and support needs throughout the process, drawing on any grants that may be available. Specialist tenant advisors can offer a range of skills, including technical and community involvement expertise, but they are not the only source and costs vary and may be high. Others can offer an equally valuable perspective. For example, experienced Tenant Management Organisations can provide valuable practical experience on issues such as governance and budget management; and voluntary or community groups can also provide useful advice from a local perspective. It is important that the Tenant Management Organisation takes responsibility for procuring advice in a cost-effective way, and the local authority and National Federation of Tenant Management Organisation can give advice on how to do this.
9. Equally, tenants may also want to explore with their local authority options for gaining practical management experience which could prove valuable in understanding how tenant-controlled services might operate (e.g. exploring the benefits of shadow boards or limited local authority delegations).

Government support for housing management

10. Through streamlined Regulations, condensed guidance, and simpler processes Government is making it easier for tenants to exercise their Right to Manage. It has also directed the Social Housing Regulator to set a Tenant Involvement and Empowerment Standard that encourages social landlords to offer opportunities for tenants to get involved in housing management. Additionally, Government will continue to work with the tenant and local authority sectors to monitor experiences of Tenant Management Organisations in exercising their Right to Manage, to ensure that it is working as intended.

Other options for tenant-led housing management

11. Alternative approaches are also available for tenants wishing to managing services. Tenants can manage local services where the contract value is below the EU procurement threshold, using Community Cashback, and drawing up a Local Management Agreement with their landlord. Alternatively, arrangements may be put in place whereby tenants manage services whilst the local authority retains control of budgets. If tenants wish to take control of the repairs or maintenance of their home, they can ask their landlord to offer tenant cashback.

Section 1: General provisions

Commencement and Revocation of 2008 Regulations

12. These Regulations came into force on 6 August 2012. The Regulations, as well as this guidance, apply to England only. Previous regulations, introduced in 2008, have been revoked. Transitional provisions, apply where Tenant Management Organisations are in the process of exercising their Right to Manage under the 2008 Regulations, see Section 6 below.

Definitions and general duties of Tenant Management Organisations

13. A list of terms and definitions used in the Regulations is at Annex C.

14. Tenant Management Organisations needs to satisfy the following conditions:

- have a written constitution;
- specify an area to which any agreement to manage will relate;
- any tenant of a house in that area may become a member of the Tenant Management Organisation;
- the Tenant Management Organisation must avoid any unlawful discrimination;
- the affairs of the Tenant Management Organisation must be conducted by its members at a general meeting, or by a committee or board or directors elected by Tenant Management Organisations members.

15. The constitution of the Tenant Management Organisation can contain other matters, and can be amended. In exercising their functions, Tenant Management Organisations must have regard to any statutory guidance regarding the Regulations. Before entering into a management agreement, the Tenant Management Organisation is required to become a 'registered' (i.e. incorporated) body, and there are benefits in incorporating as early as possible in the process. Before this happens, the Tenant Management Organisation may be an unincorporated tenants' association providing it meets the conditions in paragraph 14 above.

Agreement to time extensions

16. Regulations set out the timescales for completing various stages in the Right to Manage process. These are summarised at Annex D. The authority and the Tenant Management Organisation can agree to extend any of the timescales set out in the regulations, before the deadline has expired.

Security of the ballot

17. Affected tenants and leaseholders will be invited to vote in a Right to Manage ballot. The ballot should be organised so that votes cast by individuals are kept secret. Votes are usually cast on a written voting slip and placed in a sealed envelope. These can be collected door-to door or returned by post. It is good practice for the

detailed arrangements for the ballot to be agreed in advance by the Tenant Management Organisation and the local authority.

Written communications

18. All important communications associated with the Right to Manage, including requests, reports, and offers, should be made in writing.

Disputes

19. If the authority and Tenant Management Organisations cannot resolve a dispute that has arisen between them concerning the application or interpretation of the Regulations, or the Tenant Management Organisations agreement, either party may refer the matter to arbitration.
20. It is good practice for the local authority (henceforth referred to as the “authority”) and the tenants group to hold meetings to settle disputes satisfactorily to both parties. A facilitator, independent advisor working for the tenant group, or an elected member, could assist in this process. Mediation should also be considered as an option for settling disputes. If the correct procedures have been followed, but negotiations have failed, the matter may be referred to an arbitrator, in some cases appointed by the Secretary of State. However, this can be expensive, and the arbitrator will decide how costs will be shared. The Tenant Management Organisation may consider contacting the Independent Housing Ombudsman if it is felt that maladministration has occurred.
21. The authority and Tenant Management Organisation must have regard to any guidance issued by the Secretary of State regarding arbitration.

Section 2: Initiating the process

Proposal notice

22. To initiate the process, a Tenant Management Organisation must serve a written notice on the authority of its intention to exercise the Right to Manage. This notice must propose managing at least 25 homes let on secure local authority tenancies, within the area set out in the notice. There is no upper limit for the number of properties managed by Tenant Management Organisations, however, evidence suggests there are significantly higher risks associated with larger Tenant Management Organisations. Hence Tenant Management Organisations with up to 500 homes are more likely to stand a better chance of success than those with over 1000 properties.
23. The houses referred to in the proposed notice must all be within Tenant Management Organisation's area, and the Tenant Management Organisation's membership must comprise at least 20% of all tenants, and at least 20% of all secure tenants from within this area (defined in Annex C).
24. The notice must be accompanied by evidence demonstrating that the Tenant Management Organisation has secured the membership and consultation requirements below. The Tenant Management Organisation will need to provide evidence that satisfies the authority, and therefore both parties should work closely from the outset to avoid any misunderstandings.
25. A proposal notice must not contain a proposal relating to houses already included in an existing management agreement, unless:
 - all those houses are included in the proposal, and the Tenant Management Organisation that serves the notice is party to the existing agreement; or
 - more than 2500 houses are covered by the existing agreement.

Consultation and membership

26. Tenant Management Organisations need to gain the community's support and confidence and ensure that they develop their priorities in consultation with residents. In doing so, it is important that they follow good practice on equality and diversity, and make genuine efforts to engage with people who may be considered 'difficult to reach'.
27. Before a Tenant Management Organisation can serve a Right to Manage proposal notice, it must use its best endeavours to deliver a copy of the notice to every house covered by the notice, so that local people can see what is proposed.
28. It must also establish community support by either presenting the proposal to serve the notice to its members as a resolution at a properly constituted general meeting, or by putting the proposal to a ballot of its members. The requirements regarding security of the ballot are set out in Section 1.

29. Whichever method is used, the Tenant Management Organisation must ensure that votes are only cast by its members. It is therefore essential that it maintains an up-to-date membership list. To secure a mandate to serve a Right to Manage notice, the proposal must be supported by a majority of voting members of the Tenant Management Organisation. It is important that an accurate record of the meeting/ vote is recorded.
30. When the notice is served on the authority, the membership of the Tenant Management Organisation must include at least 20% of the tenants and at least 20% of secure tenants whose houses are identified in the proposal notice. It is important that the Tenant Management Organisation has a procedure for the administration of members, and continues to build-up membership, so that it reflects the views and support of the local community.

Acceptance and refusal of proposal notices

31. If the Tenant Management Organisation secures a majority to proceed, it will write to the authority giving notice that it proposes to exercise its Right to Manage.
32. Within 28 days of receiving the proposal notice, the authority must notify the Tenant Management Organisation in writing whether it accepts, or refuses, the notice. If the authority refuses, it must write to the Tenant Management Organisation explaining the reasons for the refusal. The authority can only reject a proposal notice in two circumstances:
- if it contains a similar proposal to one contained in a previous proposal notice and:
 - at least half of the houses identified in the current proposal notice were also identified in the previous proposal notice, and,
 - within the 2 years preceding the date on which the current notice was received, or was deemed to be withdrawn (because the Tenant Management Organisation was not deemed competent by an approved assessor; the offer was refused at a ballot of affected tenants; or the Tenant Management Organisation failed to become incorporated); or
 - if it can provide evidence that the Tenant Management Organisation has failed to comply with the consultation and membership requirements above.
33. Otherwise the local authority must accept the notice, and must inform the Tenant Management Organisation of any organisation, or person, who already exercises management functions in relation to the houses identified in the proposal notice. It must also provide a copy of the proposal notice to such organisations or persons. This will ensure that affected parties are aware of the proposal.

Local authority support

34. Once an authority has accepted a proposal notice, the Tenant Management Organisation should write to the authority requesting support to help it take forward

its plans. It can ask for any support it reasonably needs. For example, this could include premises to hold meetings, suitable equipment, training and money to pay for advice in negotiating an agreement. The authority must notify the Tenant Management Organisation of the support it will provide within 28 days of receiving the request; and must then arrange for that support to be provided. Further advice about the provision of resources and assistance to help the Tenant Management Organisation become operational is provided in Part 4 of the guidance 'Calculating Allowances for Tenant Management Organisations'.

35. The authority and Tenant Management Organisation should use every effort to resolve any disagreements regarding the support to be provided by the authority. If the latter is not satisfied with the authority's response to its request, it may seek arbitration to determine an appropriate level of support, within 28 days of the authority's notification. It must notify the authority if it decides to refer the matter to an arbitrator. Information about the dispute arrangements is set out in Section 1 above.
36. Within 28 days of the matter being referred, the arbitrator must determine the support that is considered reasonable for pursuing the proposed notice, and notify the authority and Tenant Management Organisation the decision.

Section 3 - Development Stage

37. Effective business planning at the development stage is vital to the success of the Tenant Management Organisation. During this stage, the Tenant Management Organisations will consider issues around governance, community support, business planning, and financial viability.
38. To enable the Tenant Management Organisation to start developing its proposals, it is vital that the authority provides early advice on the allowances available and identifies any practical considerations, such as the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and existing service delivery arrangements that the Tenant Management Organisation needs to take into account.
39. Experience suggests that there are benefits in Tenant Management Organisations gaining practical experience of managing budgets and performance managing the lead advisor during the development stage. This will also provide practical demonstration for independent assessment.
40. Experience also suggests that authorities and Tenant Management Organisations should reach early agreement about the matters to be included in the offer. Ideally, within three months of the acceptance date, the Tenant Management Organisation should advise the authority of the services it wishes to consider for inclusion in the offer, in accordance with the options in the Modular Management Agreement. Within a further two months, the authority should provide a calculation of allowances, including evidence of methodology and any considerations that the Tenant Management Organisation should take into account in deciding how to manage services.
41. Experience of preparing and agreeing Modular Management Agreements has highlighted the desirability of:
 - allowing Tenant Management Organisations the opportunity to exercise any management function set out in the statutory guidance; authorities should not exclude options from negotiation;
 - referring in the agreement to client-side responsibilities that have been devolved to an Arms Length Management Organisation (e.g. negotiating, monitoring and allowance setting), along with arrangements to address potential conflicts of interest between the parties, whilst recognising that legal responsibility remains with the authority;
 - giving early and timely advice by the authority of the allowances available and practical constraints (such as the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and existing service delivery arrangements) that will need to be taken into account by the Tenant Management Organisations. To assist this, the Tenant Management Organisations should make an early decision on the services it wishes to include in negotiations.

Appointment of the approved assessor

42. Because of the importance of delivering effective services and effective use of public money, it is essential that the Tenant Management Organisation is competent to manage housing services. An independent assessment must therefore be carried to assess its competence. Within 3 months of the authority's acceptance of a proposal notice, the Tenant Management Organisation must apply to the Approved Assessor Service to appoint an assessor who, in due course, will report on the organisation's competence to exercise the management functions set out in the proposal. The approved assessor will be independent from the Tenant Management Organisation and the authority.
43. Drawing on experiences, a streamlined approach has been developed for the assessment, summarised at Annex E. This includes an early assessment to check that the Tenant Management Organisation's proposed training and development programme is likely to enable the group to achieve the standards of competence that will be expected when the formal assessment takes place.
44. The authority must arrange for the approved assessor to carry out a report on the Tenant Management Organisation's competence. Authorities should co-operate fully to enable the assessor to carry out their role, for example they should make available information to help the assessor and respond to assessor's queries.
45. Within 15 months from the date when the Tenant Management Organisation received the authority's acceptance of the proposal notice, the approved assessor must prepare a report for both parties, concluding whether or not the Tenant Management Organisation is competent. If the report concludes that it is not competent, the assessor's report will suggest the actions to be taken by the authority and the Tenant Management Organisation to enable the Tenant Management Organisation to become competent. Both parties must use all reasonable efforts to take the actions suggestion by the approved assessor, and jointly agree an action plan to deliver the assessor's recommendations.
46. Within 7 days of the action plan being completed, the authority must notify the approved assessor. Within 35 days of receiving this notification, the approved assessor must reassess whether or not the Tenant Management Organisation is competent. The assessor must notify both parties of his/ her conclusion.
47. The proposal is considered to be withdrawn if the authority and Tenant Management Organisation do not follow the above process, or if the assessor concludes that the Tenant Management Organisation is still not competent to take over the proposed housing management functions.

Offer notice

48. If the assessor confirms that the Tenant Management Organisation is competent, within 15 months of the authority's acceptance of the Right to Manage proposal notice, the authority and Tenant Management Organisation must jointly prepare an offer notice. This will be the basis of the formal offer on which tenants will be invited

to vote for or against the proposed delegation of functions to the Tenant Management Organisation. This must contain the following details:

- the management functions that the Tenant Management Organisation proposes to exercise;
- the expected funding or budget to be allocated by the authority to enable the Tenant Management Organisation to deliver those functions;
- the financial accountability and control procedures which the authority and Tenant Management Organisation will have in place;
- the management and governance arrangements of the Tenant Management Organisation.

49. These matters will give tenants whose homes would be affected by the proposal a well-informed basis on which to decide whether they want the Tenant Management Organisation to manage their home. Additional information may also be included if both parties wish.

50. In preparing the offer notice, the Tenant Management Organisation and authority must have regard to any guidance issued by the Secretary of State.

Offer to tenants

51. Within 3 months of receiving the approved assessor's conclusion that the Tenant Management Organisation is competent to exercise functions, the authority must provide a copy of the offer to every house identified in the proposal notice. This must contain:

- the offer notice;
- the approved assessor's conclusion about the competence of the Tenant Management Organisation to exercise the management functions set out in the proposal;
- information submitted by the Tenant Management Organisation concerning the proposal.

52. Within a further 3 months, the authority must arrange for a ballot which must be secret, to be carried out to establish whether the tenants whose homes would be managed by the Tenant Management Organisation wish to accept the offer. This 3-month deadline is a maximum; in practice, it is in everyone's interests to have period of around 3 or 4 weeks between offer and ballot.

53. It is important that the Tenant Management Organisation and authority collaborate on the arrangements for the conduct and wording of the ballot, drawing on good practice. The authority should keep to any reasonable requests made on how the ballot will be held. The ballot votes must be kept confidential and secure.

54. The ballot may be conducted by the Tenant Management Organisation, the authority, or a third party. It may be conducted by taking ballot boxes from door to door, based on fixed polling stations, or as a postal ballot. One vote must be given to each tenant. It is good practice for the Tenant Management Organisation and authority to be present when the votes are counted. The ballot needs to identify the number of tenants and the number of secure tenants who accepted and rejected the offer. So the ballot paper should allow secure and other tenants (such as leaseholders) to be distinguished.
55. The authority must notify the Tenant Management Organisation of the result of the ballot within 14 days. To proceed, a majority of tenants who voted in the ballot, and a majority of the secure tenants who voted, must vote in favour. This will ensure that the Tenant Management Organisation has widespread support to its proposals.
56. The offer is deemed to be withdrawn if it is refused by either a majority of voting tenants or a majority of voting secure tenants. This reinforces the importance of effective community engagement by the Tenant Management Organisation.

Section 4 – Implementation Stage

Duty to enter into management agreement

57. Where there is a positive ballot, the authority must enter into a management agreement with the Tenant Management Organisation within 9 months of that ballot, providing that the Tenant Management Organisation has been incorporated (see below). The agreement must be in an approved form.
58. The agreement must take into account the guidance that has been issued by the Secretary of State regarding Modular Management Agreements.
59. Experience suggests that for some Tenant Management Organisation, the 9-month timescale for preparing, and securing agreement to, a management agreement may be challenging. Key tasks to support this are likely to include continued communication with tenants, recruitment and staff training, procurement of contracts, establishing office systems and transferring records from the local authority. Recognising this, it is advisable for the Tenant Management Organisation and authority to start scoping the management agreement, considering proposed delegations of functions and budgets, and exploring TUPE issues during the development stage. This will make it easier to prepare the detailed schedules to the agreement. The Tenant Management Organisation may appoint a manager to help it develop the agreement, once it has received a positive ballot result.

Incorporation of Tenant Management Organisations

60. The Tenant Management Organisation will need to register as an Industrial and Provident Society or a registered company limited by guarantee (such as a Community Interest Company) within 9 months of the authority's notification of a successful ballot (see Section 1). If it does not do so, the proposed notice is deemed to have been withdrawn, and the authority is not required to enter an agreement with it.
61. It is good practice for a Tenant Management Organisation to incorporate during the development process, if it so wishes. Similarly, it should also be developing governance procedures for when the Tenant Management Organisation goes live.

Section 5 - Other provisions relating to Tenant Management Organisations

Guidance by the Secretary of State

62. Authorities and Tenant Management Organisations must have regard to any guidance issued by the Secretary of State.

Break clauses

63. Since 1994, housing management agreements must contain break clauses allowing for variations or terminations to housing management agreements, within 3 months. This paves the way for Tenant Management Organisations to take on the housing management services.

Co-option to the Tenant Management Organisations

64. Only at the invitation of the Tenant Management Organisation, may authorities be invited to nominate a director or officer to be co-opted to the organisation. The decision on whether to co-opt an individual will depend on the Tenant Management Organisation's constitution and Memorandum and Articles.

65. Making use of co-optees provides an opportunity for Tenant Management Organisation to gain a degree of expertise in areas that may not be available through their general membership or recruitment. This could, for instance, help to increase the diversity of the board, strengthen links with other stakeholders, and add housing management expertise and specialist skills such as finance, business and legal. Additionally, it will enable board members to develop a broader range of skills. However, in practice, relatively few Tenant Management Organisations have local authority nominees, particularly on their Boards. Existing company laws surrounding the actions of Board members would apply to co-opted members. Where an authority is invited to nominate an individual, it should give serious consideration to doing so.

Agreements entered into voluntarily

66. If an authority wishes to delegate responsibility for managing its housing to a Tenant Management Organisation, it does not need to follow the Regulations providing that the voluntary agreement has consent under section 27 of the Housing Act 1985 and is in a form approved by the Social Housing Regulator.

Section 6 - Transitional provisions

67. The introduction of the 2012 Regulations does not require a developing Tenant Management Organisation to start again from the beginning. It can continue under the 2008 Regulations or move to the Regulations, depending on the stage that the process has reached.

Proposal notices served under the 2008 Regulations

68. If a Tenant Management Organisation has served a proposal notice under the 2008 Right to Manage Regulations, but the authority has neither accepted nor declined it, the 2012 Regulations will apply if the authority accepts the notice on or after 6 August.

Local authority support following proposal notice

69. If a Tenant Management Organisation asked the authority for support but the authority did not respond before 6 August 2012, the request will be treated as if it were made under the 2012 Regulations.

70. If an authority agreed to the Tenant Management Organisation's request for support, or an arbitrator notifies the authority and Tenant Management Organisation of a determination, and the authority and Tenant Management Organisation have not started preparing the feasibility study, they can move straight to appointing an approved assessor and an offer prepared in accordance with these Regulations.

Subsequent procedure in relation to regulation 2 notice

71. If an authority accepted a Tenant Management Organisation's proposal notice, and agreed to provide support, but has not entered into a management agreement, the 2008 Regulations will continue to apply for 3 years from the date that these regulations come into force. If a management agreement has not been entered into within 3 years, the proposal notice is deemed to have been withdrawn.

Annex A

Guidance relating to the 2008 Right to Manage Regulations

The following guidance is withdrawn:

Local choice, local control – Statutory guidance on tenant management for local authorities and local authority tenants'

'Residents' choice – Guidance on tenant management and other options supported through the Tenant Empowerment Programme'

Right to Manage Guidance Book 4: Getting Started. Guidance on start-up costs for Tenant Management Organisations

Right to Manage Guidance Book 5: Guidance on Secondment to Tenant Management Organisations

Right to Manage Guidance Book 6: Model code of Governance for Tenant Management Organisations. Guidance on a Code of Confidentiality

Right to Manage Guidance Book 7: (This was withdrawn in 2008)

Right to Manage Guidance Book 8: (This was withdrawn in 2008)

The following statutory guidance has been updated:

Right to Manage Guidance Book 1: Modular Management Agreement for Tenant Management Organisations

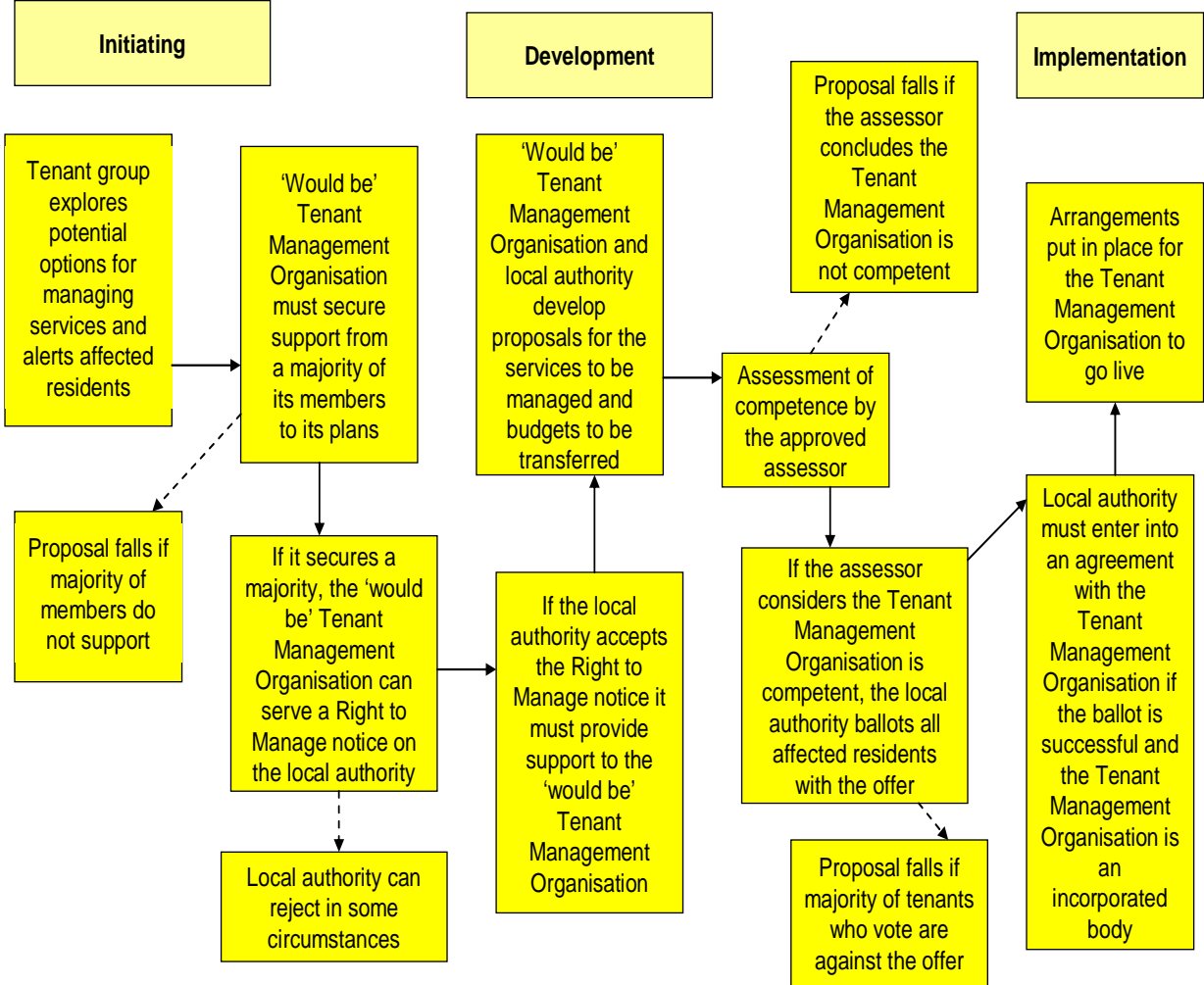
Right to Manage Guidance Book 2: Guidance on Schedules

Right to Manage Guidance Book 3: Calculating Allowances for Tenant Management Organisations incorporating guidance on start-up costs for Tenant Management Organisations

Annex B

Flow diagram of the Right to Manage processes

RIGHT TO MANAGE: BROAD OUTLINE OF KEY STAGES – FOR ILLUSTRATIVE PURPOSES



Annex C

List of terms and definitions used in the Right to Manage guidance

Acceptance date	The date on which a Tenant Management Organisation receives a notice that an authority has accepted its proposal notice
Approved assessor	A person approved by the Secretary of State for the purposes of assessing the competence of Tenant Management Organisations
Approved assessor service	A person or organisation designated by the Secretary of State to appoint an approved assessor. The Department for Communities and Local Government currently provides the approved assessor service
Area	The area specified in the Tenant Management Organisation constitution
Authority	The local housing authority on which a proposal notice is served.
Commencement date	The date on which these Regulations come into force, i.e. 06 August 2012
Competence	The competence of a Tenant Management Organisation to exercise the management functions set out in the offer notice
House	Includes any house or flat, including (a) part of a house; (b) land let together with a house and (c) land held for a purpose related to the house
Tenant	A person who holds a secure tenancy (within the meaning of section 79 of the Housing Act 1985) or other tenancy (e.g. introductory tenants and holders of long leases) from an authority
Secure tenant	A secure tenant is a person who has a secure tenancy (as defined by section 79 of the Housing Act 1985).

Although not defined in the Regulations, the term 'Tenant Management Organisation' includes tenant bodies that aspire to be Tenant Management Organisations, or are in the process of developing into Tenant Management Organisations.

Annex D

Timetable for the Right to Manage stages

The Right to Manage regulations lay down the following maximum timescales for the Right to Manage:

From	To	Timescale (Right to Manage Route only; can be varied by mutual agreement)
Service of proposal notice	Local authority response	28 days
Local authority response	Tenant group referring this to an arbitrator	28 days
Acceptance of proposal notice by local authority	Appointing Approved Assessor	3 months
Acceptance of proposal notice by local authority	Publishing Feasibility study including Approved Assessor's report on Tenant Management Organisation competence	15 months
Approved Assessor's report if says Tenant Management Organisation is not competent	Completing action recommended by Approved Assessor	Reasonable period for completion of action + 7 days to notify assessor
Approved Assessor receiving report on action	Reassessment by Approved Assessor and notification of the results	28 days, including 1 week for notification
Approved Assessor reporting Tenant Management Organisation is competent	Written offer to tenants	3 months
Written offer to tenants	Ballot of tenants starts	3 months
Ballot of tenants completes	Results announced to tenants and notified to Secretary of State	14 days
Ballot of tenants is to accept Tenant Management Organisation offer	Management agreement signed with registered Tenant Management Organisation	9 months

These timescales may be varied by mutual agreement between the local authority and the tenant group.

Annex E

Assessment of Tenant Management Organisations competence

To ensure that 'would be' Tenant Management Organisations are competent to take control of local services, the Regulations provide for Tenant Management Organisations to be assessed by approved assessors.

These assessors, appointed by the Secretary of State in recognition of their expert knowledge, independence and credibility, are managed by the Approved Assessor Service (this currently the Department for Communities and Local Government).

In assessing the competence of Tenant Management Organisations, assessors use the Common Assessment Model, developed by the National Federation of Tenant Management Organisations and available at www.nftmo.co.uk. This sets out the framework for the assessment against 4 headings:

- *our aims are realistic and viable;*
- *we are in touch;*
- *we are well run and in-control;*
- *we are able to provide an effective housing service.*

Assessors will use a 'risk based approach', helping Tenant Management Organisations to focus their efforts. Tenant Management Organisations will be expected to undertake self-assessment and provide assessors with core documents evidencing that they have met the criteria. Under this risk based approach, the evidence requirements may vary depending on the level of risk. Tenant Management Organisations will need to take responsibility for their training and development programme, including the quality of training and advice they receive. They must also apply the training and development they have undertaken to their circumstances, to ensure progress towards competence. A typical assessment will usually consist of a desk based assessment of documents and evidence, and follow-up workshop. The assessor will provide a report of the assessment with recommendations to assist the group achieve competence.

Typically, the assessment involves 3 separate stages:

Initial Visit

The approved assessor assesses the Tenant Management Organisation's work programme including its training and development plan. The assessment is looking to ensure the group's independence, ambitions, and that it has a reasonable prospect of achieving the required level of competencies at the end of the process.

Stage 2 (interim review)

When a Tenant Management Organisation is part-way through the development stage, the approved assessor carries out an interim review to assess the group's

progress in addressing the issues identified in the initial Visit assessment, as well as its progress in training, the development of the proposed Tenant Management Organisation, and that it has a clear understanding of the services to be managed.

Stage 3 (final assessment)

Using the Tenant Management Organisation's self assessment and other evidence provided by the group, the assessor will consider the extent to which the group is competent to manage the specified services. The assessment will consider progress in addressing the issues in the Stage 2 assessment and the extent to which it is addressing the Common Assessment Model, including its community support¹ and competence to deliver the business plan². If the Tenant Management Organisation is not considered competent, the assessor may recommend a Stage 3 re-assessment.

If the Tenant Management Organisation is judged competent at the Stage 3 assessment (or Stage 3 reassessment) it will be able to proceed to the next stage in the Regulations (i.e. working with the local authority to prepare an offer notice). If it is not judged competent, its proposal is considered to be withdrawn.

¹ Typically the Approved Assessor will be looking for evidence that, following incorporation, the Tenant Management Organisation has a membership of at least 20% of all tenants, and at least 20% of all secure tenants from within this area .

² Typically, the Approved Assessor will be looking for evidence that the Tenant Management Organisation has a 3-year business plan with a 1-year action plan.

Annex F

Signposts to useful contacts

Organisation		Contact details
Agencies and Trainers for Involved Communities (ATIC)	www.atic.org.uk	atic@atic.org.uk
Confederation of Co-operative Housing (CCH)	www.cch.coop	info@cch.coop
Chartered Institute of Housing (CIH)	www.cih.org	customer.services@cih.org
Department for Communities and Local Government (DCLG)	www.communities.gov	tenantempowerment@communities.gsi.gov.uk
Direct Govt	www.direct.gov.uk	
Local Authority Co-operative Officers' Group(LACOG)	www.lacog.org.uk	
National Federation of Tenant Management Organisations	www.nftmo.com	contact@nftmo.com
National Communities Resource Centre	www.traffordhall.com	info@traffordhall.com
Trafford Hall		See National Communities Resource Centre