

Item No. 12.	Classification: Open	Date: 22 October 2013	Meeting Name: Cabinet
Report title:		Increasing Tenant and Homeowner Participation in the Delivery of Council Housing Services	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing Management	

FOREWORD – COUNCILLOR IAN WINGFIELD, DEPUTY LEADER AND CABINET MEMBER FOR HOUSING MANAGEMENT

The Independent Housing Commission (IHC) produced a challenging report in October 2012 which the council then consulted extensively on with residents of the borough. The findings of that consultation, and subsequent next steps, were reported to Cabinet at our meeting in July. I am delighted to present this report about how we can increase tenant and homeowner participation in the delivery of council housing services as one of the agreed actions from that meeting.

Residents of Southwark rightly demand first class services from the council. Although the past three years have already seen the council make major strides towards delivering a much improved housing service for its residents, we believe that we can still do much more to improve satisfaction levels and meet residents' aspirations.

It was clear from the findings of the IHC that residents want a much greater say in the delivery of the housing service. We already have strong evidence that the tenant management service model is one that can meet these aspirations. The council is strongly committed to the development of more tenant management organisations (TMOs) across the borough. We can deliver this by growing the existing high performing TMOs as well as helping residents develop new TMOs.

However, the tenant management model is sufficiently flexible to enable different degrees of management responsibility, dependent on the appetite of residents themselves. This doesn't always have to mean a fully standalone TMO, but can include lighter touch structures that enable residents to have a much greater say in how services are delivered and financed and what the priorities should be for their area.

This report sets out the direction of travel to enable different areas of the borough to develop localised approaches to tenant management but also to increase the quality of resident involvement in all areas of council housing services.

RECOMMENDATIONS

1. That cabinet tasks officers with exploring the options for increasing tenant and homeowner management of and involvement in council housing services as set out in paragraphs 26 - 35 in consultation with residents.
2. That work is undertaken to identify suitable estates, subject to the provisions of paragraph 53 (a-b), which can be transferred to the management of existing

tenant management organisations (TMOs) should the residents so wish. Any proposal in this area would utilise the voluntary development process already established.

3. Where the number of properties wishing to join an existing TMO exceeds the percentage proposed in paragraph 53 (a-b), that the tenant management initiatives (TMI) team in the Specialist Housing Services division develop a shortened process, under the provisions of the Right to Manage regulations 2012 (paragraph 20 post refers).
4. That the strategic director of housing and community services ensures that there is a clear route of progression for any residents group which wishes to provide one or more element of a landlord service themselves.
5. That officers undertake promotional work on tenant management across the borough, specifically targeting areas not yet represented in existing consultation and participation forums.
6. That work is undertaken to identify and map individual street properties located in the vicinity of existing TMOs and to seek agreement with residents for future management functions to be carried out by an identified TMO (paragraph 63 post refers).
7. That officers promote the take up of the 'Community Cashback' scheme with residents groups in the borough and utilise available funding from central government to devolve limited housing functions to local residents groups (paragraph 64 post refers)
8. That officers undertake a continued project that seeks to identify where it is appropriate for new homes, developed under the initiative to build 10,000 new council homes, to be either under the management of existing TMOs or to create new TMOs from the outset as the new homes are let (as set out in paragraph 66).
9. That cabinet notes the proposed approach to increase resident involvement, both in the short and long terms, as set out in paragraphs 36 – 51, and tasks officers to work up options for further consideration by the cabinet.

BACKGROUND INFORMATION

10. On 13 December 2011, the council's cabinet made the decision to establish the independent commission on the future of council housing in Southwark. The commission's brief was to explore options for the future financing, ownership and operation of the housing stock in Southwark beyond 2015/16. The report of the independent commission was presented to the council cabinet in October 2012 and it set out the Commission's views on the challenges Southwark faces in creating, sustaining and maintaining housing provision to meet the growing needs of the borough's residents over the next 30 years.
11. In December 2012, the cabinet agreed a wide ranging community engagement plan on the key issues raised in the commission's report. This encompassed not just those living in the council's stock, but also other residents who may, for example, be living close to Southwark's estates, or who are registered on the housing list.

12. On 16 July 2013, cabinet were presented with the report *Independent Housing Commission – Conclusions and next steps following community and stakeholder engagement*. This report laid out the findings of the wide-ranging housing commission community engagement. Through the engagement process residents were asked their views on three key questions: who council housing should be for and for how long? How much council housing should we have? And how should we manage our council housing services. This report focuses on the council's response to residents' feedback on this last question.
13. The following table shows the most popular answers given by the residents who responded via the open questionnaire.

Rank	How should council housing services be managed?
1 st	Should be council managed
2 nd	Increase resident involvement
3 rd	Explicitly wants more TMOs
4 th	More partnerships
5 th	By combination of TMOs, council and partners

14. The report of the Futures Steering Board also made specific recommendations in relation to the council's future approach to resident involvement in particular:

Recommendation 7: *this is the start, not the end. The FSB is extremely keen that this report, and the wider engagement, marks the start of a conversation about the future of housing in the borough. Beyond its July meeting, Cabinet should set out a clear roadmap for the next few months and beyond showing how residents will continue to be involved in mapping out the future of housing in the borough, working alongside officers and councillors.*

Recommendation 8: *while not directly connected to this piece of work, FSB members feel that there is a role in Southwark's future housing management model for greater co-regulation of its housing services, notably through the establishment of a resident scrutiny panel/committee that would work alongside existing structures. The scrutiny function would give residents the chance to work closely with staff to look at how services can be improved.*

15. In response to this feedback, the cabinet approved a number of recommendations, including instructing the strategic director of housing and community services to bring back proposals to cabinet on how to increase resident involvement in managing council housing and, in particular, how to encourage more tenant management organisations.
16. Southwark has an excellent reputation nationally for tenant management. It is widely recognised as a leader in the field with a strong tenant management team and officers who are widely respected amongst their peers. The borough has a strong history of tenant management. At the annual conference of the National Federation of Tenant Management Organisations (NFTMO) in 2013, Southwark received the award for the most supportive landlord. The largest TMO in Southwark, Leathermarket JMB, has been similarly recognised for innovation with the development of the self-financing initiative.

17. Leathermarket Joint Management Board (JMB) was established on 19 August 1996. The JMB provides a housing management service to 1451 tenanted, leasehold and freehold properties on behalf of the council. They do so under the Right to Manage regulations 1994 and a management agreement dated 9th October 1996 (varied in May 2008 to allow direct employment of staff). The JMB is a company limited by guarantee controlled through a Board of Directors. The Directors are nominated by the five Tenant and Residents' Associations within the area covered by the management agreement, and are endorsed at the Company's Annual General Meeting.
18. Self financing is the reversal of the methodology used to calculate management allowances for TMOs. Leathermarket TMO is the first TMO in the country to enter into a unique arrangement with the council, which means that the JMB retains the £6 million rent and service charge it collects and pays the council for servicing the housing debt and for the central services it provides e.g. pest control, Home Search, legal services etc. It ensures that residents have total control over planning, services and stock investment.
19. The council has devolved to the JMB total control and responsibility for budget and service planning. The JMB is responsible for operational and strategic housing management and services functions to support and fund the full implementation of its 30 year asset management strategy and JMB self build affordable homes programme to meet local housing need.
20. Despite the regulations governing the Right to Manage (RTM), which were initially introduced in 1994, being updated in 2008 and 2010 with the intention of speeding up the development process and encouraging the development of more TMOs, few TMOs have been successfully developed over the past ten years. The bureaucracy which has accompanied the revisions has effectively negated any gains achieved by the streamlining of the regulations themselves.
21. Southwark is one of the few authorities nationally where TMOs continue to be developed and at the current rate of progress we anticipate an additional 750 homes becoming managed by TMOs by the summer of 2014.

KEY ISSUES FOR CONSIDERATION

22. While the comments received during the housing commission community engagement made clear residents' preference for increased involvement, how, and the extent of that involvement vary widely. For example while some saw tenant management organisations as key to any future service delivery...

"I am a tenant at a TMO and I couldn't be happier. I think devolving more housing services to TMOs and Housing organisations will give tenants some sort of ownership over the decisions made about their homes". [Housing Commission Survey respondent, May 2013]

...others, while agreeing that there should be more tenant and homeowner involvement, were cautious about the potential negative consequences of tenant management organisations and felt that the council and residents should work together more to deliver services.

If the council and tenants could work together and discuss the problem together, I believe they will be able to resolve the problem as to how council

housing should be managed. ” [Housing Commission Survey respondent, May 2013]

23. Any approach to increasing resident involvement in the management of council housing services has to acknowledge one central premise– that one size does not fit all and as such the council must develop a menu of options, which, in consultation with residents can be adopted and agreed on a localised basis. The proposals contained within this report are therefore divided into four key categories:
- i. Increasing tenant management of services via the use of tenant management organisations.
 - ii. Exploring in consultation with residents what degree of increased tenant and homeowner management of services is appropriate in Southwark, noting that there may be a mix of approaches to this depending on residents views and the detailed circumstances.
 - iii. Improvements to resident involvement delivered in the short term.
 - iv. Improvements to resident involvement delivered in the long term.

Increasing tenant management of services via the use of tenant management organisations

24. With over 3,500 homes currently managed by TMOs, and a further 750 in development, there are few authorities who can match Southwark in terms of the number of homes under tenant management. These homes are currently managed by 13 tenant management organisations (plus 3 developing) which range in size from 40 homes to almost 1,500. The range of services delivered by TMOs is similarly varied but usually encompasses the cleaning, repairs, tenancy management and rent collection functions. With the exception of Leathermarket JMB, major investment programmes are retained by the council. In recent surveys results show that tenants of tenant managed homes have satisfaction levels 14 percentage points greater than those in homes directly managed by the council.¹
25. The development of the self-financing arrangement with Leathermarket JMB has seen Southwark at the forefront of tenant management development in recent years and the borough recently led on the production of national guidance for landlords on developing TMOs.

Developing options for increasing tenant and homeowner management of services

26. There are a range of options for increasing tenant involvement in the management of council housing. At one end of the scale there are light touch approaches such as surveys, complaints and feedback through ward councillors. In the middle of the spectrum are approaches like service review groups similar to those currently in operation in Southwark that help to shape and improve services such as repairs. At the other end of the scale is full blown devolution of budgets and/or service planning and delivery to panels of residents working in partnership with the council or full control of housing services as represented by the TMO and JMB models. In most cases what will be appropriate is a stepped approach to self-management where residents

¹ Housing and community services satisfaction survey 2012

- want this. The experience of developing TMOS shows that what is needed is an approach that over time builds the capacity and provides the support to residents to ensure that they succeed in the longer term.
27. The success of tenant management in Southwark provides some evidence for increasing the level of devolved control given to residents across the council's housing stock. What matters is residents appetite and capacity to take this on. As is stated above the central premise is that one size does not fit all and this work is about developing the full menu of options for residents so that the council can work with them on the most appropriate mechanism(s) for increased resident involvement in each circumstance.
 28. Despite changes to legislation intended to reduce the time taken to develop TMOs there has been limited success in attracting new groups to initiate their Right to Manage (RTM) either locally or nationally. Southwark, with three developing groups, is one of the more successful authorities in this respect it is notable that no new groups have emerged since 2009.
 29. In response to the findings of the Housing Commission, and in line with stated council policy, this paper considers ways in which more control of the housing service can be devolved to local residents through the creation of an environment more conducive to residents' developing TMOs in Southwark.
 30. In seeking to develop a more devolved empowerment structure for residents the council is moving away from the traditional management structures for social housing.
 31. One issue that will need to be considered as part of exploring the options concerns the design and implementation of any new structure and its relationship with the current involvement structures employed by the council. Consideration needs to be given as to how the resident body across Southwark can influence the design so as to maximise its impact in different areas of the borough.
 32. In considering the options it is not proposed to bring forward options that lead to a reorganisation of the staffing structure of the housing and community services department. The proposals would only look to implement changes to the strategic management of the department through greater localised resident management/involvement.
 33. One possible option for further consideration is to build on the successful devolution of decision making to the council's community councils structure to establish a structure that builds on the existing area housing forums where, decisions on local housing priorities from major works to estate cleaning could over time be devolved to resident led management boards. See paragraphs 68- 72 for consideration under policy implications.
 34. It should be noted that in their recent finance and housing stock options appraisal, Savills highlighted a number of key next steps required if local strategic decision making structures are to be introduced:
 - The establishment of an overarching framework of governance to ensure the development of local decisions while managing the impact on the overall housing revenue account.

- A policy framework for decisions on how a local management area is defined. These areas must make sense to residents on the ground, and must be of a scale and with a balance of properties which enable viable proposals to develop. The area based asset analysis work identified above may be one way of ensuring that viable property portfolios are established, alongside appropriate levels of debt and funding to sustain long term improvement. This needs to sit alongside resident engagement to ensure these areas reflect existing communities and will enable the establishment of a clear local focus which balances the views of tenants and council homeowners.
- Resident engagement which allows each area to explore options for the management model that suits their appetite for involvement and partnership, drawing up local service standards to inform any contractual arrangements required. The balance of leaseholder and tenanted stock in each local area will influence the culture of the management service developed.
- A programme of soft market testing, visits to other providers, and in the case of external partners, procurement, with resident involvement .
- The establishment of a service structure, with local delivery alongside shared support services, enabling the financial strength of the HRA to be maintained, while devolving delivery to a local level.

35. This report therefore recommends that cabinet task officers to consider the issues as per paragraphs 26-34 and report back to cabinet in February 2014.

Improvements to resident involvement delivered in the short term

36. In March 2013, after consultation with tenant and homeowner representatives, the council published its revised resident involvement strategy (Appendix 1) with an overarching objective that all residents are able to have a genuine say, and where appropriate, control over the services they receive. Central to the strategy are five key aims.

- i. **We will engage with residents in achieving our key departmental objectives** – for example a key housing and community services department objective is to improve the council's repair service – as service users, residents are best placed to advise the council on such improvements and their input is crucial to the council's success.
- ii. **We will increase overall resident engagement** – the more residents who get involved the more we understand the different needs of our tenants and homeowners, and we can ensure the services the council provides meet those needs. This includes reaching and actively engaging our residents across the protected characteristics of the Equality Act 2010.
- iii. **We will introduce new ways for residents to engage** – the council has a strong and hardworking formal consultation structure but one size does not fit all. While one resident may prefer to make their views known to the council via a formal meeting another may rather take part in a short online survey or mystery shopping exercise. It is important that we broaden the menu of engagement options to reach out to our increasingly diverse residents.
- iv. **We will deliver better quality engagement** – both by making sure residents have the tools they may need to hold the council to account - such as training or peer support - but also by ensuring a consistent quality of consultation and

engagement across the council as a whole.

- v. **We will demonstrate the value of our engagement** - by working more in partnership with the voluntary and community sector, by attracting external funding and supporting tenant and homeowner groups to do also as well as ensuring ongoing assessment and reflection of all our resident involvement activities we will seek to show not just the financial value of our work but also the social.
37. In response to residents' desire for increased resident involvement, officers, in collaboration with housing and community services department managers, have prepared a draft action plan which sets out key actions which, when delivered will go some way in successfully meeting the 5 key aims above. The actions, in the main, can be delivered in the short to medium term of the next 12 months. The draft plan includes the following key actions.
38. **Embedding resident involvement as a performance improvement tool** – all agree that residents, as service users, are best placed to identify the strengths and weaknesses of our services as well as make suggestions for improvement. We will plan to ensure resident involvement is a core aspect of any review of a service, policy or procedure. For example we will ensure that our sheltered housing tenants play a key role in the 6 month review of the new sheltered housing structure. Similarly when we look to review our housing operations anti social behaviour processes we will commit to engaging directly with council tenants and council homeowners who have experience of the current system.
39. **Improving the formal consultation structure** - To ensure the maximum numbers of residents are involved in the formal structure, and benefit from the funding available, the council needs to ensure the system works for residents first and foremost. This may involve looking at anything from reviewing the standard model constitution used for tenant and resident associations (TRAs) to remove barriers of onerous qualification criteria [thereby decreasing the burden on those who join the tenant and homeowner movement] thereby increasing the number of resident able to access the funding to reviewing the awarding mechanism of other funding streams such as the joint security initiative to improve efficiency and in turn the number residents who can benefit from them.
40. **Making resident involvement a core work area for all housing community services department staff**– officers specialising in resident involvement will support colleagues across not just the housing and community services department, but the council as a whole, to spread best practice consultation and engagement tool including Participatory Analysis. Resident involvement will also be considered as a key component of all frontline staff with further training provided for example in the area of area housing forum support.
41. **Identifying gaps in resident representation** – we will introduce a structure of estate/block representatives in geographic areas which lack representation due to the traditional absence of a tenant and resident association; this includes for tenants and homeowners living in street, rather than estate, based properties. Furthermore, we will undertake two research projects. Firstly one on the barriers to involvement in our current formal consultation structures facing young people. This will be followed up by the production of a guide to consulting and engaging with our young tenants which will be drafted by young people themselves with support from resident participation officers. Secondly,

using the 2011 Census data as a baseline we will undertake analysis of the demographics of all residents who we consult or are involved. Where any demographic group is under-represented we will work with that group to put in place actions that increase their participation.

42. **Increasing the use of social media** – we will set up a pilot Southwark resident involvement Facebook page with three key aims, that of sharing information with tenants and council homeowners regarding engagement opportunities, encouraging tenant and leaseholder representatives to use social media and finally to encourage peer to peer support between TRAs. We have set ourselves an ambitious target of increasing the number of council tenants and homeowners via social media by 500.
43. **Provision of clear accessible information** – in collaboration with our tenants and homeowners we will audit the resident involvement information and tools that are available on our public website. By improving the range and quality of information available, for example introducing online toolkits for residents to use when setting up a TRA, we can further increase residents' ability to participate, similarly we will review the resident involvement information given to tenants at their six week settling visit so new tenants understand the opportunities for involvement and the benefits getting involved on their estate and/or block can bring.
44. **Feedback, feedback, feedback** – we will commit to ensuring that residents understand the value of engagement and the time they have donated. For example, if a resident completes a satisfaction survey we will always report back to them the result of the survey and the actions the council plans to take.
45. It is envisaged that the draft action plan and the actions outlined above will be presented to tenant and homeowner representatives for comment and recommendations for additions or amendment throughout September and October. It is hoped that this consultation will result in an even more challenging action plan which meets the needs of all our tenants and homeowners.

Improvements to resident involvement delivered in the longer term

46. To complement increased resident involvement in decision making as detailed above, the council could consider how best resident scrutiny can work in Southwark. The introduction of a resident scrutiny function was supported by the tenant and homeowner steering group – the Futures Steering Board. While the council has already take small steps in this direction with the creation of the Performance Review Group – a group of council tenant and homeowners who examine in detail performance data from the housing and community services department, officers are seeking approval from cabinet to explore other more wide ranging models in partnership with residents.
47. One example of this is resident scrutiny. Resident scrutiny supports the idea of self regulation as detailed in the Tenant Services Authority's [now Homes and Communities Agency's] *The Regulatory Framework for Social Housing in England from April 2012*, resident scrutiny is a simple premise – residents hold their landlord to account by scrutinising their performance and/or decision making. However, in reality where resident scrutiny has been introduced by social landlords, local authority or otherwise, the functions and powers

bestowed vary wildly.

48. For example, in some local authorities and housing associations it is as light touch as a small group of residents being presented with, officer selected, performance data. On the other end of the spectrum there are resident scrutiny panels which have the same scrutiny powers (that of requesting persons, papers and evidence) and functions (such as monitoring service delivery, scrutinising performance and decision making; establishing priorities for reviewing performance; and directing and overseeing scrutiny activities) as traditional member led scrutiny committees.
49. The relationship between any such resident scrutiny panel and a current formal member led scrutiny structure could also vary widely. Two such bodies could operate entirely separate from one another or there could be formal requirements for joint working embedded into the council constitution (or other relevant official document). Similarly, resident panel members could be elected borough wide by all tenants and council homeowners, or nominated via established structures.
50. As there is such broad scope for what resident scrutiny could look like in Southwark, it is recommended that Cabinet task officers, in consultation with residents, to consider and propose potential models for introduction in Southwark.
51. Regardless of what models are proposed, our future approach to tenant scrutiny will be based on the specific principle that the priorities and views of tenants and council homeowners should be at the heart of our framework for directing, monitoring, assessing and modifying our performance and services. Research demonstrates that successful organisations in any sector have a common theme – they know, understand and respond to their current and future customers. They do this by engaging with and involving service users, because this is aligned to their organisational strategy and there is a business case for involvement and engagement.

Policy implications

52. The proposals in this paper support the Fairer Future Principles of:
 - Treating residents as we would wish members of our own family to be treated
 - Being open, honest and accountable
 - Spending money as if it were coming from our own pocket
 - Working for everyone to realise their potential
 - Making Southwark a place to be proud of

Community Engagement Framework

53. In December 2012, the cabinet approved a community engagement framework that contained 9 key principles the council will use in carrying out community engagement activities, these are:
 - i. Be clear about what the scope of our engagement is, whether we are communicating, consulting, deciding together or acting together.
 - ii. Engage when we know it will make a difference, when there is a real opportunity for people to have an impact and influence decisions on issues

- that local people care about.
- iii. Engage at the right time, at an early enough stage for there to be an opportunity to genuinely influence a policy or service
 - iv. Allow sufficient time for good quality engagement to take place.
 - v. Be clear about what we are asking, what opportunities there are to shape services and be honest about what can and can't be achieved.
 - vi. We will ensure that our engagement is accessible and targeted to those it needs to reach using a variety of engagement methods to broaden participation and overcome any barriers people may have in engaging with us.
 - vii. Aim to engage as widely as possible so that we increase engagement with those who are not already in touch with the council.
 - viii. Tell people what has happened as a result of their engagement.
 - ix. Our engagement will build the capacity of the community to deliver services where they can do this better than us, and being prepared to take risks and try out new ways of working. Where we can we will devolve responsibility and power to the community to deliver

Housing Act 1985

- 54. Under the Housing Act 1985 the Council has the ability to delegate control of the housing service to a housing co-operative (e.g. TMO). One proposal for consideration is to identify blocks/estates which could be incorporated within existing TMOs in Southwark, with the agreement of both the TMO and residents of the block/estate. In order to do this it is proposed that;
 - a. this is limited to estates/blocks of no more than 20% of the size of the existing TMO. In this way Kennington Park House (40 homes) could only look to 'add' 8 homes to its management whilst Leathermarket JMB (almost 1500 homes) could consider areas up to 375 homes.
 - b. the council would only agree to this taking place with TMOs where it is satisfied that an agreed quality threshold in their performance has been met.
- 55. Whilst the proposal in paragraph 18 can be undertaken entirely under the voluntary route introduced by the 2008 Right to Manage regulations, it is suggested that LB Southwark seeks to develop a shortened version of the statutory RTM process for estates above the 20% limit suggested above, to join existing TMOs. The figure of 20% is considered by officers to be one above which the nature of the existing TMO will be sufficiently altered as to require the greater certitude of the RTM regulations
- 56. Officers do not believe that this proposal falls outside of the existing regulations and statutory guidance but would engage with DCLG in order to reach agreement on the process to be followed in such circumstances. In addition, a precedent exists in that LB Lambeth have used this method in the past and officers have obtained guidance from DCLG in this matter previously.
- 57. The current RTM process seeks to establish independent companies capable of delivering the areas of the housing service that the TMO wishes to manage. If a block/estate wishes simply to be managed by an existing TMO then the level and depth of competency required is drastically reduced. Development work would be confined to ensuring residents were aware of a proposal and the

implications of the management of their homes being undertaken by a TMO, and a simple ballot to approve the decision. Crucially any change to the process, which has emerged mainly through custom and practice, can be accommodated within both the Right to Manage regulations and the statutory guidance which accompanies the regulations. In joining an existing TMO much of the work required in the current development phase can be ignored (e.g. incorporation of a company, development of a new management agreement, development of a business plan etc.) Similarly work during the implementation phase, such as the provision of a TMO office and employment of staff can also be bypassed, although there may be TUPE implications in the case of larger estates.

58. In some circumstances, e.g. where the new block/estate will have a reserved number of places on the TMO board there will be a need for development of the capacity of residents but this could be achieved post transfer ballot as part of an induction process that the TMO will carry out for all new board members.
59. The council would again expect to put in place a quality threshold to ensure that only high performing TMOs are permitted to expand in this manner.
60. Experience shows that government (DCLG) will need to 'buy in' to this proposal for it to be successful but, with the success of the self-financing initiative, officers believe that there is a high possibility of an agreement being reached.
61. In order for either of the previous proposals to be effective a much greater emphasis on outreach work to estates, particularly those with no TRAs, is required. The establishment of a clear growth of involvement through existing structures is essential to clearly promote tenant management as an option supported by the Council. In order for this to be successfully, and consistently, applied, colleagues within Community Engagement division will need to be fully aware and briefed on the availability of the RTM regulations and the Councils policy to actively encourage the growth of TMOs.
62. Presentations have been made to T&RAs through the Area Housing Forums with some success. Whilst such presentations can be repeated they are limited to the T&RA representatives who attend these meetings. This doesn't address the remaining committee members. It is only the support work delivered to TRAs through the Community Engagement division which can ensure the consistent promotion at TRA level.
63. In order to kick-start the referral process as outlined above it is proposed to engage an independent company experienced in the area of tenant management, to consult with residents across the borough and identify a minimum of two groups who are interested in exploring the option of tenant management by the end of the current financial year. The company would be overseen by officers of the council in the TMI section. To drive this initiative forward, a working group would be set up in conjunction with Community Engagement and Housing Operations officers to develop a model whereby interested groups can receive the appropriate information and support to develop tenant management in their area.
64. Across the borough there are many street properties which are not readily identified as being part of a current estate or block. Subject the views of residents, the council could identify street properties that are obviously not

- aligned to any estate to either form a new TMO or join an existing one. Often isolated from mainstream housing services TMOs offer the advantage of a localised service and are able to build up a degree of knowledge that is difficult to replicate through a centralised approach. Street property specific TMOs could enable the delegation of repair budgets to a level beyond that to which the council is capable of achieving and enable residents to control, expenditure more effectively.
65. It is proposed that the Tenant Management Initiative team (TMI) identify areas undergoing extensive regeneration and seek to utilise government funding through the Tenant Empowerment Programme (known as Exploring the Options) to enable resident groups to consider the full range of involvement options available to them within Southwark. There is no obligation on residents to accept this but should tenant management be the desired outcome the groups will then be supported to serve a Right to Manage Notice and through the development phase to establish a TMO. Even where the group decides not to pursue tenant management the project will be able to provide external financial support to develop the existing TRA.
- a. Additional small grant funding (up to £3,000 per project), known as Community Cashback, is available to groups who wish to take on a specific service below the European procurement threshold and can be used to finance the establishment of a Local Management Agreement (LMA). This would see a local group take on the responsibility for a single service element e.g. block cleaning and has been shown to assist in the development of TMOs to deliver a wider range of services in the longer term. Control over one service area can lead to increased levels of satisfaction overall.
 - b. The Community Cashback scheme has recently been launched and the government are keen to see this scheme taken up by local communities. To support this three Regional Meetings are being programmed from Autumn 2013 and Southwark has been approached to host the London meeting to be attended by senior officers from the social housing sector across London and the South East and which will be attended by the Under Secretary of State for Communities and Local Government, Don Foster MP.
66. The Council is currently embarking on a programme of development to deliver 10,000 new Council homes by 2043. Consideration could be given to ensuring that larger developments (over 25 units) are set up from the outset as a TMO where residents want it. Smaller scale developments could be devolved to the control of TMOs as is proposed for the development in Long Lane, SE1. Crucial to delivering these homes is the ability of the lettings policy to enable existing local residents to access the new homes and the ability to ensure that the tenants have a high degree of 'co-operability' i.e. that they are committed to the ethos of residents delivering local services to their homes. Where these developments fall within the immediate proximity of existing TMOs those TMOs should be allowed to assume the new homes within their portfolio. As noted above it would not be appropriate or possible to impose this on residents in every case. The key is to identify places where it would work.
67. The growth of tenant management and the devolution of control over areas, such as repairs expenditure, to a local level, enables residents to achieve

- greater satisfaction with the services they receive, as has been evidenced by tenant surveys in 2010 and 2012. In addition the ability to control expenditure is popular with leaseholders as all expenditure is directly reflected in the service charge. This should form part of the consideration of longer term options for increased resident involvement/management.
68. In considering changes to the internal arrangements to involve residents in the devolved control and oversight of management performance for an agreed area a substantial amount of consultation is required. As there is the potential with this model to fundamentally change the relationship with residents in Southwark a substantial level of detailed consultation is required to ensure that all residents, not least those represented in the current involvement structure, have an opportunity to contribute to the final structure.
 69. Considering the options could include looking at building on the community councils or existing area housing forums to support residents to be more involved in their local housing services on a geographical basis. It could also consider other alternatives, such as considering street properties and/or small blocks as one or more internal TMO. The optimum level in terms of property numbers for a TMO is usually considered to be between 3-500 units. In terms of replicating TMO type structures within the internally managed stock this is considered by officers to be impractical due to the sheer number of structures that would be required. In aligning practicality with service provision areas of 6-7000 units is achievable. Areas of this size could enable residents to control delegated budgets and performance manage effectively without necessitating major internal restructuring to support the areas.
 70. One possible model would see areas taking a phased approach towards establishing a resident board that as is noted above builds on the existing structures to oversee performance and determine local priorities. Whilst contracts would continue to be held locally there would be a need to ensure that sufficient flexibility was built into future contracts to ensure that areas would be able to shape the service to meet local needs. This may be in prioritising repairs differently or in introducing other local services. In order to achieve this each area could receive delegated authority to establish local budgets. It would however be necessary to ensure parity between other areas of service that require consistency across the borough, such as allocations through the choice based lettings system and whatever changes were agreed this would remain as a centralised service.
 71. At this time it is not possible to determine the absolute nature of any devolved system as this will be shaped by the proposed consultation.
 72. In terms of the governance of any future system it is proposed that the delegation of services borrows from the modular management (MMA) agreement for TMOs which is a recognised framework for devolving services to residents and has provided the successful tenant management structure in Southwark. The modular format will require adaptation in order to meet local needs but provides a robust starting reference for services which can be delivered and managed locally.

73. Following on from the abolition of the Audit Commission, regulation of social housing is no longer inspection based, instead delivered via a model of self regulation. The tenant involvement and empowerment standard is laid out in the Tenant Services Authority's [now Homes and Communities Agency's] *The Regulatory Framework for Social Housing in England from April 2012*. This provides the following guidance under the heading of involvement and empowerment expected outcomes (the full framework can be located in appendix 2 of this report):

Registered providers shall ensure that tenants are given a wide range of opportunities to influence and be involved in:

- the formulation of their landlord's housing related policies and strategic priorities
- the making of decisions about how housing related services are delivered, including the setting of service standards
- the scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved
- the management of their homes, where applicable
- the management of repair and maintenance services, such as commissioning and undertaking a range of repair tasks, as agreed with landlords, and the sharing in savings made, and
- agreeing local offers for service delivery

Localism Act 2011

74. The Localism Act 2011, placed a renewed focus on localised decision making and increased resident scrutiny.

Consultation

75. In order to ensure that the proposals meet the needs and expectations of residents it is proposed to conduct a full programme of consultation activities based on the lessons learnt during the recent consultation of the housing commission report.
76. A major component of the consultation arrangements will be determining how the new structures will fit with the existing consultation arrangements through the area housing forums, tenants council and home owners council. Constitutionally, these forums were not established to undertake the range of functions that are proposed in this report and may not be suited to doing so. In order to meet the requirements of the public sector equality duty fully, membership of area committees if these were established would be open to all residents and not restricted to representatives of tenants' and residents' associations. Furthermore the composition of any new area panels may not accord exactly with the existing area forum boundaries. Initial thoughts are that the current structure is better suited to scrutiny functions in the more traditional manner.

Community impact statement

77. The Public Sector Equality Duty requires public bodies to consider all individuals when carrying out their day to day work, in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities.
78. The Right to Manage is a statutory right enjoyed by all secure tenants and issues of community impact are addressed throughout the development stage of any project initiated under current legislation. The proposals contained within this report do not entail any amendments to existing legislation and would continue to operate within the scope of the existing RTM regulations and statutory guidance. Officers consider that by broadening the current consultation and promotion of tenant management it will have a positive impact on communities through increased awareness of existing rights. Furthermore all TMOs are required to develop and adopt approved Equalities policies. The implementation of these policies are monitored annually by officers of the TMI team.
79. Surveys have indicated that TMOs enjoy greater levels of satisfaction in all areas amongst the residents they manage than directly managed homes. The devolvement of housing services to TMOs is therefore seen as beneficial to all groups. Access to TMO managed homes continues to be through the council's choice based lettings scheme and all TMOs are subject to the councils' lettings policy.

Resource implications

80. Any increase in the number of TMOs within Southwark may have resourcing implications within the Tenant Management Initiative team but these would be offset by a decline in the number of officers required within Housing Operations to deliver the services assumed by a TMO under the RTM legislation.
81. The development of localised management structures through which residents can take strategic decisions regarding the service delivery and performance within their area may require additional resources to service but the detail is largely unknown at this point. The structures may be able to benefit from the structure in place to service existing area based forums which will minimise the need for additional staff. All areas will be expected to self-finance from devolved budgets so incurring no additional cost to the HRA.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Legal Services

82. There are two routes to entering into tenant management organisation agreement:
 - (i) Right to Manage route
Under Section 27AB of the 1985 Housing Act council tenants have a legal right to manage that entitles a tenants' group to set up a TMO and take on housing management functions on behalf of their council landlord. To exercise this right a tenants' group must follow a set procedure, provided

under regulations, and show, through a ballot, that they have the support of tenants and that they are competent to manage services properly. The applicable regulations are now the Housing (Right to Manage) (England) Regulations 2012. The law also states that a local housing authority must follow these regulations when it gives responsibilities to a TMO. Under the regulations anyone carrying out functions under them must have regard to any relevant guidance issued by the Secretary of State ('statutory guidance'). Local housing authorities, tenant organisations, and people who represent and support tenant management organisations should take such statutory guidance into account. New guidance has yet to be issued following introduction of the 2012 regulations. Until new guidance is issued, regard should be had to existing guidance although any changes introduced by the 2012 regulations will need to be taken into account..

(ii) Voluntary route

Alternatively the council may enter into a voluntary agreement with a TMO to transfer housing management functions under section 27 of the Housing Act 1985. Under the voluntary route, the procedure required under the right to manage regulations do not apply (although it can be used to give an idea of what can be expected in a well organised process), however section 27 requires secretary of state approval of the management agreement. Such approval has been given generally to 4 categories of agreement that includes where the agreement conforms to the current secretary of state Modular Management Agreement for TMO's. Proposals to transfer housing management functions in this way would need to be consulted on with those potentially affected. To meet legal requirements, consultation must be undertaken when proposals are still at a formative stage; it must include sufficient reasons for the proposals to allow interested parties the opportunity to consider the proposal and formulate a response; it must allow adequate time for interested parties to consider proposals and formulate their response and the outcome of consultation must be conscientiously taken into account when the ultimate decision is taken.

83. Should tenants want their homes to be managed, not by new registered TMO but by an existing TMO, if the existing TMO agrees to consider it and the council is satisfied with the proposal, this may go ahead as a voluntary change to the management agreement with the existing TMO. Alternatively tenants can use the Right to Manage route. In this case, this could proceed with the tenants of the 'new' area setting up a TMO and serving the council with a right to manage proposal notice and then continuing towards an agreement with the existing TMO.
84. As proposals develop the council must actively consider and have regard to the public sector equality duty referred to in the community impact section of this report, and comply with its consultation duties. Consideration will also need to be given to other legal issues as they arise and appropriate provision made (for example employment and procurement requirements).

Strategic Director of Finance and Corporate Services (FC13/063)

85. This report is in response to one of the findings of the Housing Commission report in relation to improving resident involvement in the management of services. The report sets out proposals for the pro-active development and expansion of tenant management organisations and for the development of a

model for local resident management of services. Resident surveys suggest that tenant satisfaction is generally higher in TMO managed properties and this lends support to the proposal to consider a model for local resident management along the lines of a TMO across the rest of the directly managed stock.

86. The initiative requires further development and whilst there are no specific financial implications arising from the report at this time, Cabinet should be aware of the need to maintain parity in the allocation of resources between TMO's and directly managed stock and ensure that the continued sustainability of the wider HRA going forward. The full financial implications of any proposals will be evaluated as they emerge and are reported to Cabinet.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Independent Housing Commission – conclusions and next steps following community and stakeholder engagement. http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=302&MId=4549&Ver=4	Corporate Strategy, Housing Strategy and Partnerships, 160 Tooley Street, London SE1 2QH	Claire Linnane 020 7525 0732
The future of housing in Southwark – report of the resident engagement programme http://moderngov.southwark.gov.uk/documents/s39331/Appendix%201%20Report%20of%20Community%20Conversations.pdf	Community Engagement 160 Tooley Street London SE1 2QH	Alice Orr-Ewing, 020 7525 7791
Equality Analysis of Community Conversations http://moderngov.southwark.gov.uk/ie/ListDocuments.aspx?CId=302&MId=4247&Ver=4	Community Engagement 160 Tooley Street London SE1 2QH	Stephen Douglass, 020 7525 0886

APPENDICES

No.	Title
Appendix 1	Southwark's Resident Involvement Strategy
Appendix 2	The Regulatory Framework for Social Housing in England from April 2012 (circulated separately)

AUDIT TRAIL

Cabinet Member	Councillor Ian Wingfield, Deputy Leader and Cabinet Member for Housing	
Lead Officer	Martin Green, Head of Specialist Housing Services Stephen Douglass, Head of Community Engagement	
Report Author	Lee Page, Head of Tenant Management Initiatives Alice Orr-Ewing, Resident Involvement Coordinator	
Version	Final	
Dated	10 October 2013	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	10 October 2013	