

Housing Services - Right to Manage Policy

Purpose	To set out the Councils policy to applications from tenants to take on landlord services
Owner	Head of Tenancy Services
Related documents	Housing (Right to Manage) (England) Regulations 2012
Approved by	Executive
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1. Introduction

- 1.1 Local authority tenants have a statutory right to take over management responsibility for landlord services because of the Housing (Right to Manage) (England) Regulations 2012. As a registered provider of Social Housing, Ipswich Borough Council will adhere to the statutory requirements.
- 1.2 By forming a Tenant Management Organisation, and following Right to Manage Regulations, tenants can take over responsibility for managing housing services, such as repairs, caretaking, and rent collection from their landlord. Ipswich Borough Council and their tenants can be (where exercised) subject to this legislation.
- 1.3 Tenant Management Organisations are models of community control that can in some circumstances 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.
- 1.4 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 taxpayers; as well as the Government.

- 1.5 The Right to Manage provides tenants with responsibility and control of local services, with the Tenant Management Organisation Board members responsible for issues such as: Service delivery, adhering to disability and equalities legislation in all policies and practices in addition to reflecting the views of residents.
- 1.6 Through streamlined Regulations, condensed guidance, and simpler processes the Government is making it easier for tenants to exercise their Right to Manage. A new Consumer Standard has been set by the Social Housing Regulator under the basis of a Transparent, influential and accountable standard that encourages social landlords to offer opportunities for tenants to get involved in housing management.
- 1.7 Ipswich Borough Council recognises the importance of the above examples, and in any event of this happening would work closely with any Tenant Management Organisations 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.
- 1.8 Alternative approaches are also available for tenants wishing to managing services which Ipswich Borough Council acknowledge. 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.
- 1.9 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. This is something that Ipswich Borough Council would consider as part of any formal request.

2. Initiating a Right to Manage

- 2.1 To initiate the process, a Tenant Management Organisation must serve a written notice on Ipswich Borough Council of its intention to exercise the Right to Manage (Appendix A). This notice must propose managing at least 25 homes let on secure Ipswich Borough Council tenancies, within the area set

out in the notice. There is no upper limit for the number of properties managed by Tenant Management Organisations.

- 2.2 The properties 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 the proposed area.
- 2.3 The notice must be accompanied by evidence demonstrating that the Tenant Management Organisation has secured the membership and consultation requirements as set within current legislation.
- 2.4 It is imperative that a Tenant Management Organisation will 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'. Ipswich Borough Council will need to be satisfied that this process has been fair and transparent throughout.
- 2.5 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.
- 2.6 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.
- 2.7 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.
- 2.8 If a notice is served on Ipswich Borough Council, the membership of the Tenant Management Organisation must include at least 20% of tenants and at least 20% of secure tenants whose homes are identified in the proposal notice. It will be imperative 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.

3. Acceptance and refusal of proposal notices

- 3.1 If a Tenant Management Organisation secures a majority to proceed, it will write to Ipswich Borough Council giving notice that it proposes to exercise its Right to Manage.
- 3.2 Within 28 days of receiving the proposal notice, Ipswich Borough Council will notify the Tenant Management Organisation in writing whether it accepts or refuses, the notice. If Ipswich Borough Council refuses, it will write to the Tenant Management Organisation explaining the reasons for the refusal. Ipswich Borough Council can only reject a proposal notice in two circumstances:
- if it contains a similar proposal to one contained in a previous proposal notice made within the previous 2 years and at least half of the houses identified in the current proposal notice were also identified in the previous proposal notice.
 - if Ipswich Borough Council can provide evidence that the Tenant Management Organisation has failed to comply with the consultation and membership requirements.
- 3.3 Subject to the reasons to refuse set out in 3.2 above, Ipswich Borough Council 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 properties identified in the proposal notice. It must also provide a copy of the proposal notice to such organisations or persons. This will ensure that all affected parties are aware of the proposal.

4. Ipswich Borough Council Support

- 4.1 Once Ipswich Borough Council has accepted a proposal notice, the Tenant Management Organisation should write to us 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. Ipswich



Borough Council 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.

- 4.2 Ipswich Borough Council and the Tenant Management Organisation should use every effort to resolve any disagreements regarding the support to be provided. If the Tenant Management Organisation is not satisfied with Ipswich Borough Council'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 Ipswich Borough Council if it decides to refer the matter to an arbitrator.
- 4.3 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 Ipswich Borough Council and the Tenant Management Organisation of the decision (Appendix A).

5. Development of Tenant Management Organisation

- 5.1 Effective business planning at the development stage is vital to the success of the Tenant Management Organisation. During this stage, the Tenant Management Organisation will be required by Ipswich Borough Council to consider issues around governance, community support, business planning, and financial viability.
- 5.2 To enable the Tenant Management Organisation to start developing its proposals, Ipswich Borough Council will provide early advice on the allowances available and identify any practical considerations, such as the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and existing service delivery arrangements that the Tenant Management Organisation will need to take into account.
- 5.3 Ipswich Borough Council and Tenant Management Organisation should reach early agreement about the matters to be included in the offer. This should be within three months of the acceptance date, and the Tenant Management Organisation should advise Ipswich Borough Council of the services it wishes to consider for inclusion in the offer. Within a further two months, Ipswich Borough Council will 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.

- 5.4 Due to 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.
- 5.5 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 Ipswich Borough Council.
- 5.6 Ipswich Borough Council will arrange for the approved assessor to carry out a report on the Tenant Management Organisation's competence and will co-operate fully to enable the assessor to carry out their role.
- 5.7 Within 15 months from the date when the Tenant Management Organisation receives Ipswich Borough Council'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.
- 5.8 If the report concludes that it is not competent, it will suggest actions to be taken by Ipswich Borough Council and the Tenant Management Organisation to enable it to become competent. Both parties will and 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.
- 5.9 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, Ipswich Borough Council and the 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 include;
- 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; and
 - The management and governance arrangements of the Tenant Management Organisation.

- 5.10 Within 3 months of receiving the approved assessor's conclusion that the Tenant Management Organisation is competent to exercise functions, Ipswich Brough Council will 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.
- 5.11 Within a further 3 months, Ipswich Borough Council will 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 and Ipswich Borough Council would aim to get this completed in the first 4 weeks.
- 5.12 Ipswich Borough Council will 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. 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.
- 5.13 The offer will be deemed to be withdrawn if it is refused by either a majority of voting tenants or a majority of voting secure tenants.

Appendix A

Timetable for Right to Manage stages.

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

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

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