# CCH

Confederation of Co-operative Housing
Cydffererasiwn Tai Cydweithredol

CCH Centre of Excellence

# Governance and Management
# **Guidance for Co-operative and Community Led Housing**

## Co-operative and community-led housing organisations are...

developed by, with and usually for a democratic community membership organisation

controlled (and in some cases owned) by a local democratic community membership organisation

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**This guidance is designed to support good governance and management in new or existing co-operative and community-led housing organisations (referred to for ease of reference as organisations throughout the guide). It is intended to be of use by the governing bodies, their members, their staff and other staff working to support the sector and other partners.**

This guidance explains what good governance and management is for any co-operative and community-led housing organisation and looks at governance and management in some specific circumstances (most notably if an organisation is registered with their Government regulator[1] probably because they received some Government funding to build their homes).

Co-operative and community-led housing organisations come in many shapes and sizes. That's what makes them successful. They are about people considering local issues and using bespoke methods to develop what's right for them.

[1] for ease of reference, these are referred to in the guidance as registered organisations.

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No two schemes are quite the same. They can be set up for a wide range of different reasons and to meet various needs; they are in different locations; their legal and other structures can be quite different; they own and manage different types of homes; they house different groups of people. They vary from the very small (in some cases just one house shared by a group of members); through to larger locally based organisations (which could own or manage any number of homes); up to large hybrid area based mutuals owning up to 15,000 or more homes. Some are set up specifically to house their members. Others are set up by community organisations seeking to address local housing need. It's a diverse sector united by its principles of democratic community membership.

Co-operative and community-led housing organisations have different "Governing Body" arrangements. Some are governed by all the members through general meetings; some have management committees or Boards as their governing bodies. The housing service can be delivered in different ways. Volunteers may provide a hands-on service; directly employed staff or external service providers may be used; some lease their homes to other organisations to manage; and there might be permutations of these.

For each organisation, there will be an appropriate and proportionate way in which they could apply this governance and management guidance which will be shaped by their size, governing body arrangements, service delivery mechanism and what stage they have reached in their development. A new start up organisation will have different governance and management priorities from a long standing organisation. Membership is referred to throughout the guidance because it lies at the heart

of any co-operative and community-led housing organisation. However, how each organisation engages with its members will vary. For example, in a small co-op with four members, every member will engage directly. In a large mutual with several thousand members, membership engagement may be through representative bodies.

This guidance does not prescribe how things should be done - it aims to assist organisations to consider the issues they need to consider; how they can make informed and democratic decisions that deliver the best governance solutions, services and positive results.

## Good governance is a journey
Becoming an excellent organisation in all the areas we have listed below might feel like a daunting and impossible challenge – both for an organisation just starting out – and for one that has been going for many years. It's not intended to be. Good governance is a journey – where the organisation has targets to aim for – achieving well in some areas whilst working over time to improve others. Our guidance is designed to help organisations identify where they are trying to get to, but probably no organisation is ever 100% excellent in every area.

As well as – there are many organisations out there who can provide help and assistance. Many national and locally based organisations, including the CCH, provide guidance. The CCH has already produced written guidance in some areas of governance and management and intends to produce further guidance documents.

For further information, please contact the CCH.

## Governance and management checklist

The guidance is based on a check list of key questions that are aimed at helping organisations self-assess their governance and management. A Governance & Management Workbook is available from the CCH (at info@cch.coop) to help co operative and community-led housing organisations carry out self-assessments.

The three areas of governance and management are set out in summary below. Further detail is then provided on what makes an excellent and a dysfunctional organisation.

# 1 Values & Principles

**What is the organisation about?**
**How does it interact with its membership?**

a) When did the organisation last review its mission and vision and how were members involved in the review?
b) Is the organisation learning, sharing and outward looking?
c) Does the organisation's approach towards equality and diversity ensure fair outcomes?
d) How are members involved in the organisation?
e) How does the organisation bring in new members? What information are new members provided with?
f) How does the organisation manage conflicts of interest?
g) Does the organisation have a succession plan?
Does it provide training to its members?
Does it consider demographic change within its membership?
h) How does the organisation manage confidential information and ensure that it complies with the Data Protection Act 1998?

# 2

# Governance & Viability

**is the organisation operating in accordance with an appropriate Code of Governance? Is the organisation financially viable?**

a) Does the organisation carry out an annual assessment of compliance with a Code of Governance?

b) What plans does the organisation have in place to ensure its long-term viability?

c) If the organisation is developing new homes, how does it ensure the financial viability of new schemes it develops and does it understand implications on its business, finance and other plans?

d) Do members of the Governing Body have the information they need to make informed decisions?

e) Is the organisation keeping all the legal, statutory and regulatory records that it needs to?  Does it make the returns it needs to?

f) Does the organisation have a clear, comprehensive, up to date, and periodically reviewed suite of policies and procedures?

g) Are roles and responsibilities clear?  Are committees, officers, staff, service providers clear about what decisions they can take?

h) How are meetings conducted?

i) Are there appropriate staffing and support arrangements?  Are there are effective contract procurement and management arrangements?

j) Is an annual budget approved and is there appropriate monitoring of financial performance?

k) Does the organisation have an appropriate set of Financial Standing Orders?

l) Is there clarity regarding payments to members?

m) Is the organisation complying with its regulatory and legal accounting duties and any loan covenants?

n) Does the organisation consider how best it can get Value for Money out of its resources and assets?

# 3 Management

**is the organisation managing effectively and delivering excellent results?**

Successful management for each organisation is dependent on what mission, aims and objectives it has set for itself. Some of the questions below may not be relevant to particular organisations, although most are required to be assessed for registered organisations.

a) Is the organisation achieving its objectives in relation to developing new homes or adapting existing ones?

b) Is the organisation achieving its community objectives?

c) Is the organisation achieving its environmental objectives?

d) Are residents of homes owned or managed by the organisation getting good services in their homes?

e) Do new and potential residents gain access to the organisation's homes in a fair, open and transparent way?

f) Are appropriate legal occupation agreements (eg. tenancy agreements, leases, covenants in freehold agreements) issued and are they explained to new residents?

g) Has the organisation agreed standards for letting empty homes?

h) Is a high-quality repairs service provided that fits in with what residents want and legal requirements?

i) Is there a fair and appropriate approach to setting rents and service charges, and for dealing with non-payment?

j) Is anti-social behaviour and neighbour nuisance effectively prevented and tackled?

k) Are complaints and disputes dealt with in a timely and effective manner?

l) Are other tenancy, lease and covenant matters dealt with effectively?

m) Are regular health and safety and fire risk assessments carried out where necessary and appropriate?

# Undertaking a Self-Assessment

## It is suggested that members of the Governing Body:

a) individually complete the self-assessment contained within the Governance and Management Workbook, allocating a score between 1 and 5, where 1 means that the organisation has not thought about the issue at all through to 5 where the organisation has given comprehensive thought to it and has made plans to address it.

b) where applicable, seek views from other members, staff members or other organisations the organisation works with regarding how they would score it in relation to some or all checklist questions.

c) meet up with each other (at an away day or a meeting) and share and discuss their individual results, particularly considering any differences of opinion.

d) develop an action plan that focuses on addressing those checklist questions where low scores were agreed.

# Values &
# Principles

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## a) When did the organisation last review its mission and vision and how were members involved in the review?

✔ **An excellent organisation:**
has a clear idea of what it's there for – what it's trying to achieve – and the main things it believes in.  These things are usually set out in written mission statements and statements of values and vision[2].  Values are fundamental to CCLH organisations - members understand and participate in developing and periodically review them.

✘ **A dysfunctional organisation:**
muddles along, never considering what it's purpose is or what values it stands for.  It never has dialogue with its members about its values, assuming that, or not even caring whether the values of the governing body are shared by members.

## b) Is the organisation learning, sharing and outward looking?

✔ **An excellent organisation:**
learns by sharing skills, knowledge and experience throughout its membership and by being a supportive organisation.  How it works and networks with other similar organisations and/or with other relevant organisations enables it to formulate and draw on good practice and develop as an organisation.  Registered organisations need to keep abreast of relevant developments in the broader housing association sector.

✘ **A dysfunctional organisation:**
does not share or learn either internally with its members or externally with other similar organisations or other organisations from whom it could learn. Consequently, it has been plodding along year in year out, never learning, never developing.

[2] A set of internationally defined Co-operative Values and Principles lie at the heart of a co-operative's identity.  Some or all of these principles may also have resonance with other organisations.  The Co-operative Values and Principles are detailed in Appendix One.

## c) Does the organisation's approach towards equality and diversity ensure fair outcomes?

✔ **An excellent organisation:**
welcomes and supports members from diverse backgrounds and helps them to share, interact and achieve consensus from different ideas and viewpoints. It carefully considers its equality and diversity approach, ensuring that it does not directly or indirectly discriminate against any particular group. It particularly ensures fair outcomes in relation to access to homes, how services are provided, how any staff, agencies/contractors are appointed and how members are involved.

✗ **A dysfunctional organisation:**
is dominated by cliques, has regular uncontrollable conflict, with factions plotting and scheming against each other. Large groups of members are disenchanted with and have given up on the organisation's democratic processes. There are unfair and discriminatory practices going on throughout the organisation, and the clique in charge seeks to ensure that only their views hold any sway within the organisation.

## d) How are members involved in the organisation?

✔ **An excellent organisation:**
considers whether people coming to meetings, those on the Governing Body, or those who participate in other ways, are representative of the full membership. It regularly reviews its success in encouraging member participation. It has different ways for members to contribute – through formal meetings as well as perhaps through less formal groups, digital media and socially. It periodically finds out the views of all members individually and its decision-making is informed by those views.

✗ **A dysfunctional organisation:**
has an involvement approach that relies solely on a member's opportunity to attend general meetings, but only those in charge actually attend them. Very few are actively involved and there are no other ways to participate apart from through formal governing body or general meetings. There is no active community life in the organisation, and the organisation never finds out the views of its members.

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[2]A set of internationally defined Co-operative Values and Principles lie at the heart of a co-operative's identity. Some or all of these principles may also have resonance with other CCLH organisations. The Co-operative Values and Principles are detailed in Appendix One.

## e) How does the organisation bring in new members? What information are new members provided with?

✔ **An excellent organisation:**
actively considers how effective it is at inducting new members, providing formal and informal support. It provides written information on how the organisation is structured and what services it provides, and how members can get involved and assess performance. Where new members are housed by the organisation, steps are taken before and after they move in to ensure that they are inducted effectively as members.

✘ **A dysfunctional organisation:**
just signs up new members because it is a formality that needs to be done. It doesn't provide new members with any information on how the organisation works or how they can get involved. The relationship between the organisation and new resident members is based solely on the tenancy agreement or lease, and new members rarely if ever get involved in the organisation's democracy.

## f) How does the organisation manage conflicts of interest?

✔ **An excellent organisation:**
has a clear documented system for dealing with conflicts of interest to ensure that personal interests do not influence decision-making. It has systems to ensure that members cannot defraud the organisation or personally benefit from their involvement. Members declare any conflicts of interest prior to issues being discussed and the organisation maintains a Register of Interests where members particularly record any financial conflicts of interest they may have with anyone that the organisation does business with.

✘ **A dysfunctional organisation:**
has members who use the organisation to further their own personal interests. Members who have conflicts of interest do not declare them and unduly influence decision-making to favour their personal interests. Decisions about who the organisation provide homes to are also influenced by personal interest; or financial or other relationships are entered into as a result of personal interests. Some governing body members may be defrauding the organisation.

## g) Does the organisation have a succession plan? Does it provide training to its governing body members?

**✔ An excellent organisation:**
prepares to renew and replace governing body members before they stop being active. It has a training programme that supports future sustainability.

**✘ A dysfunctional organisation:**
hopes for the best! Its active governing body members are increasingly elderly and no one steps forward to replace them.

## h) How does the organisation manage confidential information and ensure that it complies with the Data Protection Act 1998?

**✔ An excellent organisation:**
understands its responsibilities for ensuring compliance with the Data Protection Act 1998 and reflects this compliance in a Confidentiality Code. It ensures that it has systems to ensure confidentiality regarding personal, business and other areas that require confidentiality.

**✘ A dysfunctional organisation:**
does not comply with the Data Protection Act 1998. Personal data is kept and shared that should not be. Personal, business and other confidential information is leaked. No action is taken to respond to confidentiality breaches or to prevent them.

The Information Commissioner[3], who oversees compliance and promotes good practice, requires all Data Controllers who process personal data to be responsible for their processing activities and comply with the eight data protection principles of 'good information handling'.

**These are:**

1 Personal data shall be processed fairly & lawfully
2 Personal data shall be obtained only for one or more specified and lawful purposes
3 Personal data shall be adequate, relevant and not excessive
4 Personal data shall be accurate and, where necessary kept up to date
5 Personal data shall not be kept for longer than is necessary
6 Personal data shall be processed in accordance with the rights of data subjects
7 Security principle - protection against unauthorised /unlawful processing
8 Transfers outside of the EEA (European Economic Area) - requires adequate levels of protection

[3] Further information can be obtained from the Information Commissioner Office at www.ico.org.uk

# Governance & Viability

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Co-operative and community-led housing organisations have various Governing Body arrangements. Whilst they are membership organisations, where members are usually legally entitled to have their say and cast votes at General Meetings of the organisation, all have a legally defined Governing Body which is responsible for making decisions in the organisation. In some (usually smaller ones), the Governing Body is the General Meeting; in others, the organisation has a Management Committee or Board as their Governing Body to direct management on behalf of their members.

## a) Does the organisation carry out an annual assessment of compliance with a Code of Governance ?

✔ **An excellent organisation:**
annually assesses its compliance with a Code of Governance, explaining any areas of non-compliance. Registered organisations are required to include a statement of compliance with a Code of Governance and with the Governance and Viability Standard in its Financial Statements.

✗ **A dysfunctional organisation:**
does not know what governance standards it should be complying with and does not assess its compliance.

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[4] The CCH, in partnership with the National Housing Federation, has produced a Code of Governance for housing co-ops which is available at www.cch.coop/code-of-governance. This may be applicable to other community-led housing organisations or they may be able to adapt it or another Code of Governance to suit their circumstances.

## b) What plans does the organisation have in place to ensure its long-term viability?

✔ **An excellent organisation:**
- has a long-term business plan that sets out what it aims to achieve and how it will achieve it;
- has a long-term finance plan to support its business plan;
- has a reserves plan
- keeps an up to date assets and liabilities register
- ensures that there is an asset management plan (if the organisation owns property assets) that is periodically updated with residents
- manages risk effectively
- ensures appropriate insurance cover which is periodically reviewed
- involves members and/or residents appropriately in determining all of the above

✗ **A dysfunctional organisation:**
muddles by.  It doesn't have any long-term plans (finance or otherwise).  It has no plans for its reserves, usually keeping them in the bank where they gradually depreciate.  It doesn't know what assets it owns or its future liabilities.  It doesn't know what it will take to maintain its property assets and hopes it will get by when the time comes.  It has no idea what risks it faces and it has not checked for years if its homes are adequately insured.  No members or residents are involved in discussions about any long-term planning.

## A Reserves Plan
sets out how an organisation will maximise the financial and social returns from its property and cash assets.

## An Assets and Liabilities Register
enables an organisation to have clear knowledge of its overall finance and asset position and liabilities that have recourse to its assets (such as loans secured against properties).

## An Asset Management Plan
enables an organisation that owns property assets to ensure that its homes are warm, weatherproof and have modern facilities in perpetuity.  If an organisation owns homes, it should ensure that there is an effective asset management plan, even if this is done by another organisation that is managing the homes on the organisation's behalf.  An asset management plan enables planning to replace all elements of the home.  Residents should be involved in the Asset Management Plan.  They have good knowledge of what needs replacing and how it should be replaced.  They should be supported to get involved in the design and implementation of major works contracts and recruitment of contractors.  They should be kept informed of the progress of major works programmes being carried out on their homes.

# Risk management

enables an organisation to identify the risks their business faces and make appropriate plans to protect itself against them. Risks could be related to development programmes, governance, service delivery, staff, service agencies, consultants or contractors, the law or the outside world. An organisation needs to have plans in place to recover from disasters to ensure the operations of the organisation can continue.

# Insurance

an organisation may manage some risks by having up to date insurance cover for particular liabilities. Insurances might include buildings insurance, insurance against loss of or damage to property owned by the organisation, public liability insurance and employer liability insurance (for any staff members). Insurance policies should be periodically reviewed, and there should be procedures to handle any insurance claims. Where homes are managed by someone else, the organisation should ensure adequate insurance arrangements.

# c) If the organisation is developing new homes, how does it ensure the financial viability of new schemes it develops and does it understand implications on its business, finance and other plans?

✔ **An excellent organisation:**
has a clear strategy for developing new homes. It understands the implications of development on its business, finance and asset management plans. It has a good understanding of scheme development and long term management/maintenance costs.

✘ **A dysfunctional organisation:**
has not considered how it might be able to develop new homes. Where it has, it does not understand the implications of its plans on its business. Its only focus is on developing the homes and it does not give consideration to long term management and maintenance.

## d) Do members of the governing body have the information they need to make informed decisions?

**✔ An excellent organisation:**
ensures that its governing body members have comprehensive information on what they are making decisions about. It usually provides this information in advance so that they can carefully consider decisions. Where governing body members do not have knowledge of particular subject matter pertaining to a decision, it actively seeks external advice, and if necessary, provides training.

**✘ A dysfunctional organisation:**
has a governing body that makes decisions that are not based on adequate information. In some cases, only a few governing body members may have knowledge of the subject matter. External advice is not sought on complex matters that governing body members do not know about.

## e) Is the organisation keeping all the legal, statutory and regulatory records that it needs to? Does it make the returns it needs to?

**✔ An excellent organisation:**
keeps good quality records, particularly in relation to its legal, statutory and regulatory requirements. The governing body is clear where these records are kept and who has responsibility for maintaining them. The governing body ensures that its legal, statutory and regulatory annual returns are made within deadlines

**✘ A dysfunctional organisation:**
keeps inadequate and partial records. The governing body is not aware of what records are kept and does not ensure that its legal, statutory and regulatory responsibilities regarding annual returns are complied with.

Organisations should check which of the documentation listed in Appendix two applies to their circumstances.

## f) Does the organisation have a clear, comprehensive, up to date and periodically reviewed suite of policies and procedures?

✔ **An excellent organisation:**
keeps a suite of written policies and procedures that are appropriate for its circumstances; ensures that policies are short and clear statements of what the policy seeks to achieve and the key principles relating to it and that they are agreed by members; ensures that procedures provide more detail for those implementing policies; periodically reviews policies and procedures with members

✗ **A dysfunctional organisation:**
keeps inadequate and partial policies and procedures meaning that there is a lack of clarity about how things should be done; jumbles policies and procedures together making them difficult to understand; does not review policies and procedures; and does not involve its members in policy review

## g) Are roles and responsibilities clear? Are committees, officers, staff, service providers clear about what decisions they can take?

✔ **An excellent organisation:**
has clearly defined roles and responsibilities and authority that is delegated to committees, officers, staff and service agencies; those with roles and responsibilities know what decisions they can take, what is expected of them and how they report to the governing body; there are written role descriptions for officers and governing body members; terms of reference govern sub-committees and working groups; reporting mechanisms are clear and transparent, particularly regarding delegated authority

✗ **A dysfunctional organisation:**
has little or no clarity about roles and responsibilities for officers, committees and those that work for the organisation. Decision-making outside the governing body is not reported to the governing body. With lack of clarity about who can take decisions, either individual members take it upon themselves to make decisions, or governing body meetings include lengthy discussions about routine matters that could be agreed outside the governing body.

## h) How are meetings conducted?

✔ **An excellent organisation:**
has well-chaired and good natured meetings where the chair is supported by those attending who are enabled to put forward their views in a constructive debate. Meeting agendas are adhered to and decisions made. The organisation complies with its rules about, for example, sending out notices and agendas of meetings in advance, keeping minutes, and quorums for meetings. A Code of Conduct that is respected by all attendees governs behaviour at meetings.

✗ **A dysfunctional organisation:**
has riotous and poorly chaired meetings; where attendees cannot express their views constructively; which ramble off agendas; and there is little clarity about decision-making. The organisation's rules are not complied with and there either is no Code of Conduct for meetings or attendees do not comply with it and no action is taken to address non-compliance.

## i) Are there appropriate staffing and support arrangements? Are there effective contract procurement and management arrangements?

In the smallest co-operative and community-led housing organisations, voluntary members carry out most, if not all, of the organisation's operational activities. Larger organisations either employ staff or a service provider to carry out some, or all, of the operational functions. Even smaller organisations may arrange contracts for particular areas of work.

✔ **An excellent organisation:**
is confident that any staff or service providers have the right skills, knowledge and experience and that the right relationships with them are in place. Such relationships are set out in writing and performance is regularly reviewed.

✗ **A dysfunctional organisation:**
Does not exercise any judgment about the people or organisations working for it; it has poor relationships with them; there is no written documentation; and performance is not reviewed.

✔ **An excellent organisation:**
ensures that any staff it directly employs have formal employment contracts and job descriptions. The organisation has appropriate policies and procedures (which it complies with) for recruitment, training and development, disciplinary and grievances, meeting their legal responsibilities and for training their members in staff recruitment and management.

✗ **A dysfunctional organisation:**
does not properly recruit or manage any staff it employs. There is a lack of clarity about their roles; staff do not receive appropriate training and development; disciplinary and grievance matters are not dealt with appropriately; legal responsibilities are not met (and the organisation is open to legal challenge) and volunteers recruiting and managing staff are not properly trained.

## i) Are there appropriate staffing and support arrangements?  Are there effective contract procurement and management arrangements? continued...

✔ **An excellent organisation:**
ensures that it has a formal Management Agreement with any service providers it uses, that specifies service levels expected. Performance of the service provider is periodically reviewed and there is at least an annual review of the Agreement.

✘ **A dysfunctional organisation:**
does not manage its relationship with any service provider used.  The service provider does not know what is expected of it and either performs poorly or carries out functions without authority from the organisation.

✔ **An excellent organisation:**
ensures that it uses appropriate procurement and tendering arrangements for contractors and consultants.  A specification and contract governs the relationship between the organisation and any contractors and consultants. management.

✘ **A dysfunctional organisation:**
does not use appropriate procurement or management methods for contracts and there is an insufficient paper trail, and potentially poor practice, regarding procurement and management of contractors.

## j) Is an annual budget approved and is there appropriate monitoring of financial performance?

✔ **An excellent organisation:**
sets an annual budget, taking into account the long-term finance plan, before the start of each financial year and all members have an opportunity to have a say on it.  Actual finance performance is periodically reviewed against budget, and the governing body considers cash flow dependent on the organisation's needs.

✘ **A dysfunctional organisation:**
doesn't set an annual budget and/or does not consider its long-term finance plan; doesn't review the budget during the year; doesn't consult its members on budgetry issues; doesn't check its cashflow

## k) Does the organisation have an appropriate set of Financial Standing Orders?

**✔ An excellent organisation:**
has effective Financial Standing Orders, that details reporting and monitoring systems and procedures for making orders and authorising payments. It has in place processes to ensure that value for money is obtained, particularly for large items of spend such as major repairs.

**✘ A dysfunctional organisation:**
does not have written specifications regarding what is expected in relation to the organisation's finances

## l) Is there clarity regarding payments to members?

**✔ An excellent organisation:**
has a comprehensive Expenses Policy that enables reimbursement of members for expenses related to carrying out work for the organisation.

**✘ A dysfunctional organisation:**
does not have clarity about what can be claimed in expenses. Either active members claim any amounts or their expenses are not reimbursed.

If it has been agreed that members should receive payment for roles undertaken in the organisation, an excellent organisation will apply payments using the following principles:

- it will use a method that is independent of the governing body to set payment levels, such as a Remuneration Committee, an independent advisor or by using published guidance and industry norms
- its payments are disclosed to all members and are proportionate to the organisation's size, complexity and resources
- its payments are linked to the carrying out of specified duties against which performance is reviewed.

## m) Is the organisation complying with its legal and regulatory obligations and any loan covenants?

✔ **An excellent organisation:**
has governing body members that are aware of the organisation's (and their own) legal and regulatory responsibilities and who access advice and support as necessary to ensure compliance; sets an effective risk management and policy framework to ensure that it is meeting its statutory obligations; complies fully with agreements made with institutions that have lent them money (loan covenants)

✘ **A dysfunctional organisation:**
does not understand its legal and regulatory obligations and does not comply with them; does not have a risk management and policy framework; breaches its loan covenants

Examples of areas of the law that may be of relevance are listed below:

**Society/Company law**
- Rules or Memorandum & Articles
- Employment law
- Contract law
- Data Protection Act
- Equalities Act
- Health and Safety legislation
- Human Rights Act
- Financial Reporting Standards, Fraud and Tax law

**Housing/Planning law**
- Housing and Planning Acts
- Tenancy law
- Crime and Disorder legislation
- Safeguarding and Abuse legislation
- Repairs legislation
- Planning, Listing and By-laws
- Building Regulations
- European Regulations and Immigration Status in employment and housing
- Regulatory Compliance (for registered organisations and management organisations with agreements with registered organisations)

## n) Does the organisation consider how best it can get Value for Money out of its resources and assets?

An excellent organisation periodically assesses whether:
- the organisation is making best use of its property assets
- the organisation's current approach to service delivery (employing staff, service providers or contractors) provides best value
- the organisation's other significant expenditure items are producing best value.

A summary of this self-assessment is provided to the organisation's members. Registered organisations are required to produce an annual Value for Money self-assessment statement and refer to it in their Financial Statements.

# Management

3

A co-operative and community-led housing organisation is successfully managing if it is achieving its mission, aims and objectives. Parts of the framework below are relevant only if they are part of what the organisation was set up to do.

**Particularly relevant criteria include:**

- was the organisation particularly established to develop new homes?
- does the organisation directly manage homes (as opposed to leasing homes to another organisation)?  Where the organisation has delegated responsibility for management to another organisation through a lease or service level agreement, they should consider standards required of the organisation delegated to and periodically check that those standards are being delivered.
- is the organisation registered? If this is the case, all of the framework is relevant except it is not a regulatory requirement to set development, social and community or environmental objectives.

## a) Is the organisation achieving its objectives in relation to developing new homes or adapting existing ones?

✔ **An excellent organisation:**
at least considers whether it could or should develop new or existing homes, possibly using different tenures and imaginative approaches to make it possible. It also considers demographic change within its membership or residents, adapting homes as necessary to ensure that they are housed appropriately as their circumstances change. It sets development objectives with its members and regularly reports on how it is achieving them.

**A dysfunctional organisation:**
does not even think about developing new homes. It may have substantial assets (ie. its existing homes) that would enable finance to be raised to build more homes, but it does not see developing new homes as important. It does not consider how to meet the needs of existing members/residents. It does not have a dialogue with its members about the issue.

## b) Is the organisation achieving its social and community objectives?

✔ **An excellent organisation:**
has social and community objectives at its core that have been agreed formally or informally by members. It periodically considers whether it is achieving community objectives (although they may be difficult to quantify). It considers wider social objectives (such as helping members gain skills, get into employment, network with other organisations)

**A dysfunctional organisation:**
usually houses a dysfunctional community. It has no social and community objectives – and does not discuss this with its members.

## c) Is the organisation achieving its environmental objectives?

✔ **An excellent organisation:**
at least periodically considers environmental objectives, including the environmental efficiency of its homes and any office facilities.

✗ **A dysfunctional organisation:**
does not consider environmental objectives .

## d) Are residents of homes owned or managed by the organisation getting good services in their homes?

✔ **An excellent organisation:**
sets high standards of service provision and scrutinises whether standards are met.  It does this in various ways, but it particularly assesses the views of residents, checks on performance, and considers action where targets are not achieved.

✗ **A dysfunctional organisation:**
does not assess whether residents are getting a good service in homes owned or managed by the organisation.

## e) Has the organisation agreed standards for letting empty homes?

✔ **An excellent organisation:**
ensures that empty homes are let quickly at an agreed standard.  Where the organisation is responsible for letting empty homes, it has an effective voids policy within an agreed target time for letting them.

✗ **A dysfunctional organisation:**
does not consider the standard at which empty homes are let and does not consider how long it takes to let its empty homes.

## f) Do new and potential residents gain access to the organisation's homes in a fair, open and transparent way?

**✔ An excellent organisation:**
has a fair, open and transparent approach for residents to access its homes; periodically considers whether access methods are operating fairly, are advertised appropriately and are providing non-discriminatory access to all; allocates homes, where applicable, on the basis of clear criteria set out in a policy operated impartially, objectively and appropriately documented, including a fair system for internal transfers and mutual exchanges; complies with any allocations agreement with the local authority.

**✘ A dysfunctional organisation:**
operates an unfair, closed or discriminatory system of access to its homes. Its access systems are not clearly set out in policies and there are no records of applications and allocations. Available homes are advertised solely by word of mouth, meaning that only the friends or relations of existing members gain access to homes. There are conflicts of interest in allocating homes and personal interests influence decisions as to who is allocated a home.

## g) Are appropriate legal occupation agreements issued and are they explained to new residents?

**✔ An excellent organisation:**
issues the right legal occupation agreement to its new residents, on which legal advice has been obtained (periodically reviewed to keep up to date with legislation and practice). It ensures that occupation agreements are explained to new residents, and they are issued with handbooks that particularly identify their right to get involved with the organisation as a member.

**✘ A dysfunctional organisation:**
issues inappropriate and/or out of date legal occupation agreements; does not seek legal advice on their occupation agreements; does not explain occupation agreements to new residents; does not identify that the new resident has a right to get involved.

## h) Is there a fair and appropriate approach to setting rents and service charges, and for dealing with non-payment?

✔ **An excellent organisation:**
ensures that rent and service charges are set fairly and at a minimum level to meet long term costs; if registered, ensures that rents are set in accordance with regulatory requirements; ensures that there is a fair and effective system for rent and service charge collection and arrears management that supports residents; where directly responsible for arrears, ensures that the arrears policy minimises rent lost through bad debts and that there is a former tenant arrears policy.

✘ **A dysfunctional organisation:**
does not consider long term costs when setting rents; ignores regulatory requirements if registered; has arrears policies that have led to high arrears and significant rent lost through voids and bad debts.

## i) Is a high-quality repairs service provided that fits in with what residents want and legal requirements?

✔ **An excellent organisation:**
ensures an effective repairs service that meets legal requirements and resident needs; that adequate information is provided to residents; and that residents are able to get involved in shaping the repairs service provided to them.

✘ **A dysfunctional organisation:**
has an ineffective repairs services that does not meet member needs. Inadequate information is set out in the repairs policy. Member satisfaction, quality and value for money of the repairs service are not considered.

An excellent organisation ensures that a repairs policy sets out how members report repairs, the repairs service operates, common areas are maintained, decisions are made about contractors used, repairs will be prioritised, quality of repairs will be ensured, health and safety legislation and regulations will be complied with, member satisfaction and the quality and value for money of repairs are checked, and how members changing needs are met through provision of adaptations.

## j) Is anti-social behaviour and neighbour nuisance effectively prevented and tackled?

**✔ An excellent organisation:**
has consensus about what constitutes acceptable behaviour and instances of anti-social behaviour (ASB) rarely occur in the organisation's homes. However, it ensures that there are systems to deal with ASB, and that various methods are used to tackle problems, such as mediation, working with partner organisations and other stronger approaches.

**✗ A dysfunctional organisation:**
isn't clear about what is acceptable behaviour in the community and is riven by neighbour nuisance. It does not take the actions it needs to respond to complaints of anti-social behaviour raised.

## k) Are complaints and disputes dealt with in a timely and effective manner?

**✔ An excellent organisation:**
encourages its members, residents, members of the public and others to make complaints (about the organisation or people working for it) regarding things they are not happy with. It has a management complaints policy and procedure to deal with them. Complaints are monitored to ensure they are handled well. They are followed through and inform how future services are delivered.

**✗ A dysfunctional organisation:**
responds defensively to complaints perceiving it that members should not have the right to complain and that complaints are a personal attack on the organisation. Complaints are not dealt with appropriately and members become frustrated and rarely complain again.

## l) Are other tenancy, lease and covenant matters dealt with effectively?

✔ **An excellent organisation:**
ensures that effective policies are in place that deal with other tenancy, lease and covenant matters commensurate with the type of occupation agreement and the nature of the organisation. It understands what policies it needs in relation to:

· resident requests to carry out improvement works in their homes
· dealing with resident damage and recharges
· ensuring homes let to tenants are still occupied by those named on the tenancy agreement; subletting and taking in lodgers
· keeping of pets
· temporary absences from the home
· breaches of occupation agreements
· safeguarding children and vulnerable adults

## m) Are regular health and safety and fire risk assessments carried out where necessary and appropriate?

**If an organisation employs staff members:**
It has legal duties to comply with all relevant health and safety legislation, particularly the Health and Safety at Work Act 1974, the Management of Health and Safety at Work Regulations 1999 and the Disability Discrimination Act 1995. The organisation must ensure that it complies with its legal responsibilities for ensuring that its employees' workplace is a safe working environment and ensure that it undertakes an annual Fire Risk Assessment of that workplace.

**If an organisation is a Landlord
(either of rented or leased homes):**
It is required by legislation to undertake regular and appropriate checks to communal and public areas under its ownership or management; including in relation to fire safety, asbestos, legionella, plant and equipment.

# Appendix

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

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

### Values
In order to maintain their identity co-operatives should ensure that they are supporting the following co-operative values:
• Self-help and responsibility
• Democracy
• Equality, equity and solidarity
• Honesty and openness
• Social responsibility and caring for others

### Principles
These are principles by which co-operatives put their values into practice. All co-operatives seek to act in accordance with these following seven principles:

**1st Principle:** Voluntary and Open Membership
Co-operatives are voluntary organisations; open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

**2nd Principle:** Democratic Member Control
Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote), and co-operatives at other levels are also organised in a democratic manner.

**3rd Principle:** Member Economic Participation
Members contribute equitably to, and democratically control, the capital of their co-operative.  At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

**4th Principle:** Autonomy and Independence
Co-operatives are autonomous, self-help organisations controlled by their members.  If they enter into agreements with other organisations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co operative autonomy.

**5th Principle:** Education, Training and Information
Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public – particularly young people and opinion leaders - about the nature and benefits of co-operation.

**6th Principle:** Co-operation Among Co-operatives
Co-operatives serve their members most effectively and strengthen the co operative movement by working together through local, national, regional, and international structures.

**7th Principle:** Concern for Community
Co-operatives work for the sustainable development of their communities through policies approved by their members.

# Appendix Two
## Checklist of documentation and records

Organisations may wish to check which of the following documents and records may be necessary and/or desirable in their circumstances and if the organisation is keeping them as they should:

| Society or company documents/records | |
|---|---|
| Mission statement and statement of values and vision | |
| The organisation's rules or memorandum and articles | |
| Society/company, tax, data protection, charity registration | |
| Governing body recruitment, election/selection records | |
| Code of governance and relevant compliance statement | |
| Governance and viability standard compliance statement | |
| Share register | |
| Annual reports | |
| Member and/or resident handbook | |
| Succession and training plan | |

| | |
|---|---|
| Code of conduct and code of confidentiality | |
| Business plan, including long term finance plan | |
| Risk management strategy | |
| Asset management plan | |
| Reserves plan | |
| Assets and liabilities register | |
| Staff contracts and handbook | |
| Employment records | |
| Service provider agreement | |
| Value for Money self-assessment | |
| Health and safety risk assessments | |
| Accident book | |
| Component PAT tests | |
| Register of use of society or company seal | |
| Minute records | |
| Register of interests | |
| Financial statements & records | |
| Annual and regulatory returns | |
| Insurance documents | |

| Society or company policies and procedures | |
|---|---|
| Equality and diversity | |
| Member and/or resident involvement | |
| Governing body recruitment, election or selection | |
| Conflict of interest | |
| Financial standing orders | |
| Expenses | |
| Staffing, including recruitment, disciplinary and grievance | |
| Health and safety | |
| Complaints | |

| Landlord documents and records | |
|---|---|
| Deed, loan and grant agreements | |
| Records of lettings and allocations | |
| Occupation agreements (tenancy agreements; leases) | |
| Lease agreements (to other organisations) | |
| Property files | |
| Management agreement (for management organisations) | |
| Value for Money self-assessments | |
| Contractor records and documentation | |
| Stock condition surveys | |
| Asbestos register | |
| Repairs certificates (including Gas Safe and electric tests) | |
| Complaints records | |
| Member or resident satisfaction surveys | |

| Landlord policies and procedures | |
| --- | --- |
| Abandoned vehicles | |
| Allocations and lettings | |
| Anti-social behaviour | |
| Breach of tenancy or lease | |
| Compensation | |
| Empty homes | |
| Lodgers and subletting | |
| Mutual exchanges and transfers | |
| Procurement | |
| Recharges | |
| Rent arrears | |
| Rent setting | |
| Repairs and maintenance | |
| Squatting and illegal occupation | |

# CCH

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