LESSONS FOR LOCALISM:
Tenant self management

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About the researchers

Urban Forum is a national charity with members across England, typically small community groups in urban areas. We support residents and community groups to have a greater influence over decision-making where they live.

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Acknowledgements

The work has been supported by an expert group made up of Trevor Bell, National Federation of TMOs; Nigel Long, Tenant Participation Advisory Service; Dr Suet Ying Ho; and Marianne Hood, OBE.

Thanks also to Caitlin McMullin, Research and Policy Officer at Urban Forum for her role in the research.

Urban Forum’s work on the research has been carried out as part of the final year of the DCLG Empowerment Fund Programme.

Forward

“Tenant-run housing has not only stood the test of time, it stands as testament to the ability of tenants to take charge of their destiny. They show that tenants of all ages and backgrounds can have the determination and capability to improve not only the quality and value for money of housing services, but the quality of life for local communities.”
Marianne Hood, OBE. Independent advisor and housing consultant, 2 February 2012

“Never underestimate the knowledge, passion and steadfastness of a local community wanting to develop a better service for their estate”
Survey respondent, from small TMO outside London, January 2012

“There are inspiring examples across the country of where tenants have taken control. But at the moment, only two per cent of council properties are managed by their tenants – I want to see that figure increase substantially.”
Housing Minister Grant Shapps, 10 February 2011
## Contents

- Introduction .......................................................................................... 1
- Research Scope and Aims ..................................................................... 3
- Key findings ......................................................................................... 5
- Chapter one: Communities in action ................................................. 6
- Chapter two: Trends in tenant self-management ............................... 11
- Chapter 3: The impact of tenant-managed services .......................... 19
- Chapter 4: Motivation, help and hindrance ....................................... 26
- Chapter 5: Lessons for localism ......................................................... 33
- Recommendations ............................................................................... 40
- Appendix: Research methods and data ............................................. 43
Introduction

Originating in the mid-1970s, tenant management organisations (TMOs) are a means by which residents in social housing can collectively take responsibility for managing the homes they live in.

Tenant management organisations have a number of features that make them pertinent to emerging policies to encourage community-led delivery of public services.

- They are local, neighbourhood based.
- They are user-run, by tenants and leaseholders for tenants and leaseholders.
- They are an example of responsibility for public sector provision being transferred/taken over by citizens.
- Although most have some paid staff, all rely on volunteers.

Within the localism agenda, social housing is an obvious area of focus for community action and control. Tenant participation in social housing is a tried and tested form of civil participation. Those living in social housing are more likely than people living in other tenures to say they want to be involved in the area where they live, and say strongly that involvement must offer a genuine transfer of powers to service users.\(^2\)

With tenant management organisations, we have decades of direct experience of residents successfully taking over substantial responsibilities and budgets in more than 200 locations around England. At a time when public policy is focussed on the devolution of neighbourhood services to community groups, tenant self-management provides valuable lessons that show how, with the right conditions, citizens can make this work.

\(^2\) Understanding Tenant Involvement: Final report for the Tenant Services Authority, Ipsos Mori, 17/02/09.
How Tenant Management Organisations work

To set up a Tenant Management Organisation, tenants enter into a legal agreement with their landlord to carry out specific housing management functions, such as caretaking, rent collection and repairs. TMOs vary in the number of housing management functions that they take over, with many taking on increased responsibilities over time.

The landlord gives the TMO the budget it allocates to these functions by way of an annual management and maintenance allowance. The Tenant Services Authority’s National Tenant Empowerment Programme provides grants to fund training and support for TMOs.

Local authority landlords have a legal obligation to agree to allow TMOs to be set up as long as this is done in the proper way (under the Right to Manage). Housing Associations don’t have a legal obligation, but since 2008 TMOs can be set up by Housing Association tenants by voluntary agreement with the landlord (though this has yet to take off).

There are three main stages in setting up a TMO. First is development and feasibility, the second is the ballot of tenants, the third is entering into a management agreement. The competence of new TMOs is assessed by an independent assessor.

All TMOs are legally recognised organisations, and take different forms – with some being tenant management co-operatives, and others taking the form of not for profit companies. Some TMOs (the co-operative model) have resident-only boards. The other common model is resident majority boards, with places for council staff, councillors and others (Estate Management Boards). All tenants of homes managed by TMOs must be able to become members, and the majority of directors must be elected by members.

From October 2008 tenants and social landlords have had the option of choosing Local Management Agreements, which give tenants and residents control over a limited range of services, with a value of contracts below EU procurement regulations (€200 000, currently £166 000). Very similar to small TMOs with limited responsibilities, they can be an end in themselves for tenant control, or a stepping stone to tenants organising to take on greater responsibility.

All regulations with regard to TMOs are issued by the Secretary of State. The current regulations are the Housing (Right to Manage) (England) Regulations 2008 (SI 2008/2361).

‘Local Choice, Local Control: The Framework for Local Authority Tenants to Control Their Housing Services’ is statutory guidance, issued by the Secretary of State.
The research scope and aims

This timely piece of work maps the progress of TMO development across England. The report builds up a profile of TMOs, identifies trends in their development, explores their impact and provides an analysis of the different success factors and pitfalls relevant to TMOs’ success and sustainability. The report considers the implications of the research findings, both for developing new models of user-led public services, and for the future of tenant self-management. Finally, the report makes some recommendations for action.

The purpose of the report is to raise awareness amongst policy-makers, the social housing sector, and the voluntary and community sector, of tenant managed services, and to explore what they tells us for the potential for more resident and user run services in the future.

Desk research including a review of previous research, an analysis of the TMOs on the National Federation of TMO database, and a survey of TMOs were all methods used in the research. The survey sample used is small, but is broadly representative of TMOs and is not inconsistent with the information from the database and other surveys from previous research. The quotes used throughout the report are taken from the survey responses. The quotes are identified as being from either inside or outside London, and either a large TMO or small TMO. For these purposes, a small TMO is managing services for up to 299 properties, and a large TMO one that manages services for 300 or more properties. Small TMOs tended to have an annual income of less than £250 000, but there were a few exceptions to this. See appendix for more details of the methods and data.

It was not within the scope of the research to the viewpoints of social housing providers in either the local authority or the housing association sector. This should be noted in terms of the necessary partiality of viewpoints expressed. Given the agenda of devolution in public sector reform, engaging both these sectors in discussion and exploration about the lessons and future of tenant self-management in future research is essential.
Context setting – trends in social housing

- A fifth of all UK households live in social housing (18%). This figure has remained static since 2003. This figure fell in the 1980s and 1990s from a third (32%) of all UK households living in social housing in 1981.¹

- Housing associations took on a larger proportion of the social housing sector from 1988 onwards, mainly by transfers from local authorities, seeing an increase of 210% of stock from 1991-2007.¹

- Housing association stock now accounts for 46.5% of all social housing, accommodating 2.2 million households.¹

- Large Scale Voluntary Transfers – transfer of housing stock from local authorities to either a housing association or an Arms Length Management Organisation (ALMO). First wave of transfers 1988 (mainly rural/suburban), second wave of transfers from 1997 (mainly urban).

- In early 2012 the Coalition Government is expected to publish new regulations to support ‘community led’ stock transfers.

- In recent years the housing association sector has been through a process of consolidation and merger leaving 90% of stock owned by 18% of housing associations.¹

- The Localism Act 2011 brings in a number of changes to social housing, including the end of lifetime tenancies, bringing in 2 – 5 year tenancies, ending succession rights.
Key findings

- TMOs show what is possible for residents to achieve - they provide examples of residents successfully taking over public service contracts to a high standard of quality and efficiency.
- TMOs have staying power - in the last decade the average age of TMOs that survive has increased from 5 or 6 years old to over 15 years old.
- There are structural and organisational barriers to growth of tenant management in both local authority and housing association sectors.
- TMOs and other community organisations face many of the same challenges and experience many of the same issues. Better links and communication channels could enable these to be shared and explored.
- TMOs are potential agents in implementation of devolution in public service delivery and big society agendas. Policy and practice across sectors needs to reflect this.
Chapter 1: Communities in action

Community-led public services in Coalition policy
There has been a growing interest across Government in exploring alternative models for decision-making about local resources and the delivery of services. There is a plethora of new rights for communities and groups of citizens in the legislative programme of the Coalition, including the Localism Act 2011, Health and Social Care Bill 2011 and Academies Act 2010. These measures are within an overall drive to reduce/remove the public sector’s role as a direct provider of services, and to increase the diversity of provision, increasing the role of the private and voluntary and community sectors.

So the concept of local community groups, service users and residents being involved in the design and delivery of public services is riding high on the public policy agenda. How and whether this can be incorporated into these changes to how public services are organised and commissioned has become a hot topic for debate and discussion amongst policy-makers and the voluntary and community sector.

With the Open Public Services White Paper 2011 the Government has proposed that a range of ‘neighbourhood’ services – including parks,
museums, and libraries - should be managed by neighbourhood councils (parish councils/town councils) or community groups.

The ‘community rights’ within the Localism Act are intended to enable local resident organisations and community groups to do a number of things:

- Take over delivery of public services they think they could run better (Community Right to Challenge)
- Take on responsibility for assets (through existing arrangements for asset transfer, and the Community Right to Bid for assets of community value) and
- Form Neighbourhood Forums with some rights to say what is built in their area (neighbourhood planning and Community Right to Build).

In addition, parents are being allowed to set up new ‘Free Schools’ using public money. GP commissioning boards have taken over from Public Health Authorities, and will have to show how they engage with their local communities. And public sector mutuals, already established in the health service, are being promoted across the public sector. Although activity around mutuals has focussed on employee management, it has been posed as a potential vehicle for service-user management. At the same time the Open Services White Paper says that the Coalition want to see more public services run by autonomous and semi-autonomous public bodies (such as ALMOs in housing management and Academies in education).

**Resident-led housing services**

TMOs are an example of resident-run and user-led services that have been active in communities for decades. They manage a range of housing, and some non-housing services. Repairs, maintenance of grounds, caretaking and cleaning form the bulk of services delivered. Most also manage other housing functions, relating to voids, allocations and rent. And many, possibly most, carry out some non-housing related services, the primary ones being community development and consultation. The table below show the main services provided by our survey sample, which is likely to be representative of TMOs in general. In addition to this, a number of our sample said they were interested in developing more non-housing services.
Given the community action and localism agenda, it is not surprising that the Coalition Government has started to recognise the potential that TMOs offer in taking this forward.

Current Government interest in tenant self-management has resulted in a revision of the 2008 Right to Manage regulations. Due to be published shortly, these are anticipated to simplify the process of setting up a TMO. In addition to this, in early 2012 the Coalition Government is expected to publish new regulations to support ‘community-led’ stock transfers. This could potentially lead to both the development of community-owned housing associations, and to the development of new TMOs. Lastly, the Coalition is piloting a new ‘tenant cash back’ scheme, allowing tenants to arrange their own repairs, and keep any difference in cost. It also allows tenants to group together to arrange repairs collectively.

However, on their own these are unlikely to support the expansion of tenant managed services hoped for by the Housing Minister. Furthermore, TMOs so far have rarely featured in discourse among policy-makers and stakeholders in the public and voluntary and community sectors, either as a example of community-run services, or as agents within this agenda.
Where tenants are managing the housing stock

Virtually all TMOs are located in urban, deprived areas (91% in LSOAs in the top two quintiles of deprivation\(^3\), or 1\(^{st}\) and 2\(^{nd}\) most deprived). They are by definition all managed by social tenants (with leaseholders). Social tenants on average have lower incomes compared with homeowners and private renters. Groups likely to experience disadvantages, including BME communities, lone parent, and disabled households, are also over represented in social housing\(^4\).

![IMD scores of TMOs](image)

**Figure 1.** IMD scores of TMOs by postcode; Lower Super Output Area, Source: IMD data 2011 and postcodes of 189 TMOs from NFTMO database 2010.

For the last decade the number of local authority areas where tenants have taken over management of their homes has remained at around 50, with 52 in 1998\(^5\), and 46 in 2010\(^6\). There is a large concentration of TMOs in London. In 2010 67% of all functioning TMOs were in London. (see figure 2 below). This concentration of TMO activity in London is even more marked when looking at the proportions of TMO-managed housing stock by region. The other two areas of concentration are in the West Midlands (10%) and the North West (12%), compared with 1% each in the East of England, the South West, and the East Midlands. This pattern may reflect a combination of factors: the

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\(^3\) IMD data 2011  
\(^4\) Shelter, Social Housing Factsheet 2009  
\(^5\) Tunstall 2000  
\(^6\) NFTMO database 2010, as supplemented by desk research May 2011, not including those TMOs in development
location of difficult to manage estates, regeneration activities, supportive local authorities and patterns of tenant activism\textsuperscript{7}.

\textbf{Figure 2. Source NFTMO database 2010 \textsuperscript{8}}

\textsuperscript{7} Tunstall 2000, Cairncross et al. 2000

\textsuperscript{8} This data does not include the 9 TMOs that are currently recorded as in development (3 in London, 2 in SE, 1 each in East of England, South West, West Midlands, Yorkshire and Humber). NFTMO database 2010, as supplemented by desk research May 2011.
Chapter 2: Trends in tenant self-management

Growth of tenant management over four decades

TMO timeline

- 1975 Housing (Rents and Subsidies) Act enabled local authorities to delegate budgets and responsibility for housing management and maintenance to tenant management organisations.
- 1985 Housing Act, section 27AB allowed councils to hand over management of estates to tenant management co-operatives.
- 1986 Housing and Planning Act provided powers to give funding for advice and support to tenants groups, used to develop TMOs.
- 1987 Development of Estate Management Board model of TMOs as part of Priority Estates Project and Estate Action.
- 1993 Leasehold Reform, Housing and Urban Development Act 1993 amending the Housing Act 1985 (section 27 AB) to include Right to Manage.
- 2002 TMO independent evaluation commissioned by the ODPM published.
- 2008 Right to Manage amended: introducing voluntary agreements, and simplified the process to one ballot.
- 2008 Local Management Agreements introduced – voluntary agreements for self-management on a small scale.
- 2012 new Right to Manage regulations will be published, anticipated to simplify the system.

Source: web-based desk research

The first Tenant Management Organisations were set up in the mid-1970s, as ‘Tenant Management Co-operatives’ under a Labour Government, a number of which are still in place today.

Many more of today’s TMOs are Estate Management Boards (resident majority). These originated in the mid-1980s under a Conservative Government. At this time there was a push for TMOs to be formed, driven forward through legislation and regeneration funding. First, the Housing Act 1985 was passed, which reinforced the 1970s policy allowing local authorities to transfer responsibility for housing management to tenants. Second, all local authorities were invited by the Government in 1987 to devolve staff and budgets in their housing departments, and to encourage tenant consultation and partnership working. Regeneration schemes included incentives for local authorities to explore tenant involvement in management, and funding was
provided to help tenants’ groups with support from independent third sector organisations. The tenant management approach was posed as a form of decentralisation that would tackle high levels of crime and other social problems on some housing estates.

These developments prompted a modest increase in the number of TMOs in the mid-1980s, with a spurt of growth in the 1990s. Between 1991 and 1997 the formation rate rose to an average 13 or 14 TMOs per year. The rate of new formation slowed down after 1997, averaging 4 per year in the last decade. Information about closures of TMOs is very patchy, but there are some indications that TMOs closure rates in the last decade are either roughly the same or slightly higher than the rate of new TMOs being formed.

In October 2008 the Labour Government revised the Right to Manage, making TMOs easier to set up, improving external assessment, and introducing Local Management Agreements. Recent figures for both new TMOs and closed TMOs are incomplete, making it difficult to assess if the revised Right to Manage had an impact. However there is evidence that there have been TMOs set up since 2008, and that these may have been encouraged by these changes.

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9 Tunstall 2000.
10 Tunstall 2000
Reform of the Right to Manage

In October 2008 the rules governing TMOs were changed, with a revision of the Right to Manage. Three of the main changes introduced were:

- Introduction of a single full ballot of tenants, rather than three, bringing the process into line with requirements for tenant ballots on stock transfers.
- Introduction of voluntary agreements as an option to use instead of the statutory right to manage route, for setting up TMOs and smaller scale Local Management Agreements.
- Reforming the funding and assessment regime to bring in independent assessors to carry out assessments of competence of new TMOs that were previously carried out by organisations providing support and training, and diversifying the providers of training and support.

Since then the Right to Manage regulations have been revised again, and are due to be published early 2012. These are anticipated to simplify the process even further.

Source: NFTMO website

Today there are believed to be in the region of 189 – 200 functioning TMOs, who between them manage nearly 80,000 homes.11
Tenant management organisations have shown themselves to have considerable staying power. In 2010 55% of TMOs had been operational for at least 14 years, reflecting both the TMO boom in the 1990s (see Figure 2 above), and the sustainability of TMOs. The data on when TMOs cease to function is partial, but one snapshot indicator of this is that of the 16 TMOs that took part in research in 1997, 11 were operational fourteen years later in 2011, and 5 had closed.

**Trends in TMO size**

The first initiatives around tenant management in social housing – the co-operatives in the mid 70s - tended to be small, with 88 properties the average size for a TMO set up before 1987 and still operating now. Before 1990 the average number of homes managed by TMOs had never reached 100 properties.

The years 1991 to 1996 are characterised by peaks in large TMOs (over 500 properties) being established, coinciding with regeneration activity, begun in the late 1980s, which saw TMOs taking on large, troubled council estates.

![Trends in size of TMOs](image)

Figure 4. Source: NFTMO database 2010 as supplemented by desk research May 2011. Total number of TMOS: 142 (outliers removed)

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11 NFTMO database 2010 as supplemented by desk research May 2011
12 NFTMO database 2010 as supplemented by desk research May 2011
13 Tunstall 2000; Newton and Tunstall 2011
By 1997 there were roughly equal numbers of TMOs managing over 400 properties or more as those managing fewer than 100, and 15 TMOs managing more than 1,000.¹⁴

TMOs set up after 1997 have tended to be smaller, with 28% managing up to 120, and 51% managing up to 200.

¹⁴ Tunstall 2000
Today TMOs range in size from a handful up to 9,500 properties and on average manage services for 349 homes.\textsuperscript{15} 35\% have less than 120 properties, and 24\% over 520 properties, with 15 TMOs having over 1,000 properties.\textsuperscript{16}

Whilst it was not possible to find out the income details of TMOs in general, from our survey sample, reasonably representative in size of TMOS, funding from the annual management and maintenance allowance ranged from £67 000 to £1.7 million, averaging at £328 000.

**TMOs and the housing association sector**

Of the 189 TMOs in operation and the 8 in development, most are managing stock owned by the local authority. However a significant minority are managing stock that is managed by an Arms Length Management Organisation (ALMO) on behalf of the local authority, or owned by a housing association following a stock transfer. There are also a small number (three identified) where tenants have taken full ownership of the stock to form new housing associations (see community-based housing associations below). These have supported the development of TMOs by their tenants. Apart from a handful of tenant-owned housing associations, and new co-ops with housing association developers, there is scant evidence of TMOs being set up by housing association tenants.

There are a number of possible reasons for this. The opportunity for housing association tenants to take over aspects of housing management has only properly existed since 2008, and it is weaker than the right of council tenants - the 1993 legislation that created the Right to Manage applied to council housing tenants only. In 2008 the Right to Manage was amended to include housing association tenants, but, unlike council tenants, this is a voluntary agreement, dependant on agreement of the landlord.

As well as no statutory right to manage for housing association tenants, all the Government guidance on the voluntary route to TMOs is aimed at local authorities. No guidance has been issued to housing associations to encourage the development of TMOs. It is therefore likely that there is a low awareness of TMOs as an option for tenants among housing associations.

\textsuperscript{15} NFTMO database 2010 as supplemented by desk research May 2011  
\textsuperscript{16} NFTMO database 2010 as supplemented by desk research May 2011
A recent study on housing associations highlights the trend in larger associations (who own most of the stock) over the last decade towards business growth and rationalisation, predicated on a belief in economies of scale, and the returns that could be made from a buoyant housing market. That report suggests that this development may have been antipathetic to the decentralisation and devolution to neighbourhoods that having TMOs involves. Other research commissioned by the Homes and Communities Agency confirms this trend, as over a third of new affordable housing schemes are more than 12 miles away from the nearest housing association office.

From 2008 tenant scrutiny panels, another form of tenant involvement, started to be established in many associations. It may be that these have involved tenants who might otherwise have been interested in self-management, and acted as a diversion from this. On the other hand, previous research suggests that one success factor for TMOs is having a pre-existing tenants and residents association, so other tenant participation initiatives could equally act as a positive driver of TMOs.

Another set of factors that could potentially have acted as a barrier to TMO formation in the housing association sector is the disruption created by the change in organisational structures of social landlords, in particular housing associations, with transfers, mergers, restructuring and redevelopment.

**Local Management Agreements**

Local Management Agreements were introduced with the revision to the Right to Manage in 2008. These are voluntary agreements for tenant management of a service on a small scale, with a limited contract value.

The agreements have been trialled by the Tenant Services Authority (TSA) and the Department of Communities and Local Government (DCLG) with City West Homes (an ALMO). City West Homes currently have 12 Local

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17 At the Crossroads: a progressive future for housing associations, Respublica, 5th May 2011
18 Crook, T et al (2011) What, for whom and where have housing associations been building new affordable homes? Final report of a research project analyzing available data for the Homes and Communities Agency and the Tenant Services Authority University of Sheffield/CCHPR University of Cambridge/LSE .
19 Tunstall 2000
Management Agreements in place for aspects of cleaning, gardening and grounds maintenance.

Whilst there has been no systematic data collection on the use of Local Management Agreements, what evidence there is suggests that the potential for this model has not yet been properly explored. A snapshot web review of five of the largest housing associations reveals that they have no Local Management Agreements with residents and that they do not promote them as an option. There appears to have been a similarly low level of take up and promotion by Local Authorities, and although the London Boroughs of Wandsworth and Southwark do promote the option with tenants, web searches discovered no evidence of this being done by authorities elsewhere.

Community-based housing associations
In a small number of cases, tenant management has led to a transfer of assets – in other words the take-over of ownership with a resident-run housing association as the new landlord. The three known examples of this are:

- WATMOS Community Homes was formed by TMOs, and took over council stock in 2003.
- In 2005 a TMO in Wirral formed Beechwood and Ballantyne Housing Association to take over council stock in a stock transfer.
- In 2007 Community Trust Housing, with a tenant majority board, took over ownership of local authority stock in the Robsart Village and Stockwell Park Estates in Lambeth.

In all these cases ownership was transferred through tenant-led stock transfer. At least one of the TMOs that took part in this research is trying to reach agreement with the local authority for transfer of stock in order to become a community-based housing association. There is as yet no equivalent route to for residents in housing association property.

Stock transfer as a vehicle for council tenants could be used more, with new regulations due to be published (from the Regeneration Act 2008) that compel
local authorities to co-operate with transfer requests, with the final decision resting with the Secretary of State. There is a small but growing trend in tenant-led stock transfer. A number of tenants organisations are known to have written to the Government about transferring their estates through ‘community-led stock transfer’. One of these, West Kensington and Gibbs Green tenants and residents association are attempting to compel a stock transfer in order to avoid demolition planned by RB Kensington and Chelsea.21

20 Places for People, Home, L & Q, Affinity Sutton, Riverside named as largest 5 Housing Associations Inside Housing, 2006
21 The other known residents organisations seeking to use this route: in London are: Friday Hill TMO, Lambeth Alliance of TMOs, Bloomsbury TMO, Havelock Independent Residents Organisation and South Acton Residents Action Group. In the North West the Springs Co-operative. In the West Midlands Bushbury Hill. And in Yorkshire and Humber the United Residents of Bransholme.
Chapter 3: The impact of tenant-managed services

Impact on services
In 2002 an independent evaluation of TMOs in England, commissioned by the Government, found that TMOs had led to an improvement in services experienced by residents.22

“In most cases, TMOs are doing better than their host local authorities and compare favourably with the top 25% of local authorities in England in terms of repairs, re-lets, rent collection and tenant satisfaction.”

However, the evaluation report notes that record keeping among TMOs, as with social housing management providers at the time at an estate level, was ‘generally weak’, making a comprehensive assessment of value for money difficult.

Since then, record-keeping by TMOs appears to have improved significantly. Performance is monitored through reporting on key performance indicators on a monthly basis, comparisons with benchmarks set by the landlord, as well as through the evidence of tenant surveys.

All TMOs surveyed said that there had been significant improvements in services, and almost all gave evidence for this. Specifically mentioned by many TMOs were reduced times to complete repairs, reduced turn around time for voids, and improving rent/arrears collection.

“Repairs time reduced from 6 weeks to same day or next day, consistently high resident satisfaction levels.” - Large TMO, in London

“Rent collection 100.2%. Repairs completion times 1 – 3 days. Void loss 3.5% on rental income.” - Small TMO, in London

Value for money was mentioned frequently by those we surveyed, both in improvements to services, and in accountability to residents.

Survey respondents also felt that their success in improving standards of service where they lived had raised the bar, pushing up standards on neighbouring estates managed by the same landlord. Whether or not this is the case, it is true that since this evaluation local authorities have also improved – both in performance and in record-keeping on performance. 23

A number of the TMOs surveyed said that improvements to performance in council housing could have removed some of the impetus for forming new TMOs that existed a decade earlier.

**Impact on the wider area**

Very much linked to service is the belief among those active in TMOs that they had achieved significant improvements in the area, many of which were housing estates where tenant management was initially encouraged because of their seemingly entrenched difficulties.

> “Everyone can see a massive improvement on the estate.” - Large TMO, outside London

> “The TMOs were respected in [name of local authority] because they took ‘problem’ estates from the council and delivered resident satisfaction the council never could.” - Small TMO, in London

> “[We work] in partnership with other agencies (Police, church, schools, councillors) making the whole area better to live in.” - Small TMO, outside London

> “Our estate needed a bit shake up and now it is a cleaner and safer place for our residents.” - Small TMO, in London

> “The estate was something of a no go zone before the TMO was set up – high levels of crime and void [empty] properties.” - Large TMO, outside London

**Impact on resident satisfaction**

All TMOs surveyed also reported a substantial rise in resident satisfaction since they were set up, with figures of 85 – 100% satisfaction rates given.

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23 According to published performance indicators for rent collection, arrears, voids, repair responses and tenant satisfaction, prepared by local authorities, and Housing Inspectorate, Audit Commission and Tenant Services Authority studies of these, throughout the 2000s.
The evidence given for an increase in satisfaction among tenants in TMO managed stock were annual resident surveys and public meetings. In addition, residents with tenant-run services, unlike other residents, are able to signal satisfaction or dissatisfaction directly in continuation ballots conducted every five years. This provides a solid evidence base that TMOs use to track satisfaction rates, many of whom as we know are decades old.

“We have just completed our continuation ballot to manage the estate for another 5 years and achieved 55% of the votes [turnout] and from those votes 96% were more than happy with the services the Estate Management Board provides.” - Large TMO, outside London

“Last vote of continuance was 97%.” - Large TMO, outside London

“No annual survey, 2 five year ballots and public meetings.” [evidence of resident satisfaction] - Large TMO, in London

Again, it should be noted that satisfaction among council tenants among non-TMO stock has also improved in recent years. It would be interesting to see if the expansion and merger trends in the housing association sector has had an impact on resident satisfaction, and if this could be creating fertile conditions for interest in self-managed services among housing association tenants who may want a more local service.

Impact on resident involvement
In terms of levels of resident involvement, all TMOs can be said to have achieved a high base line of involvement compared to other housing management, by virtue of being resident run, voted in and kept in by continuation ballots.

Not surprisingly most TMOs reported an increase in resident involvement since the TMO was set up. However it is not known if this increase remained the same or declined once a TMO was set up, particularly given the fact that the set up period can take years. As well as turn out in ballots, resident involvement was evidenced by return rates of resident surveys, board membership and resident involvement in activities on estates.

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24 Ibid
However, unlike performance on services and resident satisfaction, while almost all reported a rise in involvement, a small number did not. Two said that it had stayed the same, and one said that it had gotten worse. While this in part can be attributed to the ongoing frustration of activists with their less active peers (which one might expect), it does also highlight the challenge of getting and maintaining resident involvement in local action.

“Members have come and gone over the years although we still have 4 board members who were part of the original group who instigated setting up the Estate Management Board. All of the board are concerned that they are getting older together and need some young ones to get involved!” - Large TMO, outside London

When considering why some TMOs close, a slightly larger minority (8) suggested that lack of support and involvement from tenants in the governance of the TMO was likely to be a factor in these closures. A number of reasons are suggested for why resident involvement could have declined in these cases: apathy and despondency by residents; a faster turn-over of residents, particularly tenants moving in and out of properties sublet by leaseholders; difficulty maintaining commitment over time, particularly when the original problems that galvanised people into action appears to have resolved.

“Not enough residents wanting to commit, and losing interest.” - Small TMO, in London

“If they have fixed the problem they came about to solve and have no further ambitions e.g. raised caretaking standards to the level that is now considered normal elsewhere.” - Large TMO, in London

“Victims of own success.” - Small TMO, outside London

Similarly, when considering why the rate of development of new TMOs had slowed down, respondents raised similar issues around barriers to resident involvement.

“Pressure of modern living on time available and apathy amongst younger residents who see management committees as an older persons thing.” - Small TMO, in London
“Everyone’s busy with their own lives.” - Small TMO, in London

“No new young people are coming forward.” - Small TMO, outside London

“The current outlook and loss of jobs. General malaise.” - Small TMO, outside London

Conversely, support from the community and from individual residents was seen by many of those involved in successful TMOs as having been a key factor in helping them to succeed.

There was little evidence that Big Society rhetoric and policies to increase resident involvement have had much direct effect on TMOs to date. However, one survey respondent did that ‘building the big society’ was an example of national government policy that had had a major positive for their TMO. Another said that the localism agenda had been a significant positive change because of their goal of transferring to become a Community Based Housing Association.

**Impact on levels of volunteering and other community-led activities**

There are a number of ways that TMOs appear to encourage and generated greater social action within their communities. First, a significant number of TMOs involved in the study said that they had either been inspired by the success they saw from tenants in nearby areas organising as a TMO, or the success of their TMO had had this effect on others, resulting in new TMOs being formed. This finding is reinforced by the high value placed by those in TMOs on support from their peers.

Also clear from the research is that many successful TMOs are involved in a range of non-housing community activities.

“We look at the wider environment, local pubs and business, which would not come under a housing remit, but affects my residents quality of life in their homes.” - Small TMO, in London

“Lots of recycling and energy saving.” - Small TMO, outside London
“Having some activities not related to housing has helped the community – the gardens/allotments, parent and toddler group, parties and BBQs and trips to the panto – that sort of thing.” - Small TMO, in London

“Financial support for a new community hall.” - Small TMO, in London

Many also have plans to expand their non-housing activities

“Tackling fuel poverty, first aid training….opening an historic air-raid shelter to local schools.” - Small TMO, in London.

“We are concerned about the local community centre…lack of use and funding, and have wondered if we could manage it better ourselves.” - Large TMO, outside London.

 “[We would like] to become an energy provider, where we take over the electricity costs of communal lighting so that we can change lighting to LEDs and use the saving to improve our estates.” - Small TMO, outside London.

**Impact on how influential residents feel over local decisions**

The research looks at the perceptions of those in leading positions in TMOs, and not the other residents who don’t play this role. It is therefore not possible to say that residents in resident-managed estates feel more empowered or not.

However, it is clear that those involved in running TMOs perceive them to be a way of giving tenants a stronger voice and influence over what happens where they live. Furthermore, this is clearly linked to devolution of control. Voice and influence featured almost as high as improving services in the impact those who took part in the research felt their TMO had had.

“Being given a voice and choice in your own community.” - Small TMO, in London

“TMOs have the unique advantage of not just participating in the decision making process, but they can initiate and implement decisions that affect their estates and their lives.” - Small TMO, in London
“The advantages of TMOs are more autonomy and control. Other organisations can be lip service to consultation.” - Small TMO, in London

“It is a more comprehensive role, giving more control over the housing management service offered.” - Small TMO, in London

“TMOs have more responsibility and can actually make a difference. Other forms of resident involvement often have the back up of big organisations, but in my experience, can be little more than talking shops or rubber stamps.” - Large TMO, outside London
Chapter 4: Motivation, help and hindrance

What motivates residents to take over managing services?
By far the most common reason given by those involved in the research for both their own motivation in getting involved in the TMO and what promoted the TMO to be set up was a desire to improve services, and frustration with existing services and housing management. For many this was coupled with a related desire to improve the area because of it being neglected, not feeling safe.

“Repairs were not carried out at all or done badly which over time resulted in a very run down estate with increased anti social behaviour.” - Large TMO, outside London

“Frustrated with services provided by the council, wanting to help local people, wanting to preserve a certain quality of life for residents.” - Small TMO, in London

Other common motives given were associated to the desire to give something to the community and/or be more part of the community, and the desire to have a stronger voice (often linked to dissatisfaction).

“This finding echoes research in 2000 that also found that a key driver of tenants’ interest in self-management is dissatisfaction with existing landlord services.”

As we’ve already noted, previous research suggests that one success factor for TMOs is having a pre-existing tenants and residents association. To an extent this is also borne out by this research, with over half of those

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25 Tunstall 2000
completing the survey having been involved in some form of tenant activism before joining/setting up the TMO.

What helps: Being local, peer support, good governance, staffing and resources

Being local, being small
The importance to the success and/or significance of TMOs being small and local was a particularly strong theme in the research evidence. This was highlighted by TMOs taking part in the research in a number of ways, both when asked to consider the impact of their TMO and the advantages and disadvantages of TMOs compared with other forms of housing management. Being local was expressed as a positive in a number of areas:

- Giving them a more in-depth knowledge of the area and the people living there.
- That this greater knowledge, and being small, means less waste, more efficiency, and more scope to tailor services to meet local and individual needs.
- That it allows them to add value to services, making them more accessible, more successful in managing wider community issues such as anti-social behaviour, and meeting the needs of more vulnerable residents.
- That it helped them to engage with residents because they understood and shared the same concerns and
- Residents could see more clearly how their money is spent/the outcome of decisions, which makes the service provider more accountable to them. “It is a more resident drive, personal service, making it more efficient and effective”.

“Local, resident centred motivation, personal, bespoke, caring, exposed to scrutiny, efficient, cost effective, added value.” - Large TMO, in London

“TMO board members really KNOW their community. We live and work in the area, we know who are vulnerable…TMOs offer tenants a locally based resident led housing service with a quality of service every council tenant has the right to expect.” - Small TMO, outside London

26 Tunstall 2000
“I suspect that it is exactly the lack of the multiple levels of management and procedures intended to ensure accountability that allow the management to be streamlined and much better value for money.” - Small TMO, in London

“Friendly, accessible and accountable services, friendly and familiar staff assist vulnerable residents with ‘help on your doorstep’ that go much further than delegated housing management functions.” - Small TMO, in London

“Making own decisions on local contracts e.g. repairs and gas servicing. Can include more in these services to suit customers needs, such as gardening for people who struggle with this task.” - Large TMO, outside London

“More friendly and understanding – it affects US ALL.” - Small TMO, in London

“Friendly, familiar and accessible staff; having clear and accessible lines of enquiry, dedicated and socially minded residents.” - Small TMO, in London

Interestingly, given the tendencies for providers in the housing association sector to centralise and expand, for some TMOs the motivation to set up in the first place was specifically about wanting to create or retain a local office or onsite caretaking function.

Peer support
There is also some evidence that the existence of other TMOs nearby could encourage new TMO growth and/or be a factor in sustaining existing TMOs.

Help from other TMOs was cited by a large majority (81.3%) of survey respondents as an important source of support. Similarly many highlighted their impact on others – supporting other existing TMOs to overcome difficulties, and influencing residents on neighbouring estates to form new TMOs. In London the critical mass of TMOs is likely therefore to be a factor in the continued high concentration of TMOs in the capital.

Good governance
Having a good committee and board members was an important success factor identified many TMOs as part of the research. The following words were used to describe the ways that board members were so important to their success: 

- hardworking
- active
- committed
- stable
- consistent
- over
time, objectivity, focus and knowledgability, leadership, strong, team work, being in the hands of residents, being unpaid.

Staffing and resources
Having the right staff working for the TMO was also identified as key by many of the TMOs involved in the study. The following were words used to describe what was valued about staff that they believed contributed to their success: the best, continuity, flexibility, dedication.

Other success factors
Other factors that helped TMOs to succeed according to the survey responses were: having the backing of tenants; having support from local councillors; maintaining interest among residents by developing new initiatives; attracting new committee members; improving relationship with the landlord/local authority; perseverance; having volunteers with drive and initiative; getting support from external organisations (NFTMOs and ATIC).

What hinders: Poor relationship with the landlord and bureaucracy; cuts in income/ lack of resources

Relationship with the landlord and bureaucracy
Two of the TMOs involved in the research highlighted good relationships with their landlord.

“We are very lucky in the fact that it all seems to run smoothly and at the moment our landlord [name] are very proud of the fact that they have the only TMO within the [housing association group].” - Large TMO, in London

“The Estate Management Board has a good relationship with [name of landlord] who embrace this estate and recognise the good work achieved, and the time and effort the board put into the EMB to keep the standards high.” - Large TMO, outside London

However, these did stand out as a minority. Far more striking is the degree to which most of TMOs taking part in the survey describe the relationship with their landlord (council, ALMO or housing association) as poor, and one of conflict. (The sample size did not allow a comparison between attitude to the landlord in the local authority, and the housing association sectors.)
This factor is not only a feature of the answer to questions about what hinders the TMOs from succeeding. It is also very much apparent in the answers to other questions: why TMOs were set up and what motivated people to get involved, what the impact of the TMO had been, and what the impact of local policies had been on them.

It was frequently suggested that landlords (the local authority/ALMO/housing association) place obstacles in TMOs’ path. Many highlighted this as a feature of the early days when the TMO was being established or new contracts being taken on, with apparent progress being made in improving the relationship subsequently.

“When we changed to a TMO the council staff prior to handover put lots of obstacles in our way.” - Small TMO, outside London

“The council have been obstructive in the past. Up to 2 or so years ago our relationship with the council and the local ALMO was non-existent. It is now significantly better.” - Large TMO, outside London

“In the beginning opposition from Local Authority employees [was a problem].” - Small TMO, outside London

For others the problems they perceive are more ongoing and described in terms of reluctance to give up power on the part of landlord staff, lack of support, poor communication.

“Day to day staff at the ALMO have thought that we don’t know what we’re doing for years and are now putting the brakes on.” - Large TMO, in London.

Others describe the problems experienced more generally in terms of ‘bureaucracy’, ‘obstructive officials’ and ‘red tape’.

In the last 30 years there has been considerable reorganisation of social housing, with a great deal of stock being transferred to ALMOs and to housing associations through stock transfer. While for some stock transfer was a positive experience, for others established relationships were disturbed and lines of accountability seemed less clear.

“The change to the ALMO has added several layers of unaccountable officers and departments to the council.” - Small TMO, in London.
The conflict described in the TMO-landlord relationship is interesting for a number of reasons.

First, it is clear from almost all survey responses that opposition to what was perceived as a poor service from the landlord had a galvanising effect on getting residents active and wanting to set up a TMO. This has interesting parallels with anecdotal knowledge of resident managed services borne out of campaigns against services being cut or closed. Many respondents talked about this both in positive and negative terms. They referenced the boost this gave to self-organisation. At the same time a number highlight the difficulty in maintaining resident involvement once they had gained control and/or improved services.

Second, it suggests a possible ambivalence or lack of consistency in the attitude of local authorities and other social housing providers towards tenant management organisations. Previous research suggests that a key driver of TMO development is landlord support. And most (63%) TMOs in the survey said they received support in the form of training and advice from the landlord/local authority and help from local councillors (50% higher than those who said they had support from the local voluntary and community sector). But at the same time TMOs commonly experience what they perceive to be a poor relationship with the landlord, highlighting bad communication, a hostile attitude, not being taken seriously, or processes and systems felt to be overly bureaucratic and/or not appropriate to the size of TMOs.

Third, conflict may be caused by competition for contracts from the landlord or ALMO, and a number of TMOs allude to this directly or indirectly in the survey responses. And whether or not there is a competition for contracts, staff in the council, housing association or ALMO may well view TMOs wanting to deliver more services as competing for their jobs.

“The council did outsource its housing monitoring and management to an ALMO and ALMO staff are now only interested to secure their jobs or even grow their business, so they are strangling a strong TMO movement.” - Large TMO, in London

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27 Cairncross et al. 2002
“[TMO name] was the first post ‘Right to Manage’ TMO and [area name] TMOs developed at a rate of more than one per year until the ALMO saw TMOs as competition and therefore opposition.” - Small TMO, in London

“TMOs are becoming more and more threatened by ALMOs that control the housing stock and see TMOs as competitors.” - Large TMO, in London

Cuts in income, lack of resources
A current challenge to many TMOs is what are felt to be inadequate levels of funding. Cuts were highlighted in the levels of the Annual Management and Maintenance allowance, changes in how the allowance has been worked out in their case, and for some cuts of additional grants and support from the local authority.

Other things that hindered
The main other set of challenges identified as obstacles to success by a few of our sample group were internal board issues: capabilities in relation to managing staff, and being open to change.

“Some older committee members who do not embrace change, but we’re working on it.” - Small TMO, in London

“The board not holding estate management to account. A little too much trust and a lack of experience.” - Small TMO, in London
Chapter 5: Lessons for localism

Showing the potential for resident run services in deprived areas
The history of tenant self-management in this country shows beyond a doubt that citizens are capable of setting up neighbourhood organisations that can run quality local services, give good value for money, be sustainable in the long term, manage considerable budgets and multiple contracts, and be accountable to their communities.

There is a widespread concern, particularly among the voluntary and community sector, that a greater emphasis on organising services through voluntary and social action as posed by current Government policy could exacerbate inequality, with deprived communities and socially excluded groups falling further behind more affluent areas. These concerns have strong foundations. It is clear that some communities are better equipped to self-organise than others – in terms of money, confidence, identity, professional resources and connections. And it is well established that people are far less likely to be involved in civic activity or formal volunteering if they have low incomes, live in deprived neighbourhoods, or live in urban areas. TMOs show that, with the right resources, context and model of organisation, residents in urban areas of deprivation can overcome these challenges.

As well as being a successful story and showing what is possible, TMOs are important within the devolution and localism agenda for three reasons. First because TMOs could potentially be among the community groups who could be taking this agenda forward, both within and beyond housing services. Second, they provide a model for what some resident and user-run services could look like. And third, their experience gives us valuable insight into how such services can be put into practice, learning from what has worked, and the pitfalls to overcome.

Supporting TMO growth to increase encourage resident-led housing services
The Coalition has said that it wants to reform public services so that residents and service-users play a leading and active role, and control is devolved to

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29 Poverty and the Big Society, Ipsos Mori 2010
the lowest possible level responsibility. Housing services are a major area of public service. Nearly a quarter (18%) of UK households live in social rented housing, and this figure is increased further when we add the numbers of leaseholders and private tenants of leaseholders living on social housing estates, and receiving many of the same services.

The Government has already taken some steps to make it easier for TMOs to be set up in local authority-owned stock, and for stock transfers from local authority stock initiated by residents. And the tenant cashback scheme is seeking to give tenants control over the budgets in a slightly different way.

The Housing Minister has said that he wants far more council tenants running services. But with nearly half of all social housing stock in the housing association sector, overcoming the blockages to growth in this sector needs to be achieved if the movement of residents running services is be maintained and grow.

The growing distance between provider and tenant as a consequence of expansion and merger in housing associations could create latent potential and demand from residents for tenant management. Housing associations may also find in this context that TMOs are a cost-effective way not just to manage services, but also to engage with residents.

For the housing association sector there is a choice to make on whether they want to lead the way on resident self-management or fall further behind the local authority sector on this issue. Activity around resident-led stock transfer and the interest starting to be shown in the housing association sector in asset transfer, could both potentially help stimulate this discussion. 30

Contracts for community action
Resolving the issue of tenant-managed services in the housing association sector may also help address similar issues facing community groups wanting to take over management of services for their areas. TMOs have shown that resident-run services can offer good value for money and high quality services, with added social benefits. Where they have turned around difficult estates with lots of problems this will not only have benefited residents, but

Affinity Sutton for example are currently reviewing the use and management of the large number of community buildings existing on their housing estates.
saved considerable amount of public money. But at the same time, it is not realistic to expect a TMO to have the resources to put into a competitive procurement process. As one respondent said this could be a factor in some TMOs closing

"[Because of] Heavy handed implementation of process and procurement designed for organisations the size of councils [applied] to TMOs." - Small TMO, in London

It appears that one of the barriers to TMO development in the housing association sector is concern about breaches in procurement law on competition. Advice given to the NFTMO suggests that there may well be a legal issue that needs resolving.\(^{32}\) The same issue has been raised in other areas of public sector commissioning, and its resolution is viewed by much of the voluntary and community sector as a priority for this reason.\(^{33}\)

One way to side step this barrier (to service users running services) is to set contract values below the threshold at which competition law on procurement kicks in, whether this is through a Local Management Agreement (capped at the threshold) or full tenant self-management.

The threshold for EU procurement law to kick in is €200 000. The EU Commission recently published proposals\(^{34}\) to increase this threshold for social, health and education services to €500 000, and to encourage such contracts to be divided where possible to be below these thresholds. Given that €500 000 is currently worth approximately £415 000, if this reform is made then it would mean most TMO service contracts currently above that threshold would fall below it.

Whilst some parts of the housing association sector have argued that housing associations should not come under the directives at all (because they argue that they are not public bodies), there is also support in the sector for reducing the threshold to enable smaller organisations to bid for contracts.\(^{35}\)

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\(^{32}\) Letter from Michel Barnier, Member of the European Commission to NFTMO, July 2010.

\(^{33}\) The Modernisation of EU public procurement policy: Towards a more efficient European Procurement Market, NAVC and Citizens Advice, April 2011

\(^{34}\) EU Commission, December 2011


\(^{35}\) The Modernisation of EU public procurement policy: Towards a more efficient European Procurement Market, NAVC and Citizens Advice, April 2011
Local Management Agreements may also prove to be a useful model for resident management in other areas of social action envisaged by Big Society: they provide both an entry level that tenants may find more manageable than a full TMO, at least initially.

**TMOs as a vehicle for devolution**

Existing TMOs are in many cases ideally placed to help take forward the idea of neighbourhood services envisaged in the Open Public Services White Paper. TMOs are in fact a type of ‘community right to challenge’ that already exists.

Whilst not universal, there is a strong sense from our sample that TMOs could run other public services other than housing. Some of the suggestions of the sorts of services they could provide were:

“…libraries, community centres, street cleaning, refuse collection etc.” - Small TMO, in London

“NHS services, school service and after-school provision, local policing, planning, employment.” - Small TMO, in London

“TMOs offer the ideal vehicle for neighbourhood governance – where local services are delivered by local people, something the Big Society wants to achieve?” - Small TMO, in London

And as we noted earlier, a significant number of TMOs are already involved in non-housing services in their community, and have an appetite to do more. Some had suggestions for how it could be done

“Help strengthen the Right to Manage framework by making it easier for TMOs to take over community assets and run them.” - Small TMO, in London

“The council needs to have a defined and clearer TMO policy, be more supportive and invite them to tender for the running of community assets (the lists have not been made public by the way).” - Small TMO, in London

Whilst some assets and services may be on TMO managed estates, most will not be. Furthermore, community amenities and services are likely to be for a
wider group of people than the social housing tenants on a particular estate. TMOs wanting to engage in the wider devolution agenda will have to grapple with the issues presented by getting involved in services, assets and neighbourhood governance outside of the boundaries of the estate, where there is no pre-existing mandate, and partnerships with other organisations are likely.

**Putting experience into practice**

TMO experiences raise issues about the practicalities of implementing the resident-led devolution that could be useful to explore further in the voluntary and community sector engaged in this agenda.

A key strength of the TMO model is its accountability, directly accountable through ballots at the start and every five years. Where community and resident groups are managing services, developing neighbourhood plans, or taking over a local asset, they will benefit from an equally strong base of support from residents, and will have to if initiatives are to remain truly resident-led.

An aspect of this accountability, and a motivating factor in involvement in TMOs is providing value for money, and transparency about how residents’ money is spent. This relates to findings of other research that shows how much residents value knowing what their council tax is spent on.36

One of the challenges of the community devolution agenda is its enmeshing with local authority cuts. The TMO model suggests that while resident-run services can be excellent, and good value for money, they are largely successful because they do have budgets that enable them to employ paid staff, as well as relying on volunteers.

"Mix of voluntary and professional, not too much reliance on volunteers. If impact is to be made, funding must be made available to do the job properly."

-Large TMO, outside of London

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The trend in size of TMOs suggests that in the absence of external drivers (such as the schemes in the early to mid 90s) the optimum size of operation for tenant management is around 100 to 300 properties. One of the advantages of resident-led initiatives is that they are local, connected to the locality. As one TMO put it,

“Local offices, local accountability, local knowledge, ways to be involved to suit the individual, on their door step.” - Small TMO, in London

The question of what geographical coverage a resident led community initiative or neighbourhood forum should be to get the maximum advantage of being ‘local’ is pertinent to other resident-led activity.

The role that conflict and dissatisfaction has in creating the conditions for resident activity has been demonstrated clearly in this research. As we’ve already noted, there are already parallels of this with more recent resident-run services, where volunteers have kept open facilities that had been facing closure. It may to be inevitable that we are prompted to take action to stop someone from doing something, or to save something we care about, and that this normally means an element of conflict.

However, equally clear from the research is that having a poor relationship with the contracting body (local authority/ALMO/housing association) is a hindrance to progress. The same tensions between community groups and public bodies will exist with the implementation of the community right to challenge. This research suggests that relationship-building on all sides, and at all levels of organisation is something that needs building into the process, both at the start and ongoing. Councillors may be able to play a brokerage role in this. The research also suggests that public bodies wanting to support resident-involvement need to look at their processes, how they work, and how they communicate in relation to resident-led initiatives.

The importance of peer support to successful TMOs is another useful learning point. This is already reflected in the work of the National Federation of TMOs, through their ‘Guide TMOs’ scheme for peer to peer support. In a period of significant change opportunities for peer learning, and network development are likely to be particularly important.
One area that it would be useful to share experiences between TMOs and other community organisations is the question of how to maintain viable levels of volunteering.

As one TMO put it,

“There is a lot of time and commitment needed. It starts off with a lot of interest, then you find later that only a few people are still around to do the work.” - Small TMO, in London.

Maintaining wider resident support and interest is a related issue. Another TMO respondent to the survey said in their experience the way do this was by focusing on tangible outcomes for residents and ongoing development.

“Residents are interested in things that make a real and practical difference. Keep developing to avoid stagnation.” - Large TMO, in London.

The need for stable communities

The existence of a settled community for both TMO formation and continued success appears from the research as key. As we’ve noted, continuity of involvement among board members and volunteers is a major success factor for TMOs. Among those who took part in this research (which we can assume are average or above average in how successful they are) respondents had been involved in their TMO for on average 14 years. We’ve also seen that the turnover of residents is viewed as a barrier to progress and/or a reason why some TMOs may close (for example the growing number of tenants on TMO estates of leaseholders on short-term contracts).

The Localism Act brings in changes that allow local authorities to introduce tenancies of 2 – 5 years for new social tenants. Choosing to exercise this power could well undermine the formation of new TMOs (and possibly other forms of tenant involvement). Some local authorities have said they will not be taking up the option of short term tenancies as the norm for social housing in their area. It may well be that one of the best ways to support volunteering and community-led activity on housing estates is for other social landlords to adopt the same approach, or at least where there is a functioning TMO.

More generally, the issues of continuity and stability puts in the spotlight a contradiction running through the current government’s vision for communities and the housing policy pursued by successive government since the 80s.
There is a well documented lack of affordable housing – high house prices in relation to income, and a dwindling reduction in social housing stock through the combination of right to buy (and sell on) and low levels of new build/purchase to replace lost stock. This shortage has created a churn in communities that could undermine resident-led initiatives, or the sense of ownership and responsibility for neighbourhoods that the government wants to encourage in residents. People having to move away from their communities to find housing they can afford is a common story.

As a result of deregulation in the 80s and 90s most households who have found affordable housing in the private rented sector have tenancies that end within a year, making them less likely to know their neighbours or get involved in civic activity. And the scarcity in the social housing sector (1.7 million households are on waiting list for social housing has resulted in rationing based on need, and the most vulnerable forming an increasingly large proportion of social housing tenants. Introducing short-term tenancies for the social housing sector is likely to exacerbate both the churn and residualisation of social housing estates, both of which can undermine resident-led activity.

**Recommendations**

**Government**
- Work with housing providers and TMOs to identify remaining structural/organisational barriers to tenant-run services in both housing association and local authority owned estates.
- Develop a plan of action for growth in tenant self-management in social housing through TMOs/Local Management Agreements, working in partnership with housing providers and the National Federation of TMOs.
- Incorporate the experience and existence of TMOs within policy thinking on public service devolution and big society across departments – joining up the dots. The experience of TMOs should be utilised in the implementation of community rights.
- Seek to exempt residents taking over management of local services and assets from EU procurement law, to remove this barrier to social action.

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38 Homes for the Future, Holmans et al, Shelter 2010
39 Safe and Secure, Reynolds, Shelter 2006
40 Housing Strategy statistical appendix data 2010, CLG 2010
41 Shelter’s Evidence Submission to the Cave Review, Shelter 2007
• Ensure that regulatory change to help resident-led stock transfer is designed to result in resident-owned housing associations and tenant-run services.

Local government
• Take a strategic view on tenant-self management, and look at how this is cascaded and managed among staff in housing and related services, and to ALMOs where management has been outsourced.
• Develop a strategy for supporting and growing tenant run services, with involvement/advice from existing TMOs and the National Federation of TMOs.
• Bring existing TMOs into wider discussions and thinking on devolution within authority decision-making, asset transfer, co-production and neighbourhood services.
• Agree to retain full tenure security to support stable communities, support existing TMOs, and help provide the right circumstances for resident-action in the future.
• Include information about tenant-self management in briefings/training for new councillors.

Housing association sector
• The housing association sector urgently needs to engage with the agenda of tenant-run services, and more generally on devolution to neighbourhood-level working.
• Representative bodies and the main housing associations should identify the main barriers to tenant managed services in their stock, and put forward ideas for how these can be overcome.
• The housing association sector should develop a guide to tenant-run services, with the National Federation of TMOs, to raise awareness in the sector.
• Housing Associations involved in the asset transfer agenda should consider how tenant-run services could be incorporated into their activities.

Voluntary and Community Sector (VCS)
• National and local VCS organisations supporting community sector activity around public services, resident-run amenities and asset transfer, neighbourhood planning should engage with the TMO sector as key players within this agenda.
• They should link up with the TMO sector to explore common interests within the devolution and public service agenda, good governance, requirements to show community support and competency, improving processes for procurement and commissioning, contracts, managing relationships with public sector commissioners, and contractors in autonomous and semi-autonomous public bodies and the private sector.
• They should support skills sharing across the sectors, so community groups can benefit from the experience of TMOs and visa versa.
• Local community organisations, neighbourhood forums and parish/town councils should seek partnerships with TMOs in mutually beneficial action on management of services and assets and neighbourhood planning.

**Tenant organisations**

• TMOs, other tenant and resident organisations, tenant panels and the tenant participation sector should raise awareness of resident-run services among social tenants. The 1000 Communities campaign launched by the National Federation of TMOs with ATIC in January 2012 could be used to do this. 42
• TMOs interested in taking on more non-housing services should work in partnership with the local VCS in influencing the agenda, sharing information and taking action.
• TMOs should develop relationships with their local councillors, and use their influence with other councillors and with the local authority to promote tenant-self management and create the right conditions for it to thrive.
• The National Federation for TMOs could review government initiatives around the Big Society and brief TMOs in areas where activity is taking place – such as Communities First, Community Organisers, Neighbourhood Planning frontrunners, Big Society Vanguards.

42 [http://www.onethousandcommunities.co.uk/](http://www.onethousandcommunities.co.uk/)
Appendix: Research methods and data

The research methods used in the research are:

- A review of previous research carried out in the 1990s and early 2000s43
- Statistical analysis of the National Federation of TMOs membership of 189 TMOs.44
- Desk-based web searches of TMOs in operation up to 200545
- An in-depth survey sent to the Chairs of TMOs on the NFTMO database, 32 returns of complete or near complete surveys (21% response rate)

Profile of the survey sample

Between them, the survey respondents clock up 312 years of personal experience in running tenant managed services and their TMOs manage services for nearly 10,000 homes (9,818).

TMOs tend to be staffed by volunteers with a small number of paid staff. All TMOs rely on some volunteers.46 Numbers of paid staff of TMOs who took part in the research ranged from none to 34, with most having around 6 paid full-time staff. Some TMOs surveyed had councillor representatives on their board (between 1 and 3 councillors) and a small number had one or two representatives of the landlord.

The survey sample is fairly representative of the TMO sector as a whole in location, size and age, although there is some variation. The average number of properties managed by the TMOs who responded to the survey is fairly consistent with the TMO sector as a whole: On average NFTMO members manage 349 properties, and the average for respondents from the survey group was 274 properties.47 Survey respondents were also broadly representative of TMOs in terms of size and in the fact that most TMOs are at

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44 NFTMO database 2010 as supplemented by desk research May 2011
45 Notes of a rapid review of TMOs in operation up to 2005, Tunstall and Newton(2010)
46 There were inconsistencies in survey respondents in counting board members as volunteers or not, so it is not possible to quantify the extent of reliance on volunteers except to say that most depend on volunteers.
either end of the size spectrum, either managing under 200 or over 450 properties. Respondents to the survey were slightly more likely to be from outside London than the overall TMO population on the database (74% compared to 66%). The majority of respondents to the survey are in TMOs set up in the 1990s, which is true of the whole TMO population. However, TMOs set up from 1997 onwards are somewhat over-represented in the survey sample.

47 In this calculation we have taken out the outliers at either end: one survey said they managed 1 property (which the researchers believe to be either a mistake, or to mean a block of flats), and at the other end of the spectrum a TMO managing 1985 properties, which is atypically large.