

# WITHY TMO 6-MONTH ASSESSMENT

REPORT 20 JULY 2018

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## Introduction

NewmanFrancis was commissioned to undertake an assessment of Withy TMO, following a Cabinet report that declared the TMO in breach of its management agreement in six areas:

**Breach 1** – Training and Information – failure to ensure that members, committee members and staff have access to training opportunities.

**Breach 2** – Five Year Ballot – failure to ensure, that not less than once every five years, the tenants and leaseholders are consulted concerning the continuation of the management agreement by way of a secret ballot or anonymous questionnaire.

**Breach 3** – Repairs and Maintenance – failure to maintain an approved contractor’s procedure, retain copies of insurance certificates and report matters to sub-committee/Committee/General meetings.

**Breach 4** - Rents & Arrears – failure to take prompt action to recover rent arrears, prevent arrears becoming serious and a failure to set up a rent arrears sub-committee.

**Breach 5** - Financial policy and procedures – failure to set up a finance sub-committee, failure to make the Committee aware of the financial situation, failure to involve management on budget setting, failure to maintain an effective account management system.

**Breach 6** - Staffing & Employment, – failure to follow recruitment and disciplinary procedures, no job description for the TMO manager or contract of employment, no staff supervision procedures in place.

The TMO has proactively responded to remedy five of the six breaches. A significant amount of development work has been undertaken during the six months, and it appears that the TMO has used their staff, the consultant and the support provided by the TMO liaison manager well. In addition to addressing the specific concerns of THH, they have also improved their management processes, increased membership of the TMO, recruited new Committee members and improved their communication with residents more broadly.

Newman Francis undertook a desk top review of TMO documents and held an assessment meeting on 12 July with seven members of the Management Committee. This report contains the findings of the desk top review and assessment meeting; and follows the format of the Common Assessment Model for TMOs developed through the Ministry of Housing, Communities and Local Government’s (MHCLG) Tenant Empowerment Programme. The Common Assessment Model sets out 16 competences that TMOs should meet to ensure that they are competent to manage, and this has been reinterpreted to

account for the fact that this is a functioning rather than developing TMO. Each breach is assessed under the relevant section of the competence framework.

## Findings and recommended actions

### Withy TMO has clear and viable aims

The TMO has developed a draft business plan that documents

- The TMO's vision, aims and objectives
- The actions it will take to deliver its vision, aims and objectives
- The services the TMO will deliver and broadly how these will be delivered
- A 3-year financial plan that currently plans to deliver a small surplus each year

In addition, the TMO has identified key risks and established a risk register which identifies mitigating actions.

The TMO understands its income requirements, and the resources needed to provide the housing service. Minutes of the TMO indicate that allowances from THH are not always known in advance of the financial year. Notwithstanding this, the TMO has set a timely budget for this financial year.

#### FURTHER ACTIONS REQUIRED:

1. Finalise the Business and Financial Plan, and communicate to residents
2. Review the budget and allocation of resources to staffing alongside the post-assessment staffing review.

### Withy TMO is in touch with its residents

**Breach 2** – Five Year Ballot – failure to ensure, that not less than once every five years, the tenants and leaseholders are consulted concerning the continuation of the management agreement by way of a secret ballot or anonymous questionnaire.

The TMO and wider residents are evidently committed to the continuation of the TMO. Committee members are excited about the possibility of extending the TMO's community activities and making better use of the TMO meeting room. Communication with residents has improved with regular newsletters circulated and the committee having more visibility on the estate through weekly walkabouts with the caretaker.

A continuation ballot was held in June 2018, and the results appear below. This shows significant support for the continuation of the TMO. 94.20% voted in favour on a turnout of 66.35%.

Residents were also asked to rate the housing service delivered by the TMO on a scale of 1 – 5 where 1 is poor and 5 is excellent. Responses demonstrated general satisfaction with the TMO, with just under 45% rating the service as excellent.

	Leaseholders		Tenants		Total			
Total								
Returns	17		52		69			
Balloted	38		66		104			
Turnout	44.74%		78.79%		66.35%			
For	15		50		65			
Against	2		2		4			
% for	88.24%		96.15%		94.20%			
Rating	No	%	Rating	No	%	Rating	No	%
1	2	11.76%	1	1	1.92%	1	3	4.35%
2	0	0.00%	2	3	5.77%	2	3	4.35%
3	4	23.53%	3	6	11.54%	3	10	14.49%
4	2	11.76%	4	14	26.92%	4	16	23.19%
5	7	41.18%	5	24	46.15%	5	31	44.93%
Blank	2	11.76%	Blank	4	7.69%	Blank	6	8.70%

The TMO has developed a draft communication and consultation plan which outlines a range of methods for communicating and consulting with residents. Timescales need to be clarified and the plan officially adopted. Committee meetings should review progress against the plan on a monthly basis.

The TMO has recruited some new members (including new management committee members) during the last six months – 8 new members were cited in the April 2018 minutes. The TMO has also set itself membership targets, which should be regularly reviewed by the committee.

#### FURTHER ACTIONS REQUIRED:

1. Complete and submit the communication and consultation plan to the Committee for approval.

2. Review progress against the communication and consultation plan
3. Review progress against membership targets

Withy TMO is well run and in control

This process has heightened the TMO’s awareness of its responsibilities and the need to keep abreast of good practice and changes in legislation and regulation. They have established a relationship with a neighbouring TMO and wish to work more collaboratively with other TMOs in the borough in order to share good practice, experience and expertise. They have valued the support provided by the TMO liaison Manager and their consultant and have responded positively to advice and guidance.

The Committee works well as a team: attendance at meetings is consistent, decisions are made and minuted, and individuals within the committee have clearer responsibilities aligned to their skills and experience.

**Breach 1** – Training and Information – failure to ensure that members, committee members and staff have access to training opportunities.

Withy TMO has undertaken the following training delivered by Liz Michael:

<b>Date</b>	<b>Topic</b>	<b>Attendance</b>
050318	Managing Risk	6 Committee members
130318	Understanding the Committee’s Roles and Responsibilities	6 Committee members
100418	Recruiting and managing staff	6 Committee members
170418	TMO Rules and Tools	6 Committee members 2 Staff
150518	Consulting and Involving the Community	6 Committee members 2 staff

The training reports demonstrate that these sessions were tailored to the needs of the TMO, and focussed on the development of good practice. The sessions were positively received by the Committee, and feedback documented.

The TMO has adopted revised standing orders and these include procedures for meetings, Chair’s action and the roles and responsibilities of officers.

The Committee meets monthly and attendance is consistent. Committee meetings receive reports from each sub-committee (though sub-committee minutes have not been sighted). Decisions are clearly minuted.

The TMO has identified further training it wishes to undertake, including first aid and risk assessment.

**Breach 5** - Financial policy and procedures – failure to set up a finance sub-committee, failure to make the Committee aware of the financial situation, failure to involve management on budget setting, failure to maintain an effective account management system.

During the last six months, the Committee has been provided with a narrative report on the financial position of the TMO; these have included details of income and expenditure and spend against budget.

The draft financial procedures sets out

- the terms of reference of the Audit and Finance sub-committee
- the format for future financial reporting
- the procedure and timescale for annual budget setting
- procedures for managing petty cash
- limits for delegated authority
- the process for tendering
- record keeping requirements

Currently finance and rent arrears are combined into one sub-committee.

**FURTHER ACTIONS REQUIRED:**

1. Review Committee training needs and develop annual training plans
2. Ensure that THH/LBTH continues to provide positive and proactive support to the TMO through its TMO Liaison Manager
3. Ensure the narrative of the Financial Procedures is consistent with the limits of delegated authority on page 3 (note: the limit of delegated authority requires work over £10, 000 to be tendered -page 3 , the narrative states that work over £50,000 needs formal tender- page 21 )
4. Provide financial reports in the format prescribed by the financial procedures following their adoption by the Committee
5. Schedule and hold regular meetings of the finance and audit sub-committee

Withy TMO is able to provide an effective housing service

**Breach 3** – Repairs and Maintenance – failure to maintain an approved contractor’s procedure, retain copies of insurance certificates and report matters to sub-committee/Committee/General meetings.

**Breach 4** - Rents & Arrears – failure to take prompt action to recover rent arrears, prevent arrears becoming serious and a failure to set up a rent arrears sub-committee.

**Breach 6** - Staffing & Employment, – failure to follow recruitment and disciplinary procedures, no job description for the TMO manager or contract of employment, no staff supervision procedures in place.

The TMO has intensified its processes for dealing with, and reporting on rent arrears and has seen performance in this area improve. The rent surgeries and rent arrears sub-committee in particular have been useful.

The Committee also receives monthly reports on Repairs. There are weekly walkabouts with the caretaker which enables identification of communal repair needs. The TMO has documented contractor insurances together with expiry dates.

An HR policy and staff handbook has been drafted for consideration by the Committee. It sets out recruitment, supervision and disciplinary procedures. There is a draft TMO Manager job description but no employment contract. Current staff are self-employed with the appropriate documentation. Should the outcome of the assessment and Cabinet meeting be positive, the TMO have said that they will procure an HR consultant to support them with developing the employment contract, finalising the Job Description and recruiting staff.

#### FURTHER ACTIONS REQUIRED:

1. Review the Rent Arrears sub-committee terms of reference to ensure alignment with the new financial procedures.
2. Ensure action and decisions from sub-committee meetings are documented
3. If the TMO receives agreement to continue, work with an HR consultant to finalise the TMO manager job description and employment contract; and recruit and induct a TMO Manager.
4. Develop an implementation plan for all new policies, procedures, strategies and plans and ensure they are embedded in the day-to-day practice of the TMO

#### Conclusions

Overall, the TMO has made good progress over the last six months and evidenced that they have the skills, knowledge, experience and procedures to manage their housing service. They have demonstrated energy, enthusiasm and commitment during an intensive period of training and development. They have improved performance management and developed a business plan and a suite of policies and procedures. They have improved their communication with residents and recruited new members to both the organisation and management committee. And importantly, they have received a positive vote in favour of the continuation of the TMO.

## Recommendation

It is recommended that the TMO continue to provide housing services, and that THH and LBTH continue to provide support and monitor the TMOs implementation of the actions identified above.

Alicia Francis