# Board in control – the Toolkit

**Have you ever looked at an organisation and asked these questions…**

* Who is in charge here?
* Who says so? How does whoever is in charge, know that they are supposed to be in charge?
* Who can change the people who are in charge?

If someone came to your TMO and asked these questions, how would you answer?

**Who is in charge of … TMO and the services it provides?**

Hopefully your answer will be – the **Board** (or management committee – it means the same thing) is in charge.

**Who or what says that they are in charge?**

The **Constitution** says so. There is a section maybe called ‘management’where it says something like ‘the Board is responsible for managing the business of the Association.’

And finally - **Who can change the people who are in charge?**

The answer is that the **Members** can change the people in charge – by electing them, either at the Annual General Meeting or at a special general meetings which can be called to make changes, if the members wish. The constitution says who is entitled to be a member – in a TMO, all tenants and leaseholders must be legally entitled to be accepted as a member, if they apply. There may also be others who can be members, such as any other residents of the area. Members must apply to join and their names must be listed on a register, so that the organisation always knows who the members are. These are the people entitled to vote at a general meeting.

Ok, so the BOARD is in charge. The Board is responsible for everything that goes on:

* every penny spent
* every repair done
* every action on tenancy

.... in the name of the TMO!

How does that make you feel? After all, it is impossible for the Board to know everything that goes on, and Board members would not usually feel confident or competence to take the actual decisions about a repair or a tenancy matter. So the really important question is -

How does the Board take charge? How is the Board in control?

Here are some key tools the Board needs to be in control without trying to run everything itself, day-to-day.

**Delegation** - The board gives someone power to decide and act with board authority

**Planning** – the Board sets out plans and objectives for the organisation, usually by setting an annual Budget and Business plan

**Policies** - The board says how it wants things done

**Reports and Performance information** - The board gets regular facts and figures to understand what’s happening

**Decisions** - the Board makes decisions when it needs to, after careful consideration and advice

This toolkit gives more information on these five ‘key tools.’

Use these ‘tools’ as you apply the TMO’s **code of governance** which fully sets out

* how the TMO is controlled and directed, and
* how the Board ensures it stays properly in charge.

# Delegation

... usually means giving authority to any of

* Officers such as chair, secretary and treasurer,
* staff, and
* Subcommittees

This authority can be given in the minute of a decision (for instance ‘the chair is authorised to approve the chief officer’s annual leave’).

But more usually the Board or committee agrees a **rule** to apply generally. For instance, the financial standing orders might say the secretary and treasurer together can buy stamps and office supplies for as much as needed, up to the annual budget for that purpose. They then go ahead and buy these, reclaiming any personal cash they spend, and they do not need any more permission unless they find they might spend more than the ‘budget’ which is the amount the board or committee planned to spend in the year on these items.

In a TMO managing homes, delegation needs to include things like:

* ordering repairs,
* letting homes,
* giving permission to alter homes,
* approving annual leave for staff,

and much more.

Delegation can appear in Board or committee minutes, policies and standing orders. It is a good idea to put everything together in one document called a ‘scheme of delegation.’ This way, it is easy for everyone to check if they have the authority to do something, and for a Board or committee member to see if a decision can be made using delegated power or if it needs to come to a meeting.

For any delegation, the Board or committee needs to set out and agree in writing:

* who has the delegated authority;
* what they are allowed to do (the limits of their authority); and
* how they are to record and report back

If people are asked just to consider a matter and make a recommendation, this is *not* delegation. It only becomes delegation when the Board or committee gives authority to make a decision and act on it.

A scheme of delegation should set out the principle that the Board or committee is in control. It says what authority to make decisions and take action is delegated to members of staff (chief executive, housing manager, repairs manager, caretaker etc) and to which subcommittees and/or officers. It does not need to repeat the financial standing orders but it can refer to them and repeat levels of authority to commit money (i.e. make orders that will result in having to pay a future bill). It should make it clear that this authority is to act only in accordance with the policies and budgets agreed by the Board or committee. Any matter not falling within delegated authority must be referred to the Board or committee for decision.

# Planning

The TMO Board makes plans. Near the end of every year it sets a Budget, saying how it will spend and receive money in the year ahead. By comparing reported results with the Budget, the Board can review how its plans are turning out, and decide to revise the budget as needed. More broadly, the Board makes plans for future showing its vision for where it wants the TMO to be, new projects and objectives, improvements to be made, the resources needed, the results it expects to see and how it will check through monitoring to see if those results are being achieved. All this goes into a business plan. This might be prepared looking several years ahead, but revised and renewed each year. In many organisations, an annual ‘awayday’ is the time for the Board and its staff to consider the business plan.

# Policies

Your TMO has people going out and about dealing with the public, making decisions and giving promises on your behalf. They are ordering repairs, cutting grass, collecting rents, letting homes and warning people about anti-social behaviour. On the way they are driving cars, spending your money and, sometimes, having accidents. They are doing all this in the name of your TMO and your Board or Committee is responsible for the results. You wouldn’t want your committee or Board to be present at every decision or action, even if that were possible. Your policies lay down the **general** rules and guidance to be followed whenever your TMO takes action or makes a decision. Policies tell staff, tenants and public what to expect when they act for or deal with the TMO. Policies guide the Board or committee and help it be consistent.

Policies should generally be followed. If it turns out that a policy is not being followed then there needs to be an inquiry about why, and the policy changed if necessary. If a TMO does not follow its policy then the TMO can rightly be challenged by a resident or landlord.

It is good practice to keep all policies together in a register or in an area of your website. This makes them easy to find, check and review.

Each policy should be reviewed by the Board or committee every few years.

Each policy should show the title of the policy and the date agreed by the Board or committee. It might also show when it is due for next review.

It is a good idea to start each policy with the reasons for the policy, the aims, any laws or regulations to be considered, and other policies that also relate or should be taken into account.

The policy then says what the general rules, procedures, standards and expectations the TMO has in relation to the area covered by the policy. It says where staff and others can and should get advice and training to help carry out the policy. Some things might be duplicated between different policies, but that doesn’t matter as long as they don’t contradict each other.

Here are policies a TMO usually has:

Equality and diversity / equal opportunities

Employment including recruitment, supervision, training and personal development, job descriptions, terms and conditions, performance and salary review, grievance and discipline, trade union recognition, etc

Supervision (procedure if the landlord thinks the TMO is at risk of failing)

Confidentiality, data protection

Membership

Participation, involvement, openness, information

Complaints

Customer care

Health and safety

Repairs and maintenance – response and void maintenance, procedures, inspection, standards, timescales

Asset management – planned maintenance, property standards, surveys, environmental standards

Estate services including landscape maintenance, cleaning, caretaking

Tenants’ rights to improve and repair

Rent collection and arrears

Financial standing orders, including (separately or as part of the financial standing orders)

Procurement including quotes, tenders and contracts

Expenses

Gifts and hospitality

Fraud prevention

Selection of tenants (allocations policy including transfers, procedures, monitoring and appeals)

Assignment of tenancies

Right to buy

Subletting

Anti social behaviour and harassment

Resident disputes / neighbour disputes

# Reports and Performance information

The Board receives regular reports. Regular **financial reports** include:

* An income and expenditure report showing money received and spent in the period under review;
* A statement of balances showing assets and liabilities
* A budget control report showing how results compare with plans for income and expenditure
* A cash flow forecast to test whether the TMO is at risk of running out of cash due to delays in receiving income

The Board also receives regular reports on performance, using its agreed set of performance indicators.

**Performance** refers to what someone or some organisation *does*. In a TMO, performance refers to the *results* of a TMO’s work.

*Performance information* is any set of facts and figures that show performance. *Performance indicators* are measurements that might be used to help understand performance. Certain ones may be chosen as *Key Performance Indicators* (KPIs). *Performance management* means using particular indicators as ‘targets’ to measure regularly, as part of a programme to improve performance.

Using performance measurement is a valuable management tool for a Board or committee. In a month an average TMO uses a team of staff working hundreds of hours, plus contractors, to deliver its service, which might amount to thousands of actions, decisions and bits of information. The Board or committee cannot review all these. A small ‘basket’ of performance indicators (PIs) enable it to highlight results that are of particular value in understanding what is being achieved and moving the TMO forward (or backwards.)

In the past the government collected the same PIs from all housing providers, and everyone learnt how their PIs compared with others. Today’s approach has got rid of all this – now providers are expected to work with scrutiny panels to come up with PIs that are chosen to see if tenants’ priorities are being met.

To take an example, one regular KPI used to be the percentage of repairs done within a target time period. This can be useful, but sometimes a repair might be ‘done’ within the timescale but not done properly or not finished. So some landlords now report on the percentage of repairs done ‘right first time’ not needing another visit. Many tenants prefer to get a repair done at a time that suits them, rather than take time off work and wait all day for a repair to be done ‘on time.’ So some landlords, after listening to tenants, have an appointment system and measure how many repairs are done at the time that best suits the tenant.

**A TMO managing homes is likely to need PIs for three different purposes:**

* *For the landlord* TMOs are monitored by the landlord who asks for the same PIs they get from all managing agents. Some councils still use the old ‘KPIs’ that used to be collected by the government and the regulator, so some TMOs still publish the traditional KPIs.
* *For the Board or committee* A Board or committee works with staff to choose PIs that enable it to look at particular priorities in line with the annual business plan.
* *For tenants* After consulting tenants, the TMO may choose a set of PIs that are reported in newsletters and at general meetings.

What does it include?

A wide range of types of information might be collected for PIs, using different ways of measuring. In deciding what PIs to use, you will need to think about:

* What do we want to measure?
* What method can we use to measure it?
* How easy or costly will it be to collect the information needed to produce a measurement?

Traditional KPIs include:

* Percentage of urgent repairs done within target time
* Rent arrears, expressed as a percentage of total rent collectable
* Tenant satisfaction with the service, measured through a sample survey
* Time taken to relet, expressed as the average number of days a home is vacant between tenants

Useful PIs in a TMO may be (to give a few examples):

* Percentage of all tenants who are members of the TMO
* Use of management centre, expressed as the average number of visits in a week
* Number of complaints, and percentage resolved at each stage
* Participation, expressed as the number of people attending general meetings, or the percentage responding to a survey
* Cleanliness of stairwells, as assessed by tenant inspectors, expressed as a mark out of 5.
* Cost of repairs, expressed as the percentage of budget spent and the average cost per repair

Financial and performance reports should be ‘routine reports’ provided monthly or quarterly. Other reports may be provided at the Board’s request, such as explanations of particular issues, new development in law and regulation, or investigations of problems or queries that arise.

# Decisions

Some meetings NEVER seem to make decisions ... they become a permanent talking shop.

But some meetings come to decisions TOO QUICKLY ... without people having the chance to think about the issues and argue their point of view. The result is BAD decisions - ones that have to be changed later, or that people do not accept, or that quickly get forgotten

Some meetings seem to come decisions that are actually made by just a FEW members ... other people go out and say "that was what THEY thought but no one asked MY opinion."

Some people don't ACCEPT a decision unless they are in personal agreement ... they don't understand, or don't accept, the need to support a democratic GROUP decision

Good decisions are made

at the right time

after the right information

after enough (but not too much) discussion

democratically, ensuring that all views are heard

by a suitable procedure

with the understanding and support of all members (including those who disagree)

**How to make good decisions**

Preparation

The agenda must make clear what matters are due for decision. Decisions should never be made without advance notice, except in rare emergencies.

Advance information – with a written report, with background facts and figures, options, choices, risk and a recommendation

Presenting at meetings - short, well planned summaries of written reports

At the meeting

Time to discuss

Ensure that everyone has a chance, and is invited, to express a view

Check that people understand

Making the decision

Meetings usually take decisions by **one or both** of these methods ...

By **consensus:** a discussion takes place and a general view is reached that everyone agrees with.

By **resolution:** A proposal is made and a vote takes place.

"Consensus" discussion can be a very good way to involve people but there is a danger of informality and exclusiveness ... a few people do all the talking and come to a point of view but never bother to check if the silent ones agree.

So even after a "consensus" is reached, a resolution should still be proposed and voted on.

Coming to a decision ...

A resolution is proposed

The resolution is seconded

The chair makes sure everyone knows what the resolution says

The secretary has got it written down

The chair asks if anyone is opposed

People who are opposed may propose an amendment or may just oppose the resolution

If there is opposition, or an amendment is proposed, there must be a proper debate with a fair chance for both sides to be heard

At the appropriate time the chair asks for all those present to vote - for the resolution, against the resolution

Remember to ask for "anyone opposed" *even if no one has said they are opposed*

If people do not vote ask if they are abstaining

The minutes to show the numbers voting for, against and the number abstaining

People who vote against might have the chance to record their opposition in the minutes

After the decision ...

How best to maintain the support of those who were opposed?

Taking **action:** ensure that a plan of action follows from the decision, with clear targets for what you expect to be achieved and who by

Monitor the action taken

Report regularly on the performance in reaching the targets and putting the decision into effect

If a decision needs changing, change it.

Usually ...

**GOOD** decisions result in action, reports, and CHANGES as action unfolds

**BAD** decisions are *not* reviewed or changed ... just ignored and forgotten