



Tenant Participation Advisory Service



Office of the
Deputy Prime Minister

Creating sustainable communities

information sheet

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Tenants on Housing Association Boards

TPAS

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Introduction

All housing associations can and should have tenants on their boards. This includes those which are also registered charities and those registered as industrial and provident societies on charitable rules. Transfer housing associations normally have agreements to have tenants on their boards. In these cases board member numbers are usually divided equally between tenants, independents and local authority representatives. Also, although not a housing association, the composition of Arms Length Management Organisation (ALMO) boards is similar to that of transfer housing associations, so tenant involvement on boards of management is now an important aspect of local authority housing management.

This Information Sheet looks at the issues surrounding housing associations involving tenants on their management boards.

What is a management board?

A board is a group of people who have volunteered or have been elected to control the affairs of the housing association. They can come from all walks of life but must have some interest or experience which relates to the work that the housing association does

and the community it serves. It may be called a:

- Board
- Management Board
- Management Committee
- Board of Trustees

The number of people sitting on boards can vary, and good practice guidance tends to vary as well! At the moment, the National Housing Federation recommends nine to twelve members. Because the board is responsible for all the actions of the organisation, including financial liability, board members may worry about their own financial liabilities if something went wrong with the running of the association. However, all housing associations that are members of the National Housing Federation (almost all of them) are covered by an insurance scheme that limits their board members' financial liability.

What does the board do?

The board makes decisions about policies and is responsible for the overall running of the association. This includes:

- Deciding whether and where to build, improve or dispose of housing.
- Setting the rents for all the properties owned by the housing association.

- Deciding on what groups of people the association should provide housing for.
- Approving each year's budget and accounts.
- Overseeing the systems for controlling the work of the association.
- Appointing (and, if necessary, dismissing) the chief executive. It may also appoint other directors.
- Ensuring that the organisation's affairs are run in accordance with the law and accepted standards.

The board meets regularly, usually between two and twelve times per year. Some small associations, especially when they are first set up, may also rely on the board to carry out the day-to-day work, until they are in a position to be able to employ staff.

Employed staff do the "hands on" work and manage the housing association's day-to-day affairs. They must report regularly to the board.

Larger housing associations may have sub-committees, which are responsible for making decisions on different areas of work, such as housing management or finance. They might also have regional or area committees, which are responsible for nearly all or just part of the work the association does in a particular part of the country or town.

Sometimes housing associations have other sorts of committees which cannot take decisions themselves but can make recommendations to the main committee. These committees might be called "Advisory" or "Consultative" committees.

Why have tenants on management boards?

Tenant involvement in the management structure of housing associations can play an important part in successful tenant participation. The benefits of having tenants on management boards include:

- Enabling tenants to be involved in the making of decisions that will affect their homes and environment.
- Enabling management board members, staff and tenants to work together towards a common goal.
- Providing a better understanding between board members and tenants.
- Making the board more accountable.
- Helping the landlord to obtain the views of tenants on policy issues and service delivery.
- Enabling tenants to influence the policies and practices that affect the way their homes are managed.

Are there any restrictions?

Being a board member means having certain responsibilities, which include some legal restrictions. Tenant board members may find their duty as a full member of a board conflicts with their role as a tenant representative. Legally, board members must represent the interests of the housing association. Therefore, they cannot be 'tenant representatives' in the true sense because, sometimes, as board members, they may have to make decisions which they would not as a tenant representative. It is therefore important that tenants considering standing for the board should be aware of these restrictions. However, they should not be seen as a barrier or as a means for preventing them from standing. This is especially the case since both the Housing Corporation and Charity Commission revised their rules on restrictions (See the Housing Corporation and Charity Commission's 'Guidance for Charitable Social Landlords, February 2002').

Tenants (or anyone else for that matter) cannot be board members if they are undischarged bankrupts or have been barred from being a company director. The rules of the housing association will state this. Housing associations can also add to their rules other reasons that may exclude some tenants from being board members e.g. if they are facing an application for a Court

hearing in connection with their tenancy or leasehold, or have been barred from offices for violence/abuse etc.

Payment for being a board member

Normally, the work of a board member is voluntary, with some payments and benefits made for the time and effort given by individuals. Board members can also claim their out of pocket expenses e.g. for travel costs.

The Housing Corporation now allows housing associations to pay their board members; as long as they have a business case that demonstrates how payments will improve governance, and they keep to Housing Corporation guidelines and restrictions on this.

However, payment could be a problem for some tenants. Tenants receiving state benefits who wish to stand for the board should ask for information about any payments and for advice on how their benefits might be affected.

Occasionally board members may be offered gifts in kind. The housing association will have rules on how staff and board members should deal with gifts they receive. This is likely to include telling the association that a gift has been offered or received. Usually the gift has to be passed on so that it can

be shared in some way by the whole organisation. The rules may also say that all gifts must be refused. These rules avoid anyone being open to accusations of bribery and being seen to unfairly benefit from their position.

Granting of tenancies to board members and their relatives

This can be done provided that:

- The applicant fulfils the organisation's published criteria for applying for and receiving a tenancy.
- Any board member who has an interest in the matter must declare it and may be asked to leave any meeting where the matter is discussed.

Duty as a board member and as a tenants' representative

A tenant who is a full member of a management board has a primary duty to the housing association. They must make decisions with that in mind. This sometimes restricts their role as a representative of tenants. It is important that everyone recognises the potential for conflict in these situations and respects the difficulties that it may cause individuals.

Can tenants be in the majority on management boards?

The Housing Corporation's position in relation to tenants on housing association boards has changed. The Corporation now leaves board composition up to individual housing associations, so long as they meet the requirement that the board has suitably skilled and experienced members who are able to control the organisation and that the board includes at least one third "independent" members (except for fully mutual co-operatives). Charitable housing associations need to take account of charitable law and their own rules or charitable trust deed which will often specify membership limitations. The Charity Commission has published guidance on the position of 'beneficiaries' (i.e. tenants) on the governing body of charitable organisations and is now much more ready to accept beneficiaries on boards. The Housing Corporation advises individual charitable housing associations to seek legal advice when looking at the issue of tenant board members.

All boards should aim to have a good balance of different skills and experience within their committee. So, generally, having up to one third of the board being composed of tenants is considered good practice.

In the case of group structures, such as area boards in a Large Scale Voluntary Transfer (LSVT) housing association, it is possible for tenants to be in a majority. However, this is not the case with the parent body.

Selecting tenants to go on the board

Most housing associations select tenants to go onto the management board in one of four ways:

- **Nominated representatives:**
Representatives are nominated by tenants through their local or regional structures, for example, through individual tenants' associations or through area committees.
- **Open membership and elected board:**
Board members are elected at the Annual General Meeting by the membership of the association. Not all housing associations are membership organisations, but many are. Members can be anybody who is interested in supporting the work of the association. Usually, apart from filling in a form, the only other responsibility is to attend the Annual General Meeting of the association. Tenants should be encouraged to become members.

- **Public meetings:** Representatives from different groups of tenants and/or the local community are elected at a public meeting.
- **Individual co-option:** Individual tenants or community leaders are selected by the association.

Making it work - What Housing Associations Should Do

This advice should be followed for all members of the board and not just tenants.

Have a job description

- It should cover general responsibilities, commitment to the organisation's purpose and the amount of time, commitment and types of experience required.
- Use it every time the opportunity to become a member of the board is promoted.
- Be clear whether tenant board members are representatives or individuals.
- Review the job description regularly.

Show how the association will help tenants to do the job

- Explain your access and support arrangements for anyone with disabilities

or special needs who may wish to join the board.

- Provide induction training and opportunities for further training.
- Have a clear and easily accessible method for payment of expenses (including how these can be met in advance of meetings).
- Give advice and support to tenants on what restrictions there may be in relation to reporting back to other tenants.
- Offer support for childcare and other care arrangements.
- Recognise and accept that tenant board members may have to deal with conflicting interests because of their different roles. Help them and other tenants to work out how to resolve and live with the differences.

Explain how the association works

- Have an information pack for board members and prospective board members.
- Invite tenants to meet staff and provide opportunities for tenants to shadow senior staff.
- Have a clear mechanism for board members to put issues on the agenda and make sure all board members know about this.

Ensure the board meetings work well for everyone:

- Make sure papers are well presented and easy to understand.
- Have clear guidelines about confidentiality and how to deal with conflicts of interest.
- Avoid jargon and always explain what it means if it is used.
- Make sure papers are delivered in good time for tenant board members to read/discuss before the meeting.
- Make everyone feel comfortable and able to contribute to discussions.
- Meet at times and places that are convenient and accessible to everyone.
- Provide opportunities for the board to meet informally.

Offer personal support

- Explain how individuals' problems raised by the tenants, such as repairs, will be dealt with.
- Help individuals to recognise their different roles and powers in different situations, e.g. board member or tenant activist, and how to perform them responsibly and not use their position on the board to gain unfair advantage.
- Identify a member of staff who can be available to help with queries.
- Set up a mentoring or buddy system.

What Tenant Board Members Can Do

Study the job description

Ask questions if something is not clear. There should be a member of staff who can answer your questions.

Discuss issues with other tenants

This is particularly important if the tenants on the board represent other tenants. (It will be important to think about how conflicts of interest between representing tenants and managing the association will be recognised and dealt with.)

Do not accept an answer unless it is clear

Tenants should not be afraid to admit to not understanding everything just because no one else on the board queries anything.

Make sure board meetings work well for all tenants

- Where rules and confidentiality issues permit - report back regularly to other tenants.
- Where rules and confidentiality issues permit - discuss with other tenants issues that need a decision, before the meeting that is to make the decision.

- Read the papers before the meeting.
- Make notes of any points that should be commented on or need questions answered and make sure they are dealt with at the meeting.

Getting personal support from other tenants

- Tell them what board meetings are like.
- Ask them for their ideas on how to put forward points in meetings.
- Talk to other tenants who are board members. If you are the first on your board, ask your housing association or TPAS to help you make contact with tenant board members from other housing associations.

Becoming a board member

It takes time to become familiar with the purpose of the management board and board meetings in housing associations. Tenants interested in becoming a board member should ask their housing association about:

- The management structure in their housing association.
- Whether there are tenant places on the board or other committees.
- Where to find out more about the board's functions.
- What the procedure is for standing for the board.

- Whether and when you can observe a board meeting.
- How to get copies of the published minutes of board meetings.

Tenants interested in standing for the board should also:

- Make sure, where appropriate, that they are involved with their local tenants' association if there is one and/or stand as a representative on a consultative or area committee first.
- Read the latest annual report to see who is who and get a picture of what the association says is happening.
- Read the tenants' newsletter carefully, to become familiar with the different areas, types of property, tenants' groups, staff and some of the current issues for the association.
- Read the documents listed in the 'Further Reading' section below.

Representation

Having tenants on the management board is only a small part of involving tenants. The board must ensure that tenants' groups, and, where appropriate, individual tenants, are consulted and involved and that the board is informed about the ways those views are taken into account.

Further Reading

Active Tenants' Handbook - a guide for housing association tenants

Publisher: Housing Corporation, 149
Tottenham Court Road, London, W1T 7BN,
Tel: 0845 230 7000

Year: 2000

Price: Unpriced

ISBN: 1 901974 18 9

Board Member Remuneration (Regulatory Code Good Practice Note 5)

Publisher: Housing Corporation (address as above)

Year: 2003

Price: Unpriced

No ISBN

Competence and Accountability 2004: Code of Governance

Publisher: National Housing Federation, Lion
Court, 25 Proctor St., London WC1V 6NY.

Publications Direct: 0870 010 7676

Year: 2004

Price: Unpriced

ISBN: 0 86297 500 X

Guidance for Charitable Registered Social Landlords

Publisher: The Housing Corporation and
Charity Commission (contact details as
above and below).

Year: 2002

Price: Unpriced

In Control: the Manual for Voluntary Board Members

Publisher: National Housing Federation
(address as above)

Year: 2000

Price: £17.50

ISBN: 0 86297 446 1

Maintaining Standards of Probity (Regulatory Code Good Practice note)

Publisher: The Housing Corporation
(address as above)

Year: September 2002 (version 3, revised
September 2004)

Price: Unpriced

Tenant Participation in Housing Associations: law and guidance (TPAS Information Sheet)

Publisher: TPAS Ltd., 5th Floor, Trafford
House, Chester Road, Manchester, M32
ORS, Tel: 0161 868 3500

Year: 2004

Price: £2.00 (free to TPAS members and
tenants)

No ISBN

To Pay or not to Pay? The principles and practicalities of board members payment

Publisher: National Housing Federation
(address as above)

Year: 2003

Price: Unpriced

ISBN 0 86297 492 5

Users on Board: Beneficiaries who become trustees

Publisher: Charity Commission Contact

Centre, Tel: 0870 333 0123

Year: 2001

Price: Unpriced

Also available at www.charity-commission.gov.uk/publications/cc24.asp

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5th Floor

Trafford House

Chester Road

Manchester M32 0RS

Tel: 0161 868 3500

Fax: 0161 877 6256

e-mail: info@tpas.org.uk

**For further information about TPAS,
visit our website at: www.tpas.org.uk**