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WELLINGTON MILLS HOUSING CO-OPERATIVE LIMITED

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London
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TO ALL RESIDENTS

JULY 1993

MANAGEMENT COMMITTEE : VALEDICTORY CIRCULAR

1. The attached circular is a conscious attempt to bring to the attention of members, co-operative business that is without the usual run of the mill items discussed at GM's.

2. Some of the items will be familiar to you ; some will not.

3. We wish to state, however, that this is not a discussion document. It is purely our attempt to update members on some of the occurrences over the past 9 months. It is therefore a subjective assessment. If (when) the committee moves on, it might prove helpful to those following to use as a benchmark.

4. If anybody feels affronted by anything included here (and we are conscious of the fact that every decision we take appears to alienate about 30% of residents), this being a democracy, we are prepared to read out their views at the next GM.

WELLINGTON MILLS MANAGEMENT COMMITTEE

MANAGEMENT COMMITTEE : VALEDICTORY CIRCULAR

1. As most of you will know, following laid down procedures the Wellington Mills (WM) Management Committee (MC) is elected to office for a period of 12 months. After this period its members are required to seek re-election if they wish to remain on the committee, or to stand down and allow others to stand in their place if they do not. Following these procedures the end result should be a democratically elected committee with no chance of an oligarchy being created. A reluctance for members to stand for election, however, means that the desired objective is rarely possible.

2. The current committee has completed its allotted span, so once again we reach that time in the year when nominations for membership of the next committee, are due.

3. Conscious of the fact that some newer residents here at WM will be unaware of the origins of the committee and what it is attempting to achieve, it might be helpful if we pause at this point for an explanation.

4. The Management Committee (MC) (broadly a group of Tenants' Representatives, but with direct management and financial control) dates from 1981, when the GLC set up the estate as a Housing Co-operative. For further information, we suggest that you turn to annex A of this circular, which was an attempt to attract further membership soon after the present committee was elected, and is reproduced for ease of reference. We point out, however, that some significant changes have taken place since 1981. Firstly, tenant members are now no longer responsible for the maintenance of the estate --- we employ our own staff, or contract out for services, and secondly, because of this, and as a result of an annual squeeze on our finances, ensuing balances are more likely to be spent on the fabric of the estate/ the environment than returned to members in the form of a dividend.

5. Returning to the forthcoming election of officers. Under current rules elections to nominate Management Committee (MC) members take place on an annual basis, being held within 28 days after the second General Meeting (GM) in each calendar year. Those wishing to stand for the committee are required to signify their intent (in writing) not less than 14 days before the date appointed for the election. If within the limited time only 12 nominations (or such greater number not exceeding 15) have been submitted to the Registered Office, the persons seeking nomination shall be declared duly elected without holding elections.

6. So much for the theory of current procedures. In practice, however, it is difficult to find 12 people willing to give up their free time to carry out what most would see as a thankless task. The situation is not helped by the fact that many former MC members are lost to rustication and, with one or two notable exceptions, have been difficult to replace. We suspect that this year will prove to be no better (or indeed, no worse) than previous years. In true Micawber fashion, we trust that something good will turn up. Hopefully we will finish up with a healthy mix --- members of the current committee prepared to stand for a further term, and some new volunteers. Bruce will circulate nomination forms, after the next GM, which is the 4th. and therefore last presided over by the present committee.

7. This circular, however, is not intended solely to bring this matter to your attention. We feel that it provides an opportunity to update members on committee business falling outside the usual day to day management or maintenance category. To this end, the following paragraphs apply. Once again, we have expanded where we feel it is of help to newer members.

ITEM 1 : THE CURRENT MANAGEMENT COMMITTEE

8. The present committee was unable to form until October 1992 (some weeks later than usual) solely because there were insufficient volunteers to act as committee members. An emergency GM was held at Hawkestone Hall on Thursday 1 October 1992 in an attempt to attract further volunteers or to discuss the possibility of disbanding the co-operative. Common sense prevailed, and additional volunteers obtained.

9. From this shakey start, the committee (a healthy balance of 5 members from the previous committee, 3 members who had been co-opted to the previous committee, and 4 "new" members with no previous committee experience) held our first meeting to nominate officers on 6 Oct, our first committee meeting on 13 Oct, and our first GM on the 22nd. A tight schedule, but manageable.

10. We soon realised that the management agreement that we had been working to over the preceeding years was all but "dead in the water", as a new agreement had been circulated to all members and agreed in principle some 2 or 3 years earlier. There was a small negotiating group tinkering at the margins (writing annexes etc.) working alongside a TMC Development Agent, appointed for this purpose. Our priorities therefore were mapped out for us. Broadly, (a) the need to support the negotiating group in trying to get the best terms possible for WM Co-op. during renegotiation and (b) a need to demonstrate that we have taken all possible measures to attempt 100% membership. As Sods Law dictates at times like this, we were soon to be diverted from these objectives, being required to spend an inordinate amount of time

pursuing a matter that occurred several years earlier. This, together with the fact that it was becoming increasingly difficult to pin down Lambeth representatives in meaningful discussion, delayed renegotiation proceeding.

ITEM 2 : THE "NEW" AGREEMENT

11. The new agreement is based, as are all other agreements nationwide, on something called the National Federation of Housing CO-op's (NFHC) modular management agreement, which has been funded and endorsed by the DoE. By way of further background ---- in 1986 a group of co-op members and councils called for a model management agreement to be produced to help resolve problems negotiating agreements. To avoid co-ops and councils spending considerable amounts of time adapting the model to their own needs, the agreement was required to be in modular form to allow locally acceptable arrangements to be pieced together from the options available.

12. The DoE was already aware of the length of time it was taking to negotiate each agreement as for each agreement the DoE's lawyers were faced with lengthy documents which didn't follow a standard format and needed to be checked in minute detail.

13. The principles used in drafting the model include,

- a. a fair and balanced agreement despite the unequal bargaining power of co-ops and councils,
- b. to ensure that both co-ops and councils are committed to implementing equal opportunities practices and,
- c. to provide a comprehensive and legally watertight document.

14. Agreements drawn up from the model will still require the individual approval from S of S Environment under Section 27 of the Housing Act 1985 ; any co-op or council building an agreement in line with the guidance will be guaranteed fast stream approval.

15. A rider to the above is that while it is hoped that all co-ops and councils see the benefit of using the model, there is no obligation to do so. A locally devised agreement with totally different arrangements can be submitted for approval by the S of S in line with any guidance issued by the DoE. It is also possible to agree minor amendments to the model by providing a covering letter for the DoE pointing out any deviations from the model with accompanying notes explaining the reasons for doing. Our view is that the former is highly unlikely, the latter still a possibility.

ITEM 3 : WM AND LAMBETH COUNCIL

16. As stated previously, there is a small negotiating group liaising with Lambeth representatives in connexion with the "new" agreement. The group comprises two stalwarts from a previous

committee, the Chairman of the MC at a given point in time, plus other members who have either negotiating/contractual or financial or other skills. During the last year we have continued with a group of 4. Negotiations have dragged out because the Lambeth officers have a tendency to pull out of prearranged meetings just before they are due to take place or they agree to attend meetings on specific matters without having the relevant "experts" in attendance. At a recent meeting to discuss finance the Lambeth reps. produced a printout of the "Housing Committee Revenue Estimates" but did not turn up with anybody willing or able to comment upon it. After discussion in MC, we advised Lambeth that the print was too vague to interpret in any meaningful way, so we advised them that we were not prepared to agree to further meetings until they provided written financial proposals that we could discuss and digest before convening further meetings.

17. As advised at a previous meeting, the Negotiating Group (NG), backed by the MC, on "Allocations" considerations, left a four point plan on the table. Although nothing is yet set in even soft concrete, they may bear listing again. Our line of approach regarding the letting of flats here is as follows,

a. The Co-op will produce a leaflet about the estate incorporating the advantages of living within a co-operative environment, and will pass this to the NHO to allow them to give a copy of it to those tenants who have expressed a wish to live on a co-operative estate,

b. Those nominated to the Co-op. give a commitment to help out, if they are able to do so,

c. We wish to safeguard those flats originally designated as "Pensioner Flats" rather than have them relet law any changed Lambeth policy,

d. We require the Co-op to have management responsibility to effect transfers and exchanges between tenants (in rented accomodation) living on the estate.

18. We will expand on financial considerations at the GM.

19. Although there have not been many meetings between us and Lambeth (as outlined above) it would be less than honest of us to leave the impression that they have not been helpful in any respect. In the case of EOP and Allocations, they have gone out of their way to provide full explanations. That we have not reached total agreement cannot therefore be laid solely at their door. We feel this is worth mentioning because with the adverse publicity surrounding the council at the present time it is too easy to overlook the fact that some officials are not involved but have a job to get on with, and are doing just that.

ITEM 4 : PUBLICATIONS ACRONYMS AND ALL THAT

20. Most of you will have received a copy of the DoE's consultation paper titled "Tenant Involvement and the Right to Manage" which we circulated earlier in the year. For those who did not receive a copy, or those who would like the opportunity to re-read, one is available "on loan" from the Registered Office (24 Mead Row). The paper comprises some 64 paragraphs (25pages) and outlines Central Government's objectives in the context of competition and delegation of housing management and, for estates where tenants will wish to assume direct responsibility for management, a section describing how the proposed Right to Manage (RTM) would provide for this.

21. At previous GM's we have referred to 3 acronyms (EMB,TMC,CCT) that crop up in this document and in negotiations with Lambeth, and although we gave explanations for them to you when we circulated the RTM paper, it might be helpful if we repeat them in this circular. They are as follows :

a. EMB

Estate Management Board is clearly devolved management with a large amount of tenant input but local authority staff are seconded. The budget is devolved and the Board uses many of the same policies and procedures as the council.

b. TMC

Tenant Management Co-operatives provide more autonomy than EMB's (ie. similar to that at WM where we have our own employees rather than being seconded from the local authority). The government's proposals require councils to transfer management to properly constituted TMC/TMO's, and this would take precedence over any obligation to go out to CCT.

c. CCT

Compulsory Competitive Tendering of housing management essentially means that councils will be obliged by government regulations to create contracts for their housing management service. These contracts will be advertised and other consultancies can bid for a contract. The vast majority of councils will set up an "in-house company" so that their staff can bid to do the work. In connexion with the linkage between CCT and TMC's two paragraphs of the RTM paper are worthy of note. Para. 29 states "TMO's may of course let their own contracts or hire their own direct labour, without being subject to the CCT regime". Para. 41 states " where tenants manage their own estate it will fall outside the scope of CCT, although councils would be required to carry out regular cost effective checks on their TMO's".

22. In addition to the RTM paper, the following are also available "on loan" to members,

a. "Competing for Quality Housing" (DoE 6/92)

b. "Cross Section" (DoE 3/93)

c. "Tenants Extra" (not to be confused with the Beverage Report) a booklet and 20 minute video introduced by Craig Charles, the Clapham Scouser -- he of Red Dwarf fame. Committee view ... not too relevant for us but does give a feel for the nationwide creation of EMB's/TMC's.

d. "Tenants Together" an information booklet.

ITEM 5 : WM AND DoE

23. Following our reading of the RTM circular, to clarify certain aspects of RTM legislation, we raised several points with the DoE. these are best expressed in Q & A form, and are as follows:

WM

Since Lambeth assumed control of the estate from the GLC they have never really accepted the principle of co-ops. and tended to leave us to our own devices until about 1990. No doubt due to the emergence of TMC/EMB legislation (and their discounting the fact that this estate had been maintained to a much higher standard than anything they had managed over this period) they decided to reimpose themselves and inflict on us, rules more politically acceptable to themselves. One change that particularly undermines our management responsibilities, and will certainly have a knock-on effect if similarly imposed on newly formed TMC's, concerns nominations by the local council of prospective tenant members. Until 1990, we kept a list of prospective tenant members who had expressed an interest in property managed by the co-op. and showed a willingness to accept responsibilities of membership. While we know that there are statutory requirements placed upon local authorities to house certain categories we feel (a) that there should be some recognisable consistency between their nominations and (b) that they are placed in a strong position to undermine our, or any other co-operative, should they so wish by nominating people unlikely to fit in with the established community.

DoE

You are of course, entirely right that prospective tenants of housing managed by TMC's should be asked their views on living in a co-operative environment and that those views should not unreasonably be given weight - though not, understandably, overriding weight - when making an assessment of the nominations for available housing. This delicate balance is struck in chapter 4 of the TMC modular agreement, which states that "Nomination rights do not mean that the council has the right to place a particular applicant in the co-op. Co-ops have the

right to make sure that new members are willing to accept the responsibility of living in a co-op. This is not a charter for discrimination. Co-ops must act iaw their equal opportunities policy.

WM's aim of creating a stable community is one shared by the majority of TMC's. To balance that against the local authority's statutory duty to meet housing need is never going to be a simple task, and clearly requires goodwill and trust on both sides. It would not, of course, be appropriate for the Department to become drawn into a nominations dispute between the TMC and the authority. However, ~~WE~~ presume that your management agreement contains specific nominations procedures and arbitration provisions for circumstances where a dispute cannot amicably be settled between the parties concerned. To begin with, it may be useful to sit down with Lambeth officers etc.

WM

We already have a management agreement which has received the approval of the S of S before the current regulations came into force. Are we forced to change it to accord with the newer TMC model? (para 51 of your paper refers).

DoE

Your present management agreement has already received the S of S's approval and therefore will be deemed to be in the approved form for the Housing and Urban Development Bill and subsequent regulations. There will therefore be no need for you to renegotiate the agreement. (we have a particular difficulty here !).

WM

Current papers shed little light on estates where a goodly proportion of the tenants have taken up the RTB option and are therefore leaseholders. An estate such as this relies heavily on leaseholders to help run the estate but at the same time they are denied any of the benefits that accrue to other tenants. This point is bearily touched upon in your paper but is another that needs to be addressed in the context of co-operatives.

DoE

The position of leaseholders in relation to the RTM is fairly clear. Through their service charges they have a financial stake in the management of their housing and the Department would expect TMO's to ensure that leaseholders are able to vote and fully participate in the TMO's decision-making processes, including appropriate representation on the TMO's committee or board. The word "tenant" as used in the consultation paper may therefore be interpreted as inclusive of leaseholders.

24. Representatives of the DoE would welcome the opportunity to meet us , and would be happy to pay a short visit to the estate. We still owe them a response on this proposal.

ITEM 6 : WM AND SERVICE CHARGES

25. As the co-operative discharges many of the functions in relation to maintenance and services on WM estate, we feel that the MC should have become involved (and indeed, may have become involved) with this issue some 10 years ago. We accept that an inquest into what should happen/what did happen is only of academic value. However, as referred to above, we sought clarification of the position (even though it is spelt out in the TMC model agreement, copied to all by the previous committee). We wrote to Lambeth as follows,

"The DoE's response and our subsequent reading of the modular agreement leads to the view that it is acceptable for TMC's to include both those who rent and those who lease from the council. In our view, this places a responsibility on the NG to be seen as representing both types of tenants, with neither fear nor favour shown towards one particular group. Put in the context of meetings with your financial colleagues, in addition to the requirement for us to ensure that there is adequate provision to carry out the tasks delegated to the co-operative, it also makes sense for us to levy a defensible (and understandable) service charge for leaseholders resident at WM.

With this in mind, we put forward one possible solution.

We believe that there is merit in our proposal that the WMNG should be the focal point for all financial negotiations. The advantage to us has already been stated to be seen to act for all tenants at WM ; the advantage to Lambeth is that your financial set-up will be dealing with a small group of people, and we will liaise with the leaseholders here at WM, rather than dealing with say, 65 people with 32 different ideas on what is right"

26. So there is no misunderstanding, (a) during our discussions with Lambeth we definitely are not currently considering accepting responsibility for the collection of service charges. This remains Lambeth's problem and, (b) we do not guarantee any success in our discussions with Lambeth.

27. Concomitantly, Cllr. Tuffrey (on behalf of a number of leaseholders on the estate) is also pursuing Lambeth on this matter. He may have more success than us. Hopefully, a two-pronged may produce results.

WELLINGTON MILLS MANAGEMENT CTTEE

JULY 1993

14 Oct. 1992

FROM :-- WELLINGTON MILLS MANAGEMENT COMMITTEE

TO :-- NON-MEMBERS (TENANTS & LEASEHOLDERS) OF W.MILLS
CO-OPERATIVE

As some (but not all of you) will know, Wellington Mills was among the first batch of management co-operatives to gain formal approval of its agreement from the Secretary of State in February 1981.

Since then, we have operated as a "management co-operative" which means that control but not ownership is vested in the co-operative (which usually receives funds from the housing department, to be spent at the direction of the co-operative on specified activities such as estate maintenance). For more recent arrivals at Wellington Mills, Annex B, attached, gives further broad detail on co-operative matters.

THE MAIN PURPOSE OF THIS NOTE, HOWEVER, IS TO ASK NEW ARRIVALS AND THOSE WHO HAVE PREVIOUSLY DROPPED OUT (FOR WHATEVER REASON) TO CONSIDER SIGNING UP/RE-SIGNING AS MANAGEMENT CO-OPERATIVE MEMBERS

There are two reasons why we feel it necessary to consolidate membership, both relevant in the context of future talks with Lambeth Borough Council (LBC) concerning the renegotiation of the current agreement. The first is the need to demonstrate that we are able to achieve the required levels of attendance at General Meetings (see para.7 of Annex B for expansion) ; the second, to try to overcome the reluctance shown by tenant members becoming involved in management activity. Regarding the second point, due to the poor response of volunteers prepared to act as committee members, a special emergency meeting was called on 1 October 1992 with the aim of either obtaining the numbers required to form a management committee (also para.7 of Annex B) or to discuss the possibility of disbanding the co-operative and handing back control to LBC. Fortunately (as far as the current membership is concerned) additional volunteers were obtained. See Annex A for members of the "new" committee.

We feel that retaining "management " control will continue to be an important advantage for all tenants at Wellington Mills. It still allows us to exercise some control over the dwelling, estate and environment, and several benefits can accrue from this control -- among them the following:

a. the co-operative could organise efficient systems for carrying out small repairs : their autonomy, decentralised control and the absence of red tape could mean that such jobs could be carried out very quickly,

b. the estates and dwellings would continue to be well kept and cared for, there being virtually no vandalism or other signs of neglect or disrepair,

(timely repair and maintenance of the estate, and good caretaking contributing to a saving in the long term refurbishment and major repair requirements)

c. having control of finances should yield advantages, not least the opportunity to plan expenditure according to our own priority items.

FOR THESE AND OTHER REASONS TOO NUMEROUS TO LIST WE FEEL THAT THERE IS STILL ADVANTAGE CONTINUING AS A MANAGEMENT CO-OPERATIVE. IT IS ALSO OF BENEFIT RETAINING OUR OWN EMPLOYEES RATHER THAN RELYING ON LBC RESOURCES.

The previous committee introduced simplified procedures for those wishing to join or rejoin as management co-operative members. The detail as follows,

a. phone the Administrator, Mr. B. Cagneux (Bruce) on 633-0255 or call at the Estate Office (24 Mead Row) during working hours,

b. he will arrange for you to meet with 2 or 3 committee members who will be able to answer any further questions you might have and,

c. agree to attend General Meetings, as and when called.

IN THE WORDS OF THAT QUINTESSENTIAL SOUTH LONDON PHILOSOPHER, DEL BOY, "YOU KNOW IT MAKES SENSE" --- SO PLEASE MAKE A POSITIVE DECISION TO GET IN TOUCH WITH THE ADMINISTRATOR AND PUT FORWARD YOUR NAME FOR MEMBERSHIP.

WELLINGTON MILLS HOUSING CO-OPERATIVE : BACKGROUND INFORMATION

1. In 1975 the Housing Rents and Subsidies Act allowed local authorities to hand over management of their property to tenants' co-operatives without losing subsidy on the dwellings ; flowing from this, in December 1975 the GLC launched Wellington Mills as a co-operative.
2. The first tenancies were let by the GLC on a fairly selective criteria ; members had to possess skills or experience relevant to the co-op. This criterion was relaxed later because of pressure from the London Borough of Lambeth and local groups, and subsequent tenants were required only to show interest in the co-operative. Tenants were predominantly skilled working class, with a smattering of white-collar and unskilled workers.
3. The basic principle of local authority housing management co-operatives was that the members of the co-operative -- the tenants themselves -- would be responsible for the management and maintenance of their dwellings and estate.
4. To facilitate this, an Agreement was negotiated between the Council and the Wellington Mills Tenants' Co-operative which (among other things) differentiated between functions that could be exercised by the Co-op. and those to remain the responsibility of the Council. Falling into the former category were items such as collection of rent and other tenant charges / day-to-day management services / cleaning of staircases and windows of the common parts / fencing / internal plumbing etc. etc. etc. The Council retained responsibility for certain "major" items such as maintenance and repair of drainage and sewer installations / lifts / central heating installations and the boiler room etc. etc. etc.
5. After protracted negotiations with the embro- co-operative and problems with rectifying outstanding defects on the estate, the initial management contract was delayed 5 years and was eventually signed in February 1981. The transfer of (some) responsibility from the local authority to the tenants is formalised in a management agreement which had also to be approved by the Secretary of State for the Environment. Delegation of functions to a co-operative, however, was subject to the statutory responsibilities of housing authorities. The co-op. essentially acts as the local authority's agent in carrying out the management and maintenance functions ; the local authority remained as landlord and therefore kept responsibility under the Right to Buy legislation, and for the seeking of

possessions of dwellings under the provision of the 1980 Act relating to security of tenure.

6. To enable the co-operative to carry out its tasks the local authority provides them with a management and maintenance allowance --- in broad terms, likely to represent the equivalent of the authority's average unit cost for the functions which the co-operative carries out.

7. For its part, the co-operative was required to appoint a committee of management. This committee to include a Chairperson, a Secretary, an Assistant Secretary, a Treasurer and from 8 to 11 ordinary committee members with dispensation to co-opt additional committee members as and when required. The co-operative was also required to hold at least 4 General Meetings (inc. an AGM) in each calendar year with a quorum of members being present at the time of the meeting to allow business to proceed. A quorum in this context is 70 households, ie. 70 members no two of whom live in the same household.

8. From the co-operative point of view the agreement had the advantage of representing a highly desirable departure from the traditionally remote and depersonalised forms of housing management. It could on the one hand provide a greater sense of community than individual owner-occupation, underpinned by shared responsibility and involvement, and on the other hand provide people who would otherwise feel the insecurity (and perhaps indignity) of being subject to the arbitrary decision of even an efficient and well meaning landlord with the right of self-determination where their own houses are concerned.

9. Although it was felt at this time that the creation of the Co-operative Housing Agency was "a catalyst for great expansion" several factors contributed to the fact that co-ops. generally failed to "take off" as a new form of tenure. Apart from the considerable opposition from trade unionists representing local authority building workers or "white collar" officers, there was also a general reluctance amongst tenants to devote their leisure hours to management activities. On top of this many of the articulate and better-paid council tenants who might have been expected to press for the introduction of the various co-operative schemes found the individual "right to buy" conferred by the 1980 Act a more attractive outlet for their energies. At Wellington Mills, apart from on one occasion, there has always been a marked reluctance for members to stand for the committee.

10. In 1982 the GLC decided to transfer responsibility for all of its housing stock to local authority control. Wellington Mills was therefore included in the package passed to LBC. LBC agreed to continue with the "current" GLC/WM management agreement for a period of three years from 1 April 1983. To bring the story up to date, there is currently a small sub-committee (composed of former management committee members) liaising with LBC on a renewal.