

Residents' Associations Handbook



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1. Jargon buster

Constitution - A written constitution records the principles and rules for how an organisation is run.

Public liability insurance - Public liability insurance pays out if a person is injured or our property is damaged because of your activities.

Agenda - A list of topics to be discussed at a meeting.

Chair - A person who controls meetings.

Secretary - A person who is in charge of the records, correspondence, minutes of meetings, and related affairs of the association.

Treasurer – A person who has a watchdog role over the management of the association's finances. They work closely with other members of the committee to safeguard the association's finances.

Liabilities – These are things that the association is responsible for. They could be money owed or more practical things such as the upkeep of a summer house.

Auditor - A person appointed and authorised to examine accounts and accounting records

Accounts - A record or statement of financial payments and receipts relating to a period or purpose.

How to set up and run a residents' association

If residents on your estate are interested in setting up a residents' association, this handbook will take you through this process step-by-step. If you are not sure about anything, our Service Development Team will be able to help.

2. What is a residents' association?

A residents' association is an organisation set up by residents to work together. They help residents become more involved in and improve the estate they live in.

Associations are a good way to create community spirit and resolve issues that are of common concern to all residents on an estate. They allow residents to have a greater voice when talking to Hanover and other organisations. They help keep everyone on the estate informed and involved in estate and local issues.

3. What are the benefits of a residents' association?

If we recognise your association, it gains legal status under the section 29(1) of the Landlord and Tenant Act 1985. The act gives certain rights to associations. We provide extra benefits such as a start up grant and cover under our liability insurance. We can also insure items if the association donates them to us. See page 6 for more details.

Residents' associations have a constitution. This formal document sets out the rules for how the association is run. Having a written constitution may improve the group's chance of obtaining grants from organisations other than Hanover. For example from a local council. Hanover's Greenshoots grant is open to any residents' group with a bank account.

4. How do I get my association started?

Talk to your neighbours to find out whether people are interested in setting up a residents' association. Get together with all those who have shown some interest in setting up an association and talk about your ideas. You can then form your group into a steering committee. The committee can develop some proposals to put to all residents on the estate.

What will the steering committee do?

- Decide why you want to set up a residents' association and what its aims and objectives will be
- Look at what you want to include in its constitution. We have a model constitution to help you, but you do not have to use it word for word. Some things do have to be in the constitution – see 'Our criteria for recognising your association'.
- Think about what to call your residents' association
- Decide if you want to charge a membership fee. You will need some funds, but you do not want to put anyone off from becoming a member.
- Find out if you have people who are willing to take on the roles of chair, secretary and treasurer

- Find out about opening a bank account in the name of the residents' association

You may want to survey residents on the estate to help you answer some of these questions.

You then need to arrange an informal meeting and invite all residents on the estate. Make sure the time and place for the meeting suits most people. Put some posters on notice boards, and send an invitation to each household. This could be part of your local managers' newsletter.

Your first meeting with other residents

When you are ready to hold your first meeting with other residents, you will need to organise the following things.

- Set an agenda (a list of topics to be discussed at the meeting)
- Tell all residents the time and place of the meeting in writing
- Advertise your meeting
- If you do not have a communal room, arrange a place for the meeting as close to the estate as possible. Your local manager may be able to help with this and with transport arrangements.
- Arrange some refreshments to create a pleasant and welcoming atmosphere

What will I need to discuss?

At your first meeting, you will make many important decisions. These will include:

- Deciding to set up the residents' association. Is there enough support from other residents?
- Electing the committee members
- Setting the rules (agreeing its constitution, standing orders and code of conduct)
- What the association plans to do (the aims of the association)
- Setting the date for the next meeting

Make sure that someone takes notes of the decisions made and lists the people who came to the meeting. Produce some minutes as a record of the meeting and post these on the estate noticeboard.

5. What are the duties of the committee members?

The chair

The chair is the person elected for a fixed term to:

- Guide the association towards achieving its aims
- Chair the meetings of the association
- Speak on behalf of the association
- Work with the secretary to set an agenda for each meeting. An agenda is a list of topics to be discussed at the meeting.

- Make sure each item on the agenda is discussed and a decision is made and recorded
- Everyone including the quiet people have an opportunity to contribute to the discussion
- Keep the discussion relevant

The secretary

The secretary is responsible for:

- Taking minutes (you may want to elect a separate minutes secretary to do this duty)
- Letting people know when the next meeting is
- Working with the chair to make sure the agendas are prepared
- Dealing with correspondence for the committee

The treasurer

The treasurer is the person with responsibility for the association's finances. You can find further information in Appendix B of this handbook. The treasurer is responsible for:

- Opening a bank account
- Collecting membership subscriptions
- Paying bills
- Dealing with petty cash
- Running the account book
- Preparing regular statements of income received and payments made. Making these available to members and preparing statements for the committee.
- Preparing accounts each year. We advise that an independent person verify these before you present them at the annual general meeting. The independent person does not need to be a qualified auditor but they should know about accounting. They may be someone like a local bank manager or accountant. Or, they work in a finance department of a company. The person must not be a member of your association. If you cannot find a person to verify your accounts, ask our staff for advice.

Other officers

You may decide to elect other officers for particular tasks. This spreads out the work and gives more people a role in the residents' association. It all depends on what you are trying to achieve and what skills your members have. For example, these people may be responsible for fundraising or social activities.

Be aware that members of the association can be held personally liable for the liabilities and debts of the residents' association.

Training

If any residents need guidance on general committee work, contact our Service Development Team.

6. How do we carry out meetings?

- Send an agenda to all members of the association and display it on the estate notice board about a week before the meeting
- Have a chair lead all meetings, including the first one. They make sure that every topic is fully covered and every opinion is heard. For the first meeting, you may want to find an independent chair until residents have elected a chair for the association. Your local manager may be able to help you with this.
- The agenda gives people the chance to review and agree the minutes of the previous meeting. The chair signs and the secretary keeps the minutes. Make the minutes available for everyone living at your estate to see.

What happens if we cannot agree on a topic?

If people at the meeting cannot agree on a topic, reach a decision by voting (asking people to raise their hands). The chair will call for the vote and accept the decision made by the majority of people at the meeting. If the vote is equal, the chair will have the deciding vote. The secretary or minute's secretary writes down the result of a vote and other decisions made at the meeting. You may decide to hold a vote by secret ballot instead of a show of hands.

The minutes

- State the name of your association, date, time and place of meeting. Include the names of those present at the meeting.
- Include any decisions made at the meeting
- Arrange future meetings at each meeting and publish them in the minutes
- Record the names of the people who will carry out any action needed
- Send the minutes of your meeting to all members of your association, whether they came to the meeting or not. It's a good idea to display a copy on an estate notice board. This encourages residents to join your association.

Standing orders

- Standing orders describe the set of rules followed at meetings. They set out:
 - Who can vote
 - How recommendations are forwarded, seconded, amended and passed
 - The duties of committee members
 - A code of conduct for people attending meetings (See Appendix A)
- They can either be written as part of your constitution or as a separate document
- The constitution, standing orders and code of conduct make your organisation run smoothly and fairly. They clearly set out how your association works.

- If there are any disagreements about what the rules mean, the committee makes a decision. Or, make a decision at a meeting that you have invited all members to.

7. The rights of a residents' association

Residents' associations are not governed by any legal requirements. They can be formal or informal. If Hanover recognises the association, this gives it some legal rights. These rights are listed in section 29(1) of the Landlord and Tenant Act 1985 and below:

- Ask for a summary of costs from Hanover that relate to the service charge residents pay
- Inspect the relevant accounts and receipts
- Be sent a copy of estimates obtained by the landlord for intended work to their properties
- Propose names of contractors for inclusion in any tender list when the landlord wishes to carry out major works
- Ask for a written summary of the insurance cover and inspect the policy
- Be consulted about the appointment or re-appointment of the agent managing the services

We offer associations that we recognise these extra benefits:

- A greater voice than you have as an individual. This is useful when talking to Hanover about your local agreement or things you would like to see changed. Note that we have a duty to listen to all residents on an estate. This includes those who are not a member of your association.
- At least two meetings a year with your area manager. One of these meetings will be to discuss the service charge proposal for the next year.
- A £50 start up grant from Hanover to help with set-up and administration costs
- Hanover's liability insurance will usually cover activities organised by a recognised association. Ask your local manager to check with our insurers.
- Items owned by the association can be insured under our contents insurance (subject to an excess), if you gift them to us. These items will remain on your estate. If you wish to do this, please contact your area manager.
- We notify associations when vacancies arise on our national residents' groups

8. Our criteria for recognising your association

Residents' associations must show that they are accountable and democratic. As far as possible, they should represent the majority interests and views of their members. To seek recognition for the first time, ask your local manager for a recognition form. In following years, we will send you a review form to check that it your association continues to meet our criteria.

If your residents' association is struggling to meet any of our criteria, please speak to your local manager. Our service development team can also offer advice.

Occasionally, residents raise concerns with us about an association. When this happens, we may arrange our own check of membership.

To recognise an association we check that it meets the following conditions. We recommend that you set these out in your constitution:

- Over half of the households on the estate are members of the association or lease/freeholders for homeowner estates
Each year, we will ask to see a signed list of members to check this. You should update your membership list each year. You do not need to take payment from somebody for them to become a member. You can have a system where people sign to agree with your association's aims.
- Only residents who are named on the lease or tenancy agreement can be members of the association
- Membership is voluntary
- Voting rights are restricted to one vote per dwelling. Where there are joint leaseholders or tenants, then the first person named on the membership list will have the right to vote
- Membership is open to all eligible residents of the estate. Whatever their age, disability, gender reassignment, marriage & civil partnership, pregnancy & maternity. Or, their race, religion and belief, gender, sexual orientation or background.
- No eligible resident of the estate can be barred from membership. Unless most of the people at a general meeting agree that they have broken a code of conduct.
- If the association has a joining fee or raises funds, it has a bank account. The bank account must have two or more residents who can sign cheques and other financial documents. Our staff are not allowed to keep money or sign cheques for residents' groups
- An annual general meeting (AGM) is held where:
 - committee members are elected by secret ballot or the results of a recent secret ballot are announced, and
 - verified accounts are presented to members
- Officers (Chair, Secretary, Treasurer) are members of the association, serve for one year, but can be re-elected at an AGM
- 30% of the committee resigns annually and are those who have served the longest on the committee
- No two officers live in the same household
- The association holds at least three open meetings a year (including the AGM) that all members are invited to
- All meetings are open to any members of the association and other residents on the estate

- Decisions are made at committee and AGM meetings that have a minimum number of members present. You should decide what this number is and set it out in the association's constitution. For example, no decisions are made at committee meetings unless at least two thirds of committee members are present. No decisions are made at general meetings unless 50% of members are there
- Notes of committee and general meetings are made easily available to all residents on the estate
- The constitution states a process by which members can end the association and how it will dispose of any funds
- Proper financial records are kept and accounts are verified each year. We advise the treasurer to present a financial statement at each general and committee meeting.

It is important to make sure you run your association in line with your constitution and our criteria. If we decide to stop recognising your association, we will provide you with six month's notice. If the running of the association has not improved during that time, we will no longer be able to recognise it.

9. Your constitution

We have a model constitution (Appendix C) that you can amend to suit your association. It is straightforward to complete. If you need help, please contact your local manager or our Service Development Team.

Show a copy of the constitution to anybody thinking about becoming a member of your association. If someone becomes a member, this means they have agreed to follow the rules. Once the association is set up and the rules in the constitution apply, we will decide whether to recognise your association. Once we recognise the association, your area manager will arrange to meet your committee. At the meeting, they will discuss how we will work with you.

Ending the association

Have a process for members to end (dissolve) the association. Set this out in your constitution. Include what will happen to any funds, for example, we will donate funds to charity.

To end the association arrange a special general meeting. Advertise this at least 14 days before the meeting. Only end the association if two thirds or more of the members want this to happen.

Funding

Once we have approved your constitution and checked your membership list, we will give you a start-up grant of £50. This will help with the costs of setting up your residents' association. Agree a yearly membership fee or another way of raising money to make sure you funds available to cover these costs going forward.

10. Achieving a successful association

Make clear from the start what your association hopes to achieve in the short and long-term. Try to share out duties and responsibilities among members. This avoids a few people ending up with all the work. This is not fair on them. It can lead to other residents feeling that you are not giving them the chance to get involved.

Your local manager will be pleased to come to your association's meetings. If you do not want them to come, it's a good idea to tell them about any decisions you have made. It is helpful if you send minutes of your meetings to your local manager. They can consider issues relevant to them and if necessary act on them. This fosters good communication and partnership working between you.

Think about inviting a representative from another residents' association to one of your meetings. They can talk to your members about their association and you can learn from their successes and failures. When your association is up and running, don't forget about the people who were not interested in joining the association. Consider producing a newsletter and make sure they get a copy. When they see what you are achieving, they may want to join. If you have difficulty producing a newsletter, talk to your local manager who may be able to help.

11. Further information

Hanover's Service Development Team (All tenures)

Tel: 07717 714105

Email: engagement@hanover.org.uk

TPAS (Tenants)

Tenant Participatory Advisory Service

Tel: 0161 868 3500

Email: info@tpas.org.uk

Website: www.tpas.org.uk

ARHM (Homeowners)

Association of Retirement Housing Managers

Tel 020 74630660

Email enquiries@arhm.org

Website www.arhm.org

APPENDIX A - Model code of conduct

This model code of conduct is a guide for residents' associations and social committees to help you produce your own. A code of conduct sets out how you expect members to behave at meetings. It is a good idea to review your code of conduct on a regular basis. Agree changes with members at your annual general meeting.

Equality and Diversity

- Members commit themselves to fairness and equality. And not treat anybody unfairly regardless of their age, disability, gender reassignment, marriage & civil partnership, pregnancy & maternity, race, religion and belief, gender, sexual orientation or background.

Members oppose all forms of discrimination including racism, ageism, homophobia and sexism.

Conduct at Meetings

- Follow the guidance of the chair at meetings
- Do not use bad/abusive language, be disrespectful, rude or make personal remarks
- Be open and honest
- Work towards positive goals bearing in mind the association's aims and objectives
- Listen to others and appreciate others point of view
- Let other people have their say and try not to interrupt
- Be polite and courteous with a positive attitude toward each other
- Respect members' confidentiality whether present or not
- If discussions become heated, the chair will remind members of the code of conduct and may suggest a 10 minute cooling off period

For a detailed model code of conduct, please contact Hanover's Service Development Team.

APPENDIX B - Advice for treasurers

Treasurers have the overall responsibility for the association's finances. These guidelines will help you manage the associations' money. Be open and accountable to help members and the committee make informed decisions about what the association can spend. Think about including some of this guidance in your constitution or code of conduct.

1. Open an account with a bank or building society
2. Set up your account so that at least two people sign to withdraw money from the group's account. Make sure that these people do not live in the same household.
3. Try not to use pre-signed blank cheques. There is a risk that these could be mislaid or stolen and used by another person.
4. Ask your members at a general meeting how much the committee can spend in one go without a vote from the association's members. Include this in your constitution.
5. It is a good idea to set a lesser limit for individual committee members. This means that no one committee member can spend much of the association's money without approval from other committee members. For example, you may like to make a ruling that the committee must vote on outgoings of more than £50. The amount you set will depend on the cost of regular purchases of the association.
6. It's good practice to record items purchased (including price and description) and income received as they occur. Make these records available at every general and committee meeting for other members to view.
7. Bank cash income regularly
8. It is a good idea for the committee to make a decision on the expenses that the association will fund and the proof you need to repay these. For example, receipts for travel, stationery and telephone calls. For casual expenses, a petty cash float is useful. The committee can decide how much is appropriate.
9. Keep a record of all income and spending for each financial year. Once a year, have the accounts verified by a reputable independent person. Present these at the annual general meeting (AGM).

APPENDIX C - A Model constitution

1 Name and area of the association

The association will be called [name of your association] and covers [name of your estate].

2 Our aims

- 2.1 To promote the interests of the residents of [insert name of estate and location].
- 2.2 To promote social activities for the people living on the estate [if you choose to include social activities as part of what your residents' association does]
- 2.3 To help build a good relationship between residents and Hanover

3 Membership

- 3.1 We will represent at least half of the households of the estate. We will keep a signed list of members, with their names and address.
- 3.2 Only residents named on the lease or tenancy agreement can become members.
- 3.3 Membership of the association is voluntary
- 3.4 No eligible resident of the estate can be barred from membership. Unless the people at a general meeting agree they have broken the code of conduct.

4 Equal opportunities

- 4.1 Membership is open to all eligible residents of the estate. Whatever their age, disability, gender reassignment, marriage & civil partnership, pregnancy & maternity. Or, their race, religion and belief, gender, sexual orientation or background.

5 Membership fee

- 5.1 All members must pay [£x (decided at the first general meeting)] a year.

6 The Officers

- 6.1 The officers of the association are a chair, secretary and treasurer.
- 6.2 The officers of the association will be members. They shall be elected each year by secret ballot at the annual general meeting. They shall serve for one year but may be re-elected
- 6.3 No two officers will live in the same household

7 The Committee

- 7.1 The association will be run by a committee made up of the officers. Along with [number] general members also elected at the annual general meeting.

Depending on your aims, you may wish to form sub-committees or give some of the general member's specific roles e.g. social secretary.

- 7.2 The committee members will meet [insert number] times a year. They will carry out the duties given to them at the general meetings
- 7.3 We will make the minutes of committee meetings available to all residents on the estate
- 7.4 If a position arises on the committee during the year, we will elect somebody to fill it. We will do this at a general meeting
- 7.5 A third of the committee members will resign each year at the annual general meeting. It will be those with the longest service on the committee

8 The annual general meeting

- 8.1 We will hold an annual general meeting (AGM) every [name of the month]. At this meeting, the committee will report on their work, present a statement of accounts, and then resign.
- 8.2 At the AGM, people at the meeting will elect the committee. They will do this using a secret ballot. They will vote on the things that the association will do during the next year, and vote on any changes to the constitution
- 8.3 If you want to be elected to the committee, give your name to the secretary. Do this at least 14 days before the AGM
- 8.4 The secretary will tell all members the date of the AGM at least 14 days beforehand
- 8.5 We will invite everyone who lives on the estate to the AGM, but only members can vote

9 Other meetings

- 9.1 We will hold at least [number] general meetings a year. All residents on the estate can come to these meetings.
- 9.2 If at least 25% of the members ask the secretary in writing, we will hold a special general meeting. The secretary will arrange for the meeting to take place within 14 days of the members asking.
- 9.3 The secretary will tell you the date, time and place of all general meetings at least five days before the meeting
- 9.4 The secretary will make minutes of all general meetings including the AGM available to all residents on the estate

10 Number of members needed for voting to take place

- 10.1 No decisions can be made at a general meeting or annual general meeting if less than 50% of members are there

- 10.2 No committee meeting can take place if less than two thirds of the committee members are present

11 Voting

- 11.1 At committee meetings and sub-committee meetings, we will vote by a show of hands, unless we decide otherwise
- 11.2 At general meetings, we will vote by a secret ballot. We will make arrangements for people who cannot come to the meeting to vote or for somebody else to vote on their behalf.
- 11.3 We will make our decision based on which option gets the most votes.
- 11.4 Voting rights are restricted to one vote per dwelling. Where there are joint leaseholders or tenants, then the first person named on the membership list will have the right to vote.
- 11.5 If votes are equal on both sides, the chair will have the deciding vote. **You need to decide if this is an additional vote for the chair, or if they abstain from voting unless a deciding vote is needed.**

12 Financial records

- 12.1 The treasurer will open a bank account in the name of the association. The account will have three people who are authorised to sign cheques (one to be the treasurer), and each cheque should be signed by two of them.
- 12.2 The treasurer will keep proper financial records and produce regular reports for members.
- 12.3 The treasurer will give the committee and the members' advice about decisions related to spending.
- 12.4 The treasurer will produce yearly accounts that they will present at the AGM.
- 12.5 The treasurer will get the accounts verified by an independent person at the end of each financial year (the financial year runs from April to March).

13 Changes to the constitution

- 13.1 The constitution may be changed at an annual general meeting or at a special general meeting.
- 13.2 If you want to suggest any changes, you must hand your suggestions to the secretary at least 14 days before the AGM.
- 13.3 At least two thirds of members must agree to the changes, whether the members are at the meeting, or not.

14 Ending the association

- 14.1 The association may only be dissolved (formally ended) at a special general meeting called for that purpose. We will advertise the meeting 14 days before it takes place.
- 14.2 To end the association, at least two thirds of all the members must agree, whether the members are at the meeting or not.
- 14.3 We will get rid of any money and belongings [state how]

Common options for getting rid of money and belongings.

- Gift belongings to Hanover for use by residents on this estate.
- Donate money to a nominated charity
- Divide money equally amongst residents' association members.