



London Community Land Trust

Lessons Learnt and 'How to' Document

October 2021

Lessons Learnt

Executive Summary

This report has been written at the end of consultants Claudia Firth and Lee Page's engagement with site at St Clements and the associated resident management company as contracted by London Community Land Trust. The report reviews the aims and objectives of the project, its scope and parameters, and the lessons learnt throughout the process.

Overall, while residents have been reasonably equipped and engaged with, many of the lessons learnt arise from issues related to the constraints and nature of the funding. As the funding was procured through the EU, this is a very particular set of circumstances unlikely to be repeated in future developments. These constraints have had an impact on the ability of the consultants to work with the residents up to and throughout the handover process.

Positive lessons include the instigation of a steering group and working groups as an interim measure to help residents organise themselves in readiness to take over management and engage with the residents on a shared vision of the company. Overall, it has become apparent that relationships with key stakeholders are really important and not necessarily easy or straightforward to develop and maintain. It is also clear that residents should be more engaged, if possible, in any community development process and more time allowed for detailed groundwork to be undertaken, especially in relation to diversity and inclusion. Where there are possibilities for resident management companies to be established, residents need to be involved far earlier in the process than has been the case at St Clements. This would be a very positive measure that could allow more accountability and oversight of the development as a whole and for the developer to be held to account at a much earlier stage. This would also allow different organisational models and/or governance documents to be used from the start rather than being driven solely by the developer in the first instance. Earlier involvement in the development of the RMC would be useful to raise awareness of potential issues that might make resident management difficult and how these might be mitigated against. It would also be useful to understand how the wider context, including existing structures and policies, might affect the realisation of a community land trust's overall aims and objectives.

Introduction

Community land trusts create exciting opportunities for resident management on land that is not purely a financial asset. Resident Management Companies are one way to facilitate this. In the case of St Clements, a resident management company had been set up by the developer and the consultants were brought in to equip residents to take over the managing of the site once it is handed over by the developer. The funding for this was procured through the EU which meant that it had to be spent by the end of September 2021.

Stated Aims and Objectives of the Project

The aims and objectives of the consultants as stated in the scoping document were:

To work with residents of the St Clements Estate to build capacity and knowledge. To develop a 'shadow' board of residents with the skills to become directors of the existing company. The shadow board will remain

open and inclusive throughout the process until the AGM is called to elect directors to the company and receive management responsibility from the current directors.

The scoping document also set out constraints faced by the project.

Firstly, in relation to funding – The funding for the external expertise required for this project is limited in size and must be claimed by September 2021. As the handover of the site to the new RMC has slipped and is now slated for January/February 2022 there is a risk that the work undertaken may be lost through the removal of support.

Strongly linked to the previous constraint, the issue of time is one that is driven by the funding deadline and which doesn't coincide with the needs of the project as it moves towards the transition of power/control of the RMC.

In addition, London Community Land Trust has a core aim of fostering a democratic culture that is distinct from centralised decisions made by government and the market. One of the deliverables that was required was a community development plan. For a community development plan to be effective, community members need to be involved in the identification and analysis of the relevant issues and in the development, planning and actioning of solutions. All of this requires a much greater allocation of time to ensure that any community development plan produced is rooted in the community and not imposed from the outside.

Parameters of the Scope of the Project

Deemed In Scope

The project aimed to establish a way for residents to engage with the developer and to develop a 'shadow' board to position residents to assume director's roles and responsibilities at the AGM that follows the completion of the development of the project. The following actions cover the scope of the project.

- Outreach to all residents, regardless of tenure, in order to engage with the process and to ensure that there is a common approach to the future management role of the RMC.
- Establishment of a representative project Steering Group.
- Determine a vision for the company which takes into consideration the aspirations of members.
- Establish a procurement process for the RMC to use to engage the services of a future manager.
- Establish a governance structure to enable the RMC to operate effectively in the future. This will include reviewing the current structure of the company.
- Produce an information pack for residents outlining the work of the company.
- Establish a training programme for the shadow board/resident Steering Group.
- Agree a means of measuring the social impact of the RMC
- Develop a 'lessons learnt' document (to run throughout the project). This should include details of the stages of the project and set out areas of strength and weakness in the approach taken.

Deemed Out of Scope

Disputes – There are ongoing disputes between residents, and between residents, the developer and the manager which were deemed as not being able to be addressed by the consultants directly. These included:

- Service charge billing/calculation
- Energy centre
- Waste management
- Anti-social behaviour

- Car parking

These are long-standing and require a range of actions that cannot be fulfilled by this project. The danger lies in false hopes being created with the residents of the estate over the scope of the project. However, the consultants did support residents to form working groups to address some of these issues, namely the energy centre and the service charge.

Findings and Discussion

Time/Funding

The first set of lessons revolve around the tensions between the constraints of time and funding and the aims and objectives of the project.

Firstly, it is important to acknowledge the opportunity that the availability of funding made possible. This enabled the two consultants to work with residents to equip them to take a role in the RMC and to make it fit for purpose. Funding for external advice is generally quite limited and, in most developments, often non-existent. This is unfortunately commonplace across the housing sector where there are different types of resident management across a range of tenures, so we do commend London CLT in securing the funding for this project.

While overall the residents have been reasonably equipped to take on resident management, the constraints on the funding have meant that the emergent RMC may not be quite as robust as it might be. The steering group sessions have provided less training than they otherwise might have because of these constraints. What could have been two sessions, one for training and one a more formalised meeting has had to take place in the same session with shortened amounts of time than might otherwise be planned. Topics were sometimes rushed and while there has been scope for additional sessions, this has been limited due to time constraints, residents' schedules and summer holidays.

Time is a factor in the more general sense in that residents' time is often limited through both personal and work commitments. By enabling the development of a group prepared to become directors over a longer period of time it may be possible to encourage more residents to commit to becoming involved. The use of virtual meetings can prove to be of benefit for those residents with a higher income and who have ready access to the internet either at home or at works. This option isn't always available to those residing in social housing for several reasons.

Due to slippage in the development of the site, there is a gap between the resident training programme and the handover of the development by the developer. There is a concern that not only will something be lost in the interim period, but that residents will need more support during and after the handover and that this won't be forthcoming.

The aims of the CLT of fostering a democratic culture and community development, while commendable and worthwhile, are both extremely ambitious given the time and financial constraints. This is especially the case with a mixed tenure site such as St Clements. Community development work requires time and dedication devoted to it in order to be successful. While residents were consulted in the writing of the community development plan, for example, there just wasn't enough time or resource to do this in the depth that would be required to make it really effective.

Diversity and Inclusion

There was a desire on the part of St Clements residents for the RMC management to be inclusive and representative. This also fits with LCLT's aims for developing a democratic culture and community. Unfortunately, of those who have become involved within St Clements the majority are white, male and private leaseholders. However, without a greater understanding of the make-up of the community of St Clements it is difficult to know how representative the current steering group are. There could be a better understanding as to the demographics of the range of residents housed within the development. It is likely that a more diverse demographic exists across the social housing units but as a protected characteristic the RP may be unwilling to share such details.

There have been reports that social housing residents perceive themselves as unwelcome by the RMC and the leaseholder majority. While some social housing residents have been contacted and informed, the work to address this perceived divide would, again, take time. It is recommended that where possible social housing residents are engaged through face-to-face contact.

Relationship with the Social Housing Provider

While the consultants and the communities manager repeatedly tried to engage with the social landlord (RP) on the site throughout the project, meaningful engagement was not forthcoming. The lack of engagement with the social landlord raised issues around:

- how much they are aware of and know their own properties,
- access to names of tenants for the RMC
- clarification of membership requirements in relation to the RP block vote
- clarification of the delineation of roles between the RMC and the RP - there could easily be confusion over repairing and maintenance obligations with the potential for any warranties etc. to be invalidated.

In terms of future schemes, the relationship with the RP needs to be developed from an early stage with the intention that management will be devolved to resident control in the future made clear to the development team of the RP. If possible a relationship should be established with the team, within the RP, that will be responsible for engagement and management of the homes.

Relationship with the Developer

The developer has proved to be a major obstacle in the development of the group to a position where everyone feels comfortable in becoming a director of the company. They have refused to engage with residents or recognise them as potential directors and therefore parties to be negotiated with.

If future developments are to be managed by residents at their completion, there needs to be better regulation requiring the developer to co-operate with residents from the outset in developing a structure that is fit for purpose. At present the only ability residents have had is through their individual membership of the company and their rights under the Companies Act.

Whilst the aim should be to engage co-operatively, this right could be exercised much earlier, rather than relying on methods of communication which are ignored or re-buffed.

An RMC could also be set up by the CLT rather than the developer at the very start of the development. This would allow more control and oversight on the part of the CLT and require more accountability on the part of the developer. If this were to be a preferred option, it would be beneficial for the CLT to consider the most appropriate legal structure for an RMC and develop the required governing documents. There are a range of potential legal structures available and could include both a Community Benefit Society/Co-operative Society and a Community Interest Company alongside the more traditional Company Limited by Guarantee/Shares model.

An early risk assessment could be developed to examine the quality of the development works and consideration given to the possibility of the developer providing a bond or guarantee system whereby funds are made available to remedy sub-standard works. Any risk assessment should consider the cost/effort/time that will be incurred should the RMC have to undertake identified defects before the developer leaves site. It may be worthwhile undertaking research as to whether such systems have been used elsewhere.

Governance

Early development of a shared vision by residents is an important part of the process of developing resident management of a site. It helps to build an understanding of what it is that residents want to see happen around issues such as finance, maintenance, governance, communication, community etc.

The setting up of steering group and working group structures has been successful in getting residents organised and will provide a rough blueprint for governance structures of the RMC moving forward.

Making meetings a regular occurrence once a month (e.g. the second Wednesday of the month), and encouraging working groups to do the same, as far as possible, has meant that residents have got used to meeting and hopefully will continue to do so. The formal parts of the steering group sessions have allowed residents to learn by doing and the working groups have started to deal with some of the issues they identified in relation to the site and the developer. The use of templates for agendas, minutes and terms of reference have also worked well.

Splitting the responsibility for different areas into agreed work streams, with working groups, helps to enable a better examination of shortcomings, concerns and risks with the development.

Working groups can be used to develop a route through to membership of the steering group or, in the future, to become a director. Opening involvement to the wider community enables interested residents to experience something of the work of a director without making a full commitment to the company and putting themselves forward. It may also use specific skill sets that exist in the community in a limited manner.

If an RMC is set up by the developer as has happened at St Clements, it is highly likely that the Articles of Association (AoA) will require amending. The model AoA used could be based on the amended Articles from St Clements.

If, as at St Clements, the development sees a CLT form part of a wider development, in order to fulfil the affordable housing element agreed with the planning authority, then work should be undertaken to ensure the s106 agreement places an onus on the developer to work with the CLT. If, however, the CLT develops a scheme itself then work should be undertaken in advance of the development to form the management company with the residents who will eventually own the homes built.

Issues That May Create Difficulties for Resident Management

As previously stated, at St Clements these have fallen under the following headings:

- Service charge billing/calculation
- Energy centre
- Waste management
- Anti-social behaviour
- Car parking

While these have not been the direct remit of the consultants' work, the consultants have supported the residents through the working groups to start dealing with some of these issues. It is worth bearing in mind that these are issues that could also be problematic on other sites too and that early intervention in dealing with them or mitigating against the worst effects might be worth thinking about in advance.

Some of these issues such as energy provision and car parking are the consequence of central or local government policy and are likely to become more commonplace due to environmental policies in response to the climate crisis. CLT's may want to undertake risk assessments or engage in lobbying to make sure that these issues are addressed in the best way possible and at the right level before they become areas for dispute.

Conclusion and recommendations

The overall aim of London CLT of fostering democratic cultures that are distinct from centralised decisions made by government and the market is an exciting, ambitious and laudable one. It would be a very positive stance, however, to acknowledge that dominant values, such as financially driven conceptions of value, will, inevitably be embedded within structures and ways of doing things at every level and stage of the development process. This being the case, it cannot be underestimated how much time, thought, work and commitment it can take to develop cultures that propose different value systems and ways of doing things. That is not to say that it is not worth attempting. On the contrary, it rather means making a commitment to fully understanding in detail how particular values are embedded in structures, policies and practices and what options there are for producing something different. It pays to be both realistic and ambitious in this and to keep an eye on the wider contexts as well as being concerned with the detail of particular sites. This is particularly relevant for mixed tenure sites where there are both leaseholders and social housing tenants where issues of inequality are apparent in the nature of the differences between them and where large housing associations may not necessarily provide the level of tenant democracy that is aimed for.

In light of this, CLT's could therefore consider campaigning and lobbying together with other CLT's for changes to planning processes in order to allow smaller developers and community based housing development consortia to be able to bid on an equal footing with larger more commercial ones. At present smaller and community based developers are at a disadvantage and will inevitably have to put in more expensive planning bids because of their lack of readily available financial capital. Other forms of value other than monetary value (such as social or community value) could therefore be taken into account when assessing 'best value' and the efficacy of bids. This could also allow forms of social housing other than very large housing associations to be involved, such as small housing associations or housing cooperatives which have a high level of resident control or involvement in the management of the properties. At present it is

normally the remit of the developer to identify the social housing provider. In respect to the site at St Clements, for example, a developer who was more socially or community inclined, may have been less intransigent, easier to work with and understood better the aims of the CLT. There may have been fewer snagging issues and a more sympathetic stance towards residents waiting to take over control of the RMC. understanding of the importance of the John Denham building for the site. It may have also been possible to have had more choice over the organisational model of the RMC and the social housing provider from the outset. There are also other examples across the site which the RMC will have to engage with in the long term such as the potential loss of community space in the John Denham building and a potential re-landscaping of the site more in accordance with the award winning community consultation, which was promptly ignored by the developer.

Key learnings:

- Constraints on time and funding greatly affect what can be delivered, the complexities and risks of a project should be fully thought out and catered for if possible.
- Involvement of residents in the vision of the company, business plan and founding documents is vital in developing resident management.
- Setting up the clear organisational structures of the steering groups and working groups helped residents to practically prepare for resident management and re-engage with issues on the site.
- Having a series of regular training sessions, formal meeting structures has developed the management skills of residents and helped them feel more confident in the run up to handover.
- Providing document templates has helped residents feel more prepared.
- The residents may need particular support during and after site handover.
- Working with existing communication channels and setting up new ones helps to keep the wider resident body informed but does not necessarily mean more or immediate active engagement by residents.
- Community development and inclusive democratic cultures take time to develop.
- Direct, face-to-face and personal outreach is also needed in concerted efforts and over a longer period of time, online channels in a post-covid environment cannot be relied upon.
- Mixed tenure sites such as St Clements present a particular set of issues especially around diversity and inclusion. Those who put themselves forward tend to be those already confident, privileged and with capacity, rather than those who are less used to such roles but could add value and voice through their participation and have an opportunity for personal growth.
- Large housing associations such as Peabody are not necessarily easy to work with or readily engage with the process of tenant and resident management.
- RMC founding documents may not be fit for the purpose of resident management if set out by the developer.
- Developers can be intransigent and difficult to work with.
- The resident steering group and emerging RMC at St Clements still have a lot of issues to deal with that could have been mitigated against had the relationships between key stakeholders, in this case, social housing residents, the social housing provider and the developer been developed earlier and been more productive in nature.

Recommendations stemming from the issues that have been encountered at St Clements have also been incorporated into the following 'how to' section with a caveat that conditions on every site will inevitably be different and require different strategies and tactics.

'How to' set up a Resident Management Company (RMC) for CLT's

Because all sites on which an RMC could operate differ in size, resident demographic, mix of tenures, and other factors, it is difficult if not almost impossible to definitively set out how an RMC should be set up by a community land trust. The approach to management will differ depending on the nature of any future scheme and the factors involved.

However, here are a few pointers and suggestions:

- Be mindful of the overall values aims and objectives of the CLT for the RMC and the site when considering the whole process of planning and development. Consider what influence these values might have on decisions made throughout this process and how these might intersect with existing structures and processes.
- Aim to work with potential residents as early as possible, perhaps even before they move into their properties on the site. Many housing cooperatives are set up in advance of the stock existing and work undertaken to assist a burgeoning organisational culture to develop. As a minimum purchasers and tenants should be made aware of the RMC at the point of sale/tenancy and offered an opportunity to become involved.
- Try to procure funding that is not time bound so that training and support can coincide with resident takeover of RMC.
- If community development and democracy is a desired outcome, time should be factored in to work sufficiently with residents to fully understand the demographic and build community relations.
- Undertake a risk assessment early on to examine the quality of the development works and explore other ways of engaging with the developer to hold them to account before the development process takes place.
- Alternatively, if the CLT are the landowners, consider selecting a contractor that is able to demonstrate an understanding of the importance of community participation. Depending on the model, partnerships with other organisations in the broader housing sector could also be considered such as a wider range of social housing providers..
- Engage with any social housing RP that will be providing housing on the site early and work to develop a constructive relationship with them. Make clear the intention that management will be devolved to resident control in the future, and clarify issues of membership, repairs and maintenance. Building a good working relationship with the RP is essential. Hold discussions and clarify issues around membership and voting rights in relation to the RMC and clarify which entity (RMC or RP) will be responsible for what in terms of management duties such as internal and external maintenance and how the differences between tenures will be managed.
- Consider setting up a shell RMC before the developer is involved and therefore retaining some control and presence on the board throughout the development process. That way, the company

structure can better reflect the values, aims and objectives of the CLT and the developer can be held to account on an ongoing basis. It might also add an extra level of accountability to the relationship between land trust and developer.

- Consider other models and company structures such as cooperatives, community benefit societies and community interest companies depending on the aims of the CLT and the prospective residents.
- Set up a website for the shell RMC and develop clear communication channels for residents to use.
- Consider setting up a steering group and working groups as an informal structure that will shift into Board and Subcommittees once residents take full control of the RMC.
- Be mindful of aspects of a development that are likely to cause tensions between residents in the day-to-day management of the site. These may include issues that are due to central government and local authority policies. Being aware of these potential issues at an early stage and working out what will help to mitigate or avoid tensions and to consider how costs can be kept down.
- Consider being involved in wider lobbying and campaigning - jointly with other campaigns for examples such as around energy centres, car free parking policies and other shared issues which come from local or central government policy.