

Community Cashback

Guidance and model documents



Based on the Local Management
Agreement Toolkit published by



City of Westminster

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Note for Housing associations and their tenants:-

There are some extra notes, in green text, highlighting where there may be some differences that apply..

Community Cashback Toolkit

Community Cashback rewards tenants who group together to manage small-scale local services and budgets in order to deliver better services and re-invest any savings back into the community.

This toolkit includes guidance and model documents that tenants may need to set up a Community Cashback scheme for your area in partnership with your landlord..

It's also a guide for landlords and can be used by councils and housing associations. In the toolkit, '**the landlord**' refers to any local housing authority, housing association or registered housing provider, or managing agent (like an ALMO) that adopts the Community Cashback approach. Where arrangements for housing associations are different from councils these differences are **highlighted in the toolkit in this green text**.

When we use the term 'tenants' it includes leaseholders.

'**You**' refers to tenants and leaseholders setting up and running a Community Cashback scheme.

This guidance and some of the model documents are based on a document about Local Management Agreements published by Westminster City Council and the Chartered Institute of Housing. There are some key elements to the Community Cashback process that are essential but there is also scope to adapt the ideas and documents to local circumstances. As we learn of different approaches and new model documents we will add those to the Toolkit.

Work on the Community Cashback programme is supported by the Department for Communities and Local Government.



An Introduction to Community Cashback

Tenants living in council or housing association homes can sometimes run a local service better or more cheaply than their landlord, using local knowledge and skills. Community Cashback helps make this happen, and rewards tenants and communities who make savings as a result.

Community cashback involves a local agreement between the landlord and tenants of an area to manage local housing services on its behalf. Community Cashback is not the only route to tenant controlled housing but it is particularly useful for smaller scale delegation of services, for example of just one service and/or a relatively small number of homes. It is;

- A direct way for residents to have real control over local services
- A flexible model that can be adapted for different services, in different settings
- A fair, legal and effective way of running services, in line with wider Government policies encouraging local decision making and local control of services.

EXAMPLE:

You and your neighbours want to take over the caretaking and cleaning services for your estate. Under Community Cashback, the landlord may pay you to either do the work yourselves, or employ someone else to do it.

Community Cashback can be a solution in its own right but also, in some cases, a stepping-stone to other types of resident control (for example, a Tenant Management Organisation).

How Community Cashback works

Tenants can choose to provide a service themselves as a group, employ someone to do it or engage a contractor or supplier. Whatever you choose, the key is to be really clear about what you're doing, why and how. This way, it's easy to see if the arrangement works or not, and to put proper checks and controls in place to deal with any problems. These details are all set out in the Community Cashback agreement between tenants and the landlord.

Which services?

Community Cashback is designed for relatively small scale housing services, for example:

- Cleaning of communal areas and window cleaning
- Communal gardening and grounds maintenance
- Minor repairs.

- One off repair works

But they can also be used for other local estate or block based services provided the tenants and the landlord can come to an agreement about the arrangement.

Thinking it through

When the landlord is negotiating a Community Cashback scheme, it should look carefully to see how this might affect other landlord services and activities locally. The landlord should check and agree things with all the relevant departments and other agencies if necessary.

It's up to you

Community Cashback is entirely voluntary. There is no requirement for a landlord to set up a Community Cashback scheme, and tenants should make sure it's the right option for their area. See ['Is it right for you?'](#)

However all social landlords are expected to involve residents in the management of their homes and to develop 'local offers' in response to residents' demands. So Community Cashback schemes have a role to play in helping landlords meet these tenant empowerment standards.

Who can do it?

Community Cashback is all about flexibility. It is primarily a scheme for council and housing association tenants but it is possible to involve leaseholders and freeholders as well. .

Where an area has an organised tenants' association, or other residents' group, this may be the best starting point to negotiate and set up a Community Cashback scheme. But the landlord may also work with residents more informally and with other bodies (for example, wider community groups, parents' groups, sports and other clubs or societies).

If there is an established residents' group, but the interest in Community Cashback comes from another group of people, the landlord should help to communicate, consult and broker the agreement, to make sure everyone is aware of and understands what it involves.

Getting the go-ahead

To set up a Community Cashback scheme, you need to get agreement and go-ahead from:

- Local residents in the area
- The landlord.

Different types of agreements

The simplest kind of Community Cashback arrangement is two-way - between residents and the landlord. In some cases though (for example, where there is an Arm's Length Management Organisation, or where residents want to work in partnership with a particular supplier, or there is joint control or ownership of a local facility) you may need an arrangement where three (or more) parties are in agreement. These are more complex, and can raise VAT and other legal issues. But they may still be possible.

Being up to the job

Before you take charge of any services, you will have to demonstrate (both to yourselves and the landlord) that you've got what it takes. This means having the right mix of attitudes, knowledge, skills and other resources to run services successfully - both as individuals, and as a group. The core skills and qualities you need to demonstrate are:

- Commitment to residents and the local community
- Willingness and ability to work openly and cooperatively with residents, the landlord and other organisations
- Willingness and ability to work as a team, establishing and maintaining good working relationships
- Ability to conduct effective meetings, and communicate clearly, in writing and orally
- Ability to plan, organise and review projects and activities

Depending on the detail of your plans you may also need to show :-

- Ability to understand, manage and control budgets and finances
- Ability to specify, negotiate and manage contracts and agreements
- Ability to assess and manage health and safety risks
- Ability to identify your training needs, and undertake and evaluate learning
- Ability to be a responsible employer

The standard you need to meet will obviously depend on the scope and demands of the service you're taking on. The member of staff who the landlord appoints to work with you can help you decide when you meet these competencies and are ready to take over services. The landlord should help you to arrange any training and support you need to meet the competencies.

Being organised

You will need at least to form a simple unincorporated association such as a residents' association. In some cases (if you are handling significant amounts of money and/or employing staff) it may be necessary to incorporate, for example by setting up a community interest company. See ['Who's in charge'](#)

Why do it

Making things better

The main reason for creating a Community Cashback scheme - to improve the service by giving people more control. If you can do this at less cost than your landlord you can invest the savings back into the community.

EXAMPLE:

You and your neighbours may think you can provide the cleaning service more cheaply than the landlord, or provide a better service for the same price. You may want to use the savings to make other improvements.

Community Cashback can have other benefits too:

- Keeping it local - enabling residents to bring their own, on-the-spot awareness to how a job is done, or use a particular local provider to do it.
- Value for money - helping residents to see exactly what they're getting in return for their rents and service charges. Community Cashback can help the landlord to target its resources better.
- New possibilities - negotiating and running a Community Cashback scheme brings people together, and might persuade them to co-operate on other things that benefit the community (for example, social events or local trading and exchange schemes). A successful scheme might also act as the springboard for moving to higher levels of resident control in the future (for example, a Tenant Management Organisation).

Changing services

Community Cashback allows residents to rethink what goes on in an estate or area. If you decide you want different or extra services to those that the landlord has provided in the past, then you can make this happen, subject to:

- Formally consulting with all residents
- Setting up a suitable unincorporated association or a community interest company to run things
- Agreeing with the landlord how to raise and use the money needed to pay for the changes.

Incentives and rewards

To encourage local people to take control of the services they use, Community Cashback may include incentives and rewards, negotiated to suit each situation.

For example:

- A small start up grant to offset the early effort and investment needed to set up a Community Cashback scheme. [See Grant guidance leaflet and application form](#)

- Payment in advance to meet local needs (for example, the planting season for gardening agreements).
- Open, flexible negotiation on incentives and how surpluses are used.

But incentives aren't all one-way. For the landlord, Community Cashback can:

- Create long term administrative and service savings,
- Encourage residents to get involved in, or take over, other parts of the housing service.
- Help the landlord to meet the tenant empowerment standard set by the Housing Regulator which requires landlords to involve tenants in the management of their homes.

Contractors can benefit too through:

- Avoiding time-consuming and costly formal tendering procedures.
- Working with highly informed clients, who are clear about their requirements and standards. This helps to drive up and maintain quality.
- The chance to develop new services and approaches (for example, using 'greener' materials and working practices).
- Positive local and national publicity.
- Training to increase local skills and employment.

Is it right for you?

Typical Circumstances where Community Cashback may be a successful approach.

Community Cashback is designed to help residents take over housing services, such as:

- Caretaking, cleaning and window cleaning
- Communal gardening and grounds maintenance
- Minor repairs.

Community Cashback schemes normally cover just one or two of these services. The landlord may consider setting up agreements for other services, but these can become more complex. And it might be wiser for the tenants group to explore setting up a Tenant Management Organisation in these cases.

Community Cashback can only be used for services where the total contract value is less than the European Union competition regulations threshold (around £170,000). This may

change from time to time. See <http://www.govopps.co.uk/ec-thresholds/> for details of the latest threshold or speak to your landlord.

Community Cashback is particularly suited to:

- Services in shared spaces used by all local residents, or a significant majority of them
- Situations where residents believe they can provide the same or a better standard of service at a lower cost
- Cases where there are particular issues or circumstances that affect the local service, compared to other estates or areas.

You should only take control of services if:

- ✓ **A majority of people who receive the service understand and support the change (or at least don't actively oppose it)**
- ✓ **You can deliver the service to at least the same standard as the landlord does now, and keep on doing this**
- ✓ **There is a clear benefit to taking responsibility - hopefully to residents, the community and the landlord**
- ✓ **The proposed service falls within the recommended scope and cost limits.**

Your landlord will help you to test these points, and may suggest alternatives if Community Cashback is not the best option for you.

If your landlord is a council, it must consult tenants about this sort of change under Section 105 of The Housing Act 1985 and in some cases the landlord may be required to carry out formal consultation with leaseholders.

Assured tenants and leaseholders of housing associations have a contractual right to be consulted under the terms of their tenancy or lease agreement.

Questions for everyone

You and your landlord should think about whether a Community Cashback scheme is the best way to deliver local services. The key questions to ask and answer are:

For residents

- What level of control do we want and can Community Cashback deliver this for us?
- What are we aiming to achieve?

- How do we plan to deliver the service?
- How will it benefit residents?
- How much support is there for the idea?
- How can we test support, both now and in the future?
- What are the risks?
- What are the alternatives?
- Are we willing to work together and form a new body to run the scheme?

For the landlord

- Have we carried out the required consultation with residents who may be affected by the Community Cashback scheme?
- How can we support the residents in setting up the scheme and do we have the necessary resources?
- Have the residents carried out the necessary tasks depending upon the scale of the scheme (e.g. incorporation, VAT registration if applicable)
- How can we monitor standards under the Agreement?
- What are the risks?
- What are the alternatives?

Alternatives

Depending on local circumstances, a different approach may be better. For example:

- Keep things as they are (for example, the landlord continues to provide the service, but with clearer, written standards and regular reporting to residents, so that residents know exactly what to expect and what they're paying for)
- A Tenant Management Organisation (for example, where there is a well-organised residents' group and support from local residents to take over a fuller range of services or a very high cost service. This is a more formal approach to resident control, using the statutory Right to Manage for council tenants).
- The landlord consults with local residents about what they want, and seeks to provide this as a local offer.

Housing association tenants do not have a statutory right to manage, but associations may still support tenants to set up a Tenant Management Organisation on a voluntary basis. .

A Step by Step Guide to setting up a Community Cashback Scheme

Ten steps to success

To set up a Community Cashback scheme for your area, you need to:

- 1 Identify a reason for doing it and the likely benefits it will bring.
- 2 Contact the landlord, who can appoint a member of staff to advise and help you.
- 3 Draw up an outline plan and send it to the landlord. The landlord should look at your ideas and give you comments and any information you need including an idea of what the landlord will give you to provide the service.
- 4 Test support for the idea in your area by talking to your neighbours, maybe holding a meeting or door knocking and assess the skills and resources you have to do the job.
- 5 If your neighbours support the idea, work with your landlord to draw up and agree a more detailed plan for the service you want to provide.
- 6 Get prices and details from contractors or suppliers if you want to use them, or work out how you and other residents will provide the service. Organise any training or other help you need to be ready and able to take over the service.
- 7 Once you and your landlord are clear about how you intend to provide the service, your landlord will formally consult with residents who may be affected by the scheme
- 8 If you need to, create a formal body (for example, a residents association or community interest company) to run the service.
9. Draw up, agree and sign a Community Cashback Agreement with the landlord which will set up the details of the arrangement.
- 10 Take control, and monitor and report on the service. Review the success of the service each year, and change/renew the Community Cashback Agreement as necessary.

You may be able to apply for a small grant to help you do some of these things including learning about all aspects of managing a local service including visits to other groups who are doing so, publicity and consultation material, hire of meeting venues, and office and other equipment.

Getting started

Core statement

For residents thinking about a Community Cashback scheme, the first step is to be clear about what you want to achieve and why. Fill in the boxes on the right hand side of this grid to come up with a 'core statement' that you can use in your initial approach to your landlord and to test support with other residents.

| | |
|--|--|
| Who is suggesting the Community Cashback scheme? | |
| What area will it cover? | |
| What service(s) will it cover? | |
| How will the service be provided? | |
| Why do you want a Community Cashback scheme? | |
| How will the Community Cashback scheme benefit residents and the area? | |

Involving others

Think about who else needs to be involved in, or know about the proposed Community Cashback scheme. Local residents and the landlord are obvious, but don't forget:

- The local residents' group (if there is one, and especially if it's not this group suggesting the Community Cashback scheme)

- The local tenants' and residents' federation (if there is one)
- Neighbouring estates, landowners and occupiers
- Potential contractors, providers and suppliers
- Local Police and Community Support Officers
- Other local community groups (for example, parents' and older people's groups).

It pays to contact people early and explain your ideas fully - they may be able to help or suggest improvements.

Who's in charge

Community Cashback is all about taking control and responsibility for local services - and this means understanding and accepting the risks and liabilities involved too.

To protect individuals and groups, most Community Cashback schemes will require residents to form some sort of constituted or incorporated organisation depending on the level of responsibility and the value of the Community Cashback scheme.

You should weigh up the pros and cons of the different forms of body suitable for running a Community Cashback scheme very carefully, and take advice from your landlord.

Unincorporated residents' associations

These are rather long and complicated words to describe something very simple - local residents joining together to form a body to run a Community Cashback scheme. An unincorporated association should be based on a short, written set of rules often called a constitution. Everyone living in an area covered by a Community Cashback scheme is entitled to be a member of this association. Residents should be invited to confirm their membership by completing a simple application form, in which they acknowledge and agree to observe the association's rules. The Secretary of the unincorporated association is responsible for maintaining these membership records. Residents who choose not to be a member can still receive all the benefits of the Community Cashback scheme, but are not able to vote at the association's meetings.

Where an established residents' group proposes the Community Cashback scheme, and is willing to operate it, the group's existing constitution may be suitable if the association already has a set of Rules approved by the landlord. Where there isn't an existing local group, or if you want to open up this role to others, you can agree some rules and organise some nominations or elections to choose the committee members. In one approach used in Westminster the committee officers could become 'trustees'. [See 'Model Rules'](#)

In the Westminster Model, residents can become trustees simply by volunteering (self-nomination), or (if there are more people willing to fulfil the role than places available), a ballot of the association's members. The association should choose the most appropriate method of appointing trustees in consultation with the landlord.

All ordinary members of the association should be invited to vote in any ballot to appoint trustees, with the trustees being decided on a simple majority of votes cast. In the event of a tied vote, a further ballot must be held until a decision is reached.

The key attraction of this form of body is that it is simple to set up, doesn't require any external reporting or registration (like a limited company does), and is accountable solely to its members. But it's vital to have some form of written set of rules to govern who does what, and protect people's interests.

Community interest companies (CIC)

In some cases, especially if you intend to employ staff, need to register for VAT or will be running a high value contract, it may be necessary to incorporate by forming a community interest company (CIC). This will involve more administration than an unincorporated association but can also offer more protection against legal liability. Becoming directors of a CIC will involve some residents having to register with Companies House and complete annual company returns. However, their legal liability is then limited by their guarantee to the company, which can be as little as ten pence. See <http://www.bis.gov.uk/cicregulator>

A CIC is a special type of limited company which exists to benefit the community rather than private shareholders. To set up a CIC, you need to articles of association; there are model sets of CIC memorandum and articles of association which incorporate all the provisions required by the CIC legislation. These include an 'asset lock' which is a legal promise stating that the company's assets will only be used for the benefit of the community. The company needs to be approved by the CIC regulator.

Liabilities and risks

Nothing in life is without risk - and Community Cashback is no exception. Things can, and will, occasionally go wrong - sometimes for reasons completely beyond anyone's control (for example, severe weather ruining plants and gardens). Although it's rare and unfortunate, people can also behave dishonestly or negligently, and this too can expose those running agreements to legal liability. So it is very important to have proper financial and other checks and balances in place.

Residents who set up a community cashback scheme have a choice about how they handle risks and liabilities. They can:

- Take out insurance against some key risks See ['Insurance'](#)

Or

- Seek an indemnity or guarantee from the landlord to remove or limit their individual, personal liability.

In the last case, the landlord would have to decide whether it is legal and reasonable to offer this indemnity and/or whether its own insurance will cover residents in certain circumstances (especially where the scheme is for little or no monetary value). .

For some schemes, it may be possible to use a mix of these options to reach a balanced approach to the risks involved.

Testing support

A Community Cashback scheme will only work if most of the people who live in an area actively support it. So, before you get into the detailed planning to set up an agreement, you need to test local support for the idea.

It is best to do this before the landlord's formal consultation (to decide whether it's worth pursuing the idea of a Community Cashback scheme). See ['Landlord consultation'](#)

How to do it

There are lots of different ways of gathering views and feedback from local residents. The key is to offer a variety of methods to suit people's circumstances, and use the mix of methods that is most likely to get a response. Possible methods include:

Meetings - an old technique, but still a good way to get people together and air their views. You may need to offer people an incentive to come to a meeting (at least some refreshments!), or ask someone independent to set up and run it.

Letters – another traditional method, but a good way of making sure everyone gets the same message at the same time. Include a feedback sheet for people to respond, and a pre-paid envelope if you can (or offer to collect their forms). See ['Consultation letter'](#)

Make sure you take local languages into account when you communicate with neighbours in writing. Your landlord should be able to help you with this.

Surveys and questionnaires - useful for getting to people who can't or won't come to meetings. You can do surveys by post, over the phone, by email/Internet or door-to-door.

Suggestion boxes/walls - instead of asking prepared questions, you can give people freedom to make suggestions and express their own ideas. A simple box with slips of paper or a blank wall and postcards/Post-it notes can generate lots of useful ideas - particularly if it's combined with a meeting or focus group. This also allows people to give their views more anonymously.

Using technology - depending on what resources you've got, you may be able to use telephone conferencing, mobile phone text messaging or social networks such as Facebook and Twitter to get people's views.

Who else to ask

Don't just think about residents - there may be other people you should tell and ask about the proposed Community Cashback scheme. See ['Getting started'](#)

What to ask

Whatever methods you use, you're basically after the same kind of information. See ['Model Questions'](#)

The answers to these questions will help you work out how you want to provide the service and run the Community Cashback scheme. See [‘Getting started’](#), [‘Why do it’](#), [‘Outline plan’\(below\)](#) and [‘Detailed plan’](#)

Outline plan

In the early stages of setting up a Community Cashback scheme, you need a simple, outline plan to tell everyone broadly what is proposed. A typical outline plan might have the following headings:

Title (for example: ‘Community Cashback scheme proposal for the communal gardening service at Anywhere Estate, Anytown’)

Summary One or two sentences to say what the proposal is and who is making it (for example, the Anywhere Estate Residents’ Association). Base this on the core statement from [‘Getting started’](#)

Location Description (and perhaps a sketch plan) of where the Community Cashback scheme will apply, and the numbers of homes affected.

Scope What the service will cover in broad terms, for example:

- Grass cutting and lawn care
- Weeding and clearing flower beds and other planted areas
- Trimming shrubs
- Sweeping and clearing paths and car parking bays.

Control Who will do the work (for example, Anytown Gardens Ltd) and who will monitor and supervise the work (for example, the Anywhere Estate Residents’ Association or a new, unincorporated association or a community interest company set up especially for this purpose). See [‘Monitoring’](#) and [‘Who’s in charge’](#)

Reasons Why the Community Cashback scheme is being proposed (for example, to improve standards of garden maintenance and enable any savings to be used to create new flower beds or a community garden). See [‘Getting started’](#) and [‘Why do it’](#)

Benefits How the Community Cashback scheme will benefit local residents and the area. See [‘Why do it’](#)

Cost An estimate of how much the service will cost to provide, broken down into main headings if possible (for example, labour, equipment and materials and VAT if appropriate). Under a Community Cashback scheme, costs are met by the landlord’s payments to residents or the unincorporated association or community interest company set up to manage the service. See [‘Money’](#)

Monitoring How standards will be monitored and reported (for example, by weekly inspections and a quarterly written cost and performance report to the Anytown Residents' Association and the landlord). See ['Monitoring'](#)

Support What special help or advice you'll need to set up and run the Community Cashback scheme (for example, health and safety training for the residents' association and contractor, or new scale plans of the estate to clarify exactly which areas are covered and help the contractor work out their price). See ['Help'](#)

Detailed plan

This is where you pin down the details of exactly who is going to do what and how. The detailed plan is a specification of the service(s) to be provided under the Community Cashback scheme. It's also the main point of reference for monitoring and resolving any disputes or problems.

The detailed plan expands the 'Scope', 'Control' and 'Monitoring' sections of your earlier outline plan (see ['Outline plan'](#)). It is an important appendix to the Community Cashback scheme. See ['Model agreement'](#)

Involving people

Don't just use a plan from another estate/agreement, or make it up off the top of your head. Involve the residents who pay for the service and whoever will be doing the work (residents or contractors) in drawing up the detailed plan. This way, you stand a better chance of everybody getting what they want.

You can involve people via a simple questionnaire, a meeting, suggestion box or a telephone or email survey, or at a social event (for example, a summer fête or estate tidy-up).

Be clear and precise

To avoid any confusion and arguments later on, express the standards you want as clearly and specifically as you can, now.

For example, instead of:

"Clean the staircases twice a week"

Put:

"Keep the communal staircases in X, Y and Z Houses in a clean, safe condition by visiting on Tuesday and Thursday mornings each week to:

- Mop the vinyl floor with a suitable detergent on the first visit each week
- Sweep the vinyl floor on the second visit each week
- Wipe the painted walls with a cloth and suitable detergent every two weeks
- Dust and polish the stair banister rail and spindles every four weeks
- Clear cobwebs and dirt from light fittings and the ceiling every eight weeks

- Obtain a signature from a nominated resident on the second visit each week to confirm the work has been done satisfactorily.

This requires the person or contractor doing the work to:

- Do the work at regular times
- Plan ahead to do particular tasks at set intervals
- Use the right equipment and materials
- Involve residents in checking and signing off the completed work.

Landlord consultation

Measuring, monitoring and tendering

A good detailed plan provides the basis for the regular reporting and monitoring you need to make sure the Community Cashback scheme is working properly. The standards and specifications you set here should suggest what targets and measures you will use to judge success. See [‘Monitoring’](#)

You can also use the detailed plan to get competitive quotes from different contractors and suppliers. Because it’s clear and precise, you can be sure that different providers have priced on the same basis. You can then compare estimates and quotes to assess value for money. See [‘Tender’](#)

This is a crucial stage in setting up a Community Cashback scheme, and only the landlord can do it. The landlord must consult residents on any changes to the housing management service that will materially affect them. Depending on the scope of the scheme the landlord may also be required to carry out formal consultation with leaseholders.

What the landlord should say

See the model [‘Consultation letter’](#), which shows how the landlord might consult residents about a proposed Community Cashback scheme. The key points are to:

- Make it clear what is proposed
- Explain how this will affect residents
- Attach any necessary supporting information
- Set a reasonable deadline for replies
- Offer a variety of ways for people to respond.

Although it may not be legally obliged to consult other people affected by the change (for example, local service providers and other community groups), the landlord may ask them for their views in a similar way.

Acting on consultation

The law says that the landlord must consult residents and take their views into account when making decisions and changes - but it doesn’t have to do what residents say. The landlord must act reasonably though, and be able to show good reasons for its decisions and actions.

Leaseholders

Special rules apply to residents who are leaseholders of their homes. The law currently requires the landlord to consult leaseholders if it plans to:

- Enter into an agreement for a period of more than 12 months that would mean any one leaseholder would have to pay more than £100 per year each for the service
- Carry out works for which leaseholders would have to pay £250 each or more.

The consultation procedures set out in law include:

Stage 1

- Give leaseholders formal written notice of the intended agreement (with as much detail about the scope of the planned works or services, contractors etc as possible), explain the landlord's reason for entering the agreement, invite comments and allow at least 30 days for a response and invite leaseholders to nominate contractors
- Ask for leaseholders' comments.

Stage 2

- Get at least two estimates for the service
- Send leaseholders details of the estimates and how the cost breaks down for each property and by period (for example £x per day/week/month)
- Leaseholders then have 30 days to make any comments about the proposed contract.

Stage 3

- The landlord (or residents' group) awards the contract to whoever will provide the service
- The landlord must write to leaseholders confirming who was awarded the contract and why.

There is no legal obligation to consult freeholders (for example, people who've bought houses under the Right to Buy), but the landlord may decide to follow a similar process

Publicising the outcome

The landlord should tell everyone it has consulted about the results of the consultation, and what it intends to do. It's good practice to summarise the key comments and any objections received.

Money

Where it comes from

Your landlord should pay your tenants group what it currently costs it to provide the service you will be taking over. This could be the proportion of a contract cost that is relevant to the area involved in the scheme or a proportion of the costs of directly employed staff. Most of the services likely to be run under a Community Cashback scheme are normally funded by the service charge element of tenants' rent and by leaseholders' service charges.

Where it goes

Most spending will be on the direct costs of providing services (labour, materials and so on). But don't forget the indirect costs (for example, monitoring, supervision, administration and phone calls). These need to be built into the annual budget too. The landlord should help and advise residents on managing different types of spending.

The landlord must take into account the costs of negotiating, setting up and operating Community Cashback when setting its budgets.

Surpluses and losses

Where there is a Community Cashback agreement, residents can choose to use any surpluses for the benefit of the area (for example, to pay for landscaping improvements). There are some legal restrictions on what you can use surpluses from rents and service charges for - the landlord can advise you about these.

Keeping track

To keep on top of the finances for a Community Cashback scheme, you need:

- An annual budget (a forecast of how much you expect to receive and spend in the coming year, broken down into key categories). See ['Budget and accounts'](#)
- Management accounts (regular [monthly or quarterly] updates on actual income and spending, compared to the budget including bank reconciliations). See ['Budget and accounts'](#)
- Annual accounts (an annual financial statement showing the actual income and spending for the whole year - produced within three months of the end of each financial year). See ['Budget and accounts'](#)

You will need to keep records and copies of invoices, and receipts to complete these accounts, and allow them to be checked and audited.

Budget and accounts

Some starting points

Although it's a serious responsibility, there's nothing too difficult about creating and managing a budget. The budget is just another way of looking at and expressing what you do under a Community Cashback scheme. The landlord should give you help and advice to set up and manage the budget.

A budget is basically a record of what money you expect to receive over the coming year and what money you expect to spend broken down under headings that make sense to you (for example, staff, materials and equipment). Most importantly the budget is a tool for you to keep track of what you are spending and to raise alarm bells if you are over or under spending. Therefore you need to record your actual spend against the budget and report this to monthly or quarterly meetings.

More help

As your agreement develops, or if it is more complex or high value, you may want to use a more advanced budgeting and accounts system. The landlord should advise you on this, and arrange training to help you understand and manage your finances with confidence.

Legal stuff

Community Cashback schemes raise some important legal points, which residents and the landlord must get right.

Consulting residents

Neither the landlord nor residents' groups can just make changes whenever they like. Section 105 of the Housing Act 1985 says that councils must consult residents before making any changes to the housing management service that would substantially affect residents. (Does not apply to housing associations)

The Social Housing Regulator's Tenant Involvement and Empowerment Standard also requires consultation on significant changes to management arrangements. So, this must be done before setting up a Community Cashback scheme, or making any significant changes once it's operating. See ['Landlord consultation'](#) and ['Testing support'](#)

Even where landlords don't legally have to consult with residents, it's good practice to involve and empower local people in all key decisions - that's what Community Cashback schemes are all about.

Liability

When residents take control of local services and contracts, they also become liable for the risks connected with those services. So to protect individuals and groups against these risks, most Community Cashback will require residents to form and operate a simple unincorporated association or community interest company to run the services.

Setting up these kinds of bodies raises further issues about insurance and succession (for example, when key residents involved in a Community Cashback scheme move, die or are otherwise no longer able to be involved). See [‘Who’s in charge’](#)

Employing staff - Employer's obligations (worker's employment status)

If you are employing staff, it is your responsibility to correctly determine the employment status of your workers i.e. whether they are self employed or employed. For more information go to <http://www.hmrc.gov.uk/employment-status/> .

Contracts

If you use an outside contractor to provide services under a Community Cashback scheme, you should use a proper written contract to protect both sides’ interests. See [‘Model contract’](#)

You may also need separate contracts with other suppliers (for example, utility suppliers). As with all legal documents, make sure you understand what you’re signing, and if in doubt, get legal advice.

Health and safety

There are lots of laws and regulations governing how people stay safe when providing services, and liability is usually strict and difficult to avoid. So, whoever is providing the service must know about, understand and be competent to meet all the relevant requirements. See [‘Health and safety’](#)

VAT (Value Added Tax)

If the allowance for providing services under a Community Cashback agreement is paid to the residents’ association or CiC and it exceeds the VAT threshold, you will need to register for VAT. *(The VAT threshold states that where your turnover of VAT taxable goods and services for the previous 12 months is more than the registration threshold (currently £79,000), or you expect it to go over that figure in the next 30 days alone, you must register for VAT).*

Once you are registered, you must issue VAT invoices to the landlord for the allowances, keep an accurate record of all VAT received and paid out and make quarterly VAT returns to HMRC (Her Majesty Revenue and Customs). Councils can normally claim back the VAT that they have paid out but housing associations may not be able to do so.

The vast majority of Community Cashback schemes are likely to be under the VAT threshold. However if you employ a contractor who is VAT registered, then the contractor will automatically charge VAT on the service. The residents' association or CiC will not be able to recover this VAT if it is not registered, neither will it be able to submit a VAT invoice to the landlord. Therefore it is important to make sure that the allowances the landlord pays to residents under the Community Cashback scheme have taken this into account. Where residents actually provide the services themselves or employ staff to do so, VAT may not be such an issue although the group will still need to pay out VAT on supplies and materials in most cases.

The landlord and its VAT advisors should help you get this right for each Community Cashback scheme.

TUPE

TUPE - The Transfer of Undertaking (Protection of Employment) Regulations can apply when services are transferred from one contractor or provider to another. If one or more members of staff spend the majority of their time on providing the service to be transferred then they are transferred on their current terms and conditions of employment (including salary) to the new provider.

TUPE could affect some Community Cashback schemes (for example where they involve the major part of one person's job such as a caretaker/cleaner). There is no fixed threshold for TUPE to apply - it depends on the nature and definition of the service being transferred. Your landlord should be able to help you find out whether TUPE is likely to apply when you are planning your Community Cashback agreement.

Data Protection

The membership records held by an unincorporated association or community interest company count as an 'exempt purpose' under The Data Protection Act 1998. This means there is no requirement to register with the Data Protection Commissioner.

Membership records should though be handled in line with Data Protection Act principles, which state that personal information held must be:

- Processed fairly and lawfully
- Obtained for specified and lawful purposes and not used in a way that's incompatible with these purposes
- Adequate, relevant and not excessive for the purpose
- Accurate and up to date
- Not kept for longer than necessary
- Processed in accordance with people's rights under the Act (for example, people's right to inspect their own records)
- Held securely

- Not transferred outside the European Union without adequate protection.

The landlord can give advice on how best to comply with these principles.

Data protection is particularly important if running a Community Cashback scheme means that some residents have access to sensitive personal information about other people in the area. Sensitive personal data is defined as information about a person's:

- racial or ethnic origin
- political opinions
- religious or other similar beliefs
- trade union membership
- physical or mental health or condition
- sexual life
- criminal offending history and legal proceedings.

Check it out!

Because every estate, area and Community Cashback scheme is different, the materials and model documents in this toolkit may not exactly suit your particular needs and circumstances. So, you must get legal advice from the landlord or an independent solicitor before taking on an Agreement. The toolkit covers the requirements of law in England only. Users in Wales, Scotland and Northern Ireland must check on the different rules and systems that apply there.

Insurance

Residents and contractors providing services under Community Cashback should consider insuring against key risks:

Public liability Against personal loss, damage or injury arising from the service (for example, a resident slipping on stairs that are wet after cleaning).

Contents Against theft, damage and loss of equipment or materials (for example, a lawnmower being stolen from its store).

Employer's liability Against claims for injury, unfair dismissal or treatment and actions by employees (for example, an employee seriously injuring themselves and being unable to work).

Trustee's/director's indemnity Against damages and legal expenses arising from any wrongful act, error or omission when acting as a trustee to an association or company

director responsible for a Community Cashback scheme (for example, if trustees/directors are sued over performance of their duties).

Fidelity Against fraud and theft of money connected with the service (for example, the person responsible for keeping financial records falsifying invoices or colluding with a contractor).

Indemnity

Residents or residents' groups who take over responsibility for services must also handle any claims connected with those services - hence the need for insurance.

As part of the Community Cashback scheme, the landlord can be indemnified (protected) from any claims to do with the service, unless they are caused by the landlord being negligent.

In return, the landlord may offer full or partial indemnity to trustees responsible for Community Cashback, to protect them from unlimited legal liability. See '[Who's in charge](#)'

How to arrange cover

Depending on the details and scale of the agreement, some risks may be covered by the landlord's existing insurance policies. If not, the landlord can help residents find and arrange other comprehensive, good value insurance.

To find suitable local insurers and brokers in your area, contact:

- British Insurance Brokers Association on 0870 950 1790 or www.biba.org.uk

Equalities

Community Cashback must comply with the law and reflect the landlord's policies on equalities, to make sure that services are provided fairly. Agreements and services must not unfairly exclude, disadvantage or discriminate against anyone because of

- age
- being or becoming a transsexual person
- being married or in a civil partnership
- being pregnant or having a child
- disability
- race including colour, nationality, ethnic or national origin
- religion, belief or lack of religion/belief
- sex
- sexual orientation

These are called 'protected characteristics'. People are also protected from discrimination if they are associated with someone who has a protected characteristic, eg a family member or friend or they have complained about discrimination or supported someone else's claim.

Even where services are delegated to residents by a Community Cashback scheme, the landlord's obligations under the Equalities Act 2010 -still apply. Everyone involved (residents, residents' groups, contractors and the landlord) must cooperate to meet these legal standards and requirements.

For residents and other customers

Services provided under Community Cashback must be available to everyone who needs them. Contractors and other providers must take people's circumstances into account to make sure they receive a fair service (for example, giving reasonable priority to older or disabled people, or those with young children).

You should provide information about services (for example, costs and changes to providers) so that everyone can understand them. This may mean translating material into relevant community languages, and using other media (for example, large print or audio) if people need it.

Community Cashback agreements are all about tailoring services to the local needs and features of an area. So, the way services are provided must reflect and respect the diversity of the area and its surroundings.

You must choose contractors in a fair and open way, using competitive quotes and tendering if appropriate. You must be able to justify your choice of contractor or provider on clear, objective grounds.

Residents must tell the landlord or the organising residents' group if they have any personal connection with a contractor or other provider (for example, if they are related to or work for them). They should then be excluded from taking part in any decisions involving the contractor or provider.

For contractors and other providers

Contractors and other providers must demonstrate that they understand and are committed to equalities (for example, in their personal conduct and how they recruit staff). Contractors must agree to provide services in line with this policy, and cooperate with any equalities monitoring or checks that the landlord or residents' group wishes to carry out.

Although services provided under Community Cashback do not require full, open competition under the European Union procurement regulations, the general principles of these regulations still apply. This means that contractors must not be disadvantaged on the grounds of nationality, and should be given a free opportunity to compete for and provide Community Cashback scheme services.

For the landlord

The landlord should consider a Community Cashback scheme for any group of residents or area. It may recommend that a Community Cashback scheme is not suitable or the best option for a particular service or area, but should always give reasons, and seek to negotiate a fair solution with residents.

Health and safety

Taking on responsibility for services under a Community Cashback scheme also means taking on the legal obligations and good practice for staying safe. Some services come with quite a lot of law and regulations attached (for example, gardening and cleaning).

For residents providing services directly

You must be aware of, and be competent to meet all the necessary health and safety requirements. The laws and regulations alter from time to time, so you must also keep up to date with any changes (for example, via www.hse.gov.uk). For most Community Cashback schemes, you will need to draw up a statement of your health and safety policy, to show how you meet these obligations.

Even if residents provide services as unpaid volunteers, they have the same status as employees for health and safety issues. You also owe an extra duty of care to any young people (aged 16-18) involved in providing services.

The landlord should provide or help to arrange training on these requirements and good practice, before the Community Cashback scheme starts. This should be pitched at the appropriate level for the service, but could include accredited training by a professional body (for example, the Chartered Institute of Environmental Health's 'Supervising Health and Safety' course).

Health and safety is one of the key competencies that you need to demonstrate before taking over services under a Community Cashback scheme. See ['Who can do it'](#)

For contractors, providers and suppliers

All contractors and other providers and suppliers working under Community Cashback need to show that they are aware of, and meet, the relevant health and safety requirements and good practice. The landlord may provide or help to arrange training on this before the Community Cashback scheme starts.

When appointing contractors, you must make sure that firms are competent to meet their health and safety obligations.

The keys to health and safety

Two principles underpin most health and safety:

- Assessing and managing risks
- Common sense.

Whoever provides services must identify the hazards and assess the risks likely to arise from the activity - both how likely it is that something will go wrong, and what the impact will be if it does. Having assessed the hazards and risks, you must then put sensible measures in place to avoid, minimise and manage them – and review and update these regularly.

EXAMPLE:

Residents doing caretaking work should use proper protective footwear, clothing and gloves, and know how to lift heavy objects and handle and dispose of glass or syringes safely.

No-one can guarantee common sense, but regular training and reminders and good systems can help. Assessing risks for health and safety supports your general planning and project management, to help you get things right.

More help

If you need any more advice about health and safety, contact the landlord's safety team.

Many contractors employed by local councils are registered and accredited under the Contractors Health and Safety Assessment Scheme (CHAS), which is supported by the Health & Safety Executive (see www.chas.gov.uk). Although this is not a requirement for residents and contractors providing services under a Community Cashback scheme, it does provide a very useful framework for health and safety management, for small firms or groups of local people, right up to big companies.

The key requirements to meet the CHAS standard are commitments to:

- Provide adequate control of the health, safety and welfare risks arising from activities which may affect employees or others
- Consult with employees on matters affecting health and safety
- Provide and maintain safe plant and equipment
- Ensure safe handling and use of substances
- Provide information, instruction and supervision for employees
- Ensure all employees are competent to do their tasks, and give them adequate training
- Prevent accidents and cases of work-related ill health
- Maintain safe and healthy working conditions
- Ensure there are sufficient funds to implement all this

- Review and revise health and safety arrangements regularly and at least every 12 months.

Firms registering for CHAS also have to submit relevant evidence and documents, for example:

- Health and safety method statement and risk assessment
- Copies of training certificates for staff
- COSHH assessments Details of how any sub-contractors are assessed for competence in health and safety.

The Health & Safety Executive offers lots of other useful advice and publications (see www.hse.gov.uk).

Your landlord may also be able to help.

Tender

If you plan to use an outside contractor to do the work under a Community Cashback scheme, you will need to invite tenders or get competitive quotes to see what they can do, at what price.

How to tender

There are two main sorts of tendering:

Open - where you advertise (for example, in a local newspaper or on a website) for any interested contractors and suppliers

Closed - where you contact specific, named contractors and suppliers that you think are suitable.

Getting it right

To get high standards and good value for money, you need to make sure that the contractor is capable, reliable and trustworthy. Choosing the wrong contractor can create huge problems, and undermine the whole agreement.

So, a typical tender should include:

Title For example: 'Invitation to tender for communal gardening services at Anywhere Estate, Anytown'

Summary One or two sentences to say what the service is, who is issuing the tender (for example, 'the Anytown Residents Association') and explain that the service will run under a Community Cashback scheme. See ['Getting started'](#) and ['Why do it'](#)

Specification Insert the description and standards from the detailed plan. Ask the contractor to show how they would meet all these standards, and highlight any areas where they would do something differently, or to a higher or lower standard. See ['Detailed plan'](#)

Location Say where the service will be provided and, if necessary, include a sketch plan or scale drawing of the areas covered (for example, to show the communal areas for a gardening contract).

Period State how long the contract will run for, when it will start, and what the arrangements are for extending it beyond the original term.

Health and safety Attach your health and safety statement and ask the contractor to show how they comply with and support it. See ['Health and safety'](#)

Equalities Attach your equalities statement and ask the contractor to show how they comply with and support it. See ['Equalities'](#)

Cost State whether you want a fixed price (for example, for cleaning) or one that varies according to how much work is done (for example, repairs). Say how you want the total broken down (for example, by block or particular task). State whether the contractor should include VAT and any other expenses (for example, waste disposal, new equipment or travel costs). See ['Money'](#)

Insurance State what types of insurance the contractor will need, and ask them to supply details of their policies and cover.

Form of tender Say what form you want tenders in, and how many copies (for example, 'a written proposal covering all parts of this invitation to tender - one bound copy and one electronic copy by email').

Say how you want tenders to be returned (for example, 'by Recorded Delivery and clearly marked 'tender' to Name, Secretary, Anywhere Estate Residents' Association, 32 Alpha House, Anytown, AN3 4HY.'

Deadline Say when you need tenders by, and make it clear that you will not accept late tenders (for example, 'to arrive by noon on Monday 12 February 20xx').

Added value Invite the contractor to say how they might provide any extra service or help at no extra cost, and explain that this will form part of your decision making. There's no harm in asking! For example, a contractor might offer work experience placements to older children in the area, or contribute to a social event.

References Ask for details of two of the contractor's existing or previous customers who you can contact for firsthand feedback on their work.

Contacts Give the name, phone/email and address of the person who can answer any queries about the tender, and contact details for the landlord. Explain that extra information given to any company will also be made available to other tenderers.

Making the decision

To decide between competing tenders, don't just choose the cheapest, or a firm that you know, or one that has been recommended to you. To help you be fair and objective:

- Use a simple scoring system, where you award up to five points for each aspect of the tender (cost, health and safety, references etc) and then total the scores to choose a preferred contractor. You can use this technique to shortlist two or three contractors, and then meet/interview them to make the final decision.

Monitoring

The big picture

Each Community Cashback scheme should have some overall targets or objectives - to show whether it has made a difference or not. These should relate to the original reasons for setting up the Agreement, and link back to the satisfaction levels and views expressed by residents before it began. See ['Testing support'](#)

Examples might be:

- To increase resident satisfaction with the communal cleaning service from 40% to 80% in the three-year period of the Agreement.

Or

- To cut the costs of communal gardening by 30% over three years.

The landlord and residents need to work together to measure these outcomes - which in turn will help you decide whether to continue the Agreement for another period.

Day to day

The Community Cashback agreement should clearly set out who is responsible for supervising and controlling the services provided under the Agreement, and how they will respond to any enquiries and complaints.

Regular checks

Community Cashback schemes must also provide a regular method of reporting on the standards being achieved, and how they compare to the targets set out in the detailed plan.

This could be via a quarterly financial and written performance report to the landlord and trustees/directors or regular 'sign-off' and survey by residents.

Awards

The landlord may collect and analyse monitoring and feedback information to make the annual awards, for example:

- Best innovation
- Most improved service
- Best contractor.

Problems

No-one has ever run a service that is entirely problem-free.

So, residents providing services under a Community Cashback scheme must have procedures in place to handle complaints and other problems that crop up.

Complaints from residents

You should design and use a system to match local circumstances, but it must include:

- A written record of all complaints (detailing who has complained, when, what about, and what the response was).

- Firm time limits for responding to complaints (for example, complaints will be acknowledged within 24 hours, investigated within two working days, and resolved or responded to within five working days).
- A customer-centred approach that takes all complaints seriously, and apologises quickly and sincerely for any problems. Saying sorry goes a long way!
- Clear arrangements for compensating people if they have lost out because of the way the service is provided (for example, someone's private garden being damaged by work to a communal area).
- Clear links to the landlord's complaints policy and procedures (to make it clear when a complaint might have to be referred to the landlord, tenants panel or Ombudsman service).

Complaints from the landlord

Because it is still ultimately responsible for services provided under a Community Cashback scheme, the landlord can step in if things aren't going well. The Agreement gives the landlord permission to inspect the quality of work and systems at any reasonable time. The landlord should tell the residents or group responsible in writing if there are any shortfalls in the service.

Trustees/directors then have one month to put things right, or allow the landlord to put things right and recover the costs from the Community Cashback scheme budget.

Ending the Community Cashback scheme

Hopefully rare - but sometimes things just don't work out. So, Community Cashback allows both parties to end the agreement by giving notice in writing - for example, if problems which have been notified aren't put right.

Mediation and arbitration

If there is a serious dispute between residents and the landlord (for example, about standards or payment) and the parties cannot agree, you can involve an independent mediator or use binding, independent arbitration. Mediators can help parties see the other side of the dispute and reach common ground. Arbitrators hear both sides of the argument in a more formal way, and then reach a decision, which everyone must accept and act upon.

Ask the landlord for details of local mediation services and see www.ciarb.org.uk for more about arbitration.

Help

Negotiating and setting up a Community Cashback scheme is the easy bit. Operating it and providing the services over the coming months and years is the real challenge.

The landlord should stay in touch with you throughout the period of the agreement, and someone should always be available by phone and email to answer queries.

The landlord should also arrange an annual review meeting with the organising residents' group and any contractors, to look at performance, financial results and customer feedback. This review is particularly important when the agreement is coming to an end, and both parties need to decide whether to extend it.

Learn from others

It's good to share experiences and practice, so get in touch with and visit other residents and areas that have set up Community Cashback agreements.

Model documents and forms

Use these model documents and forms to set up and run your Community Cashback scheme.

- [Initial contact letter](#)
- [Landlord consultation letter](#)
- [Feedback form](#)
- [Model questions](#)
- [Model rules - unincorporated association](#)
- [Model membership application form](#)
- [Summary guide – community interest company](#)
- [Model Community Cashback Agreement](#)
- [Model contract](#)

Initial contact letter - from interested residents to the landlord

Items in red to be edited by the user

(Contact name)

(landlord's name)

(Address)

(Your name)

(Your address)

(Date)

Dear (contact name)

Proposed Community Cashback scheme at (area)

Residents at (area) are interested in negotiating a Community Cashback scheme to take over the (name of service[s]) for this area.

We want to do this because (reason[s]).

We think the main benefits of having a Community Cashback scheme will be (benefits).

We understand the landlord remains ultimately responsible for this service, but we think a Community Cashback scheme can bring real benefits to the area.

Please contact me at the address above or on (phone/mobile/email) to discuss how the landlord can help.

Yours sincerely

(Your name and role)

Landlord consultation letter - from the landlord to all residents affected by a proposed Community Cashback scheme

Items in red to be edited by the user

Resident's name

Resident's address

Date

Dear (name)

Important changes to the (service) at (area)

The (residents/group/association) has proposed that it takes over the (service) in your area. The landlord supports this idea in principle, but I need to know your views about this proposed change.

What's proposed

The (residents/group/association) plans to take on the (service) under a Community Cashback scheme with the landlord. This means that the landlord will provide support and funding for the (residents/group/association) to run the service, in line with some agreed rules and controls.

The (residents/group/association) plans to use (contractor) to provide the service.

I attach a copy of the (residents/group/association)'s outline plan for the service, which gives more details about the reasons for this proposed change, and how it could benefit the area.

What it means for you

If the Community Cashback scheme goes ahead:

- The (service) will be provided by (contractor) from (date), rather than the landlord's (staff/contractor).
- Your service charge for (service) will remain the same at (price) per week for the year beginning (date). The (residents/group/association) hope to reduce costs for future years and pass any savings onto you.
- You will need to make any comments or complaints about the (service) to the (residents/group/association), who will deal with them in line with the procedures agreed with the landlord.

Other options

Although the landlord supports the Community Cashback scheme proposal, we have to consider other options for the (service) and find out if anyone else is interested in running it. Please tell us on the attached feedback form if you have any views on this. We have publicised the proposed Community Cashback scheme in the local press and on the landlord's website.

Tell us what you think

To have your say about this proposed change, please:

- Fill in the attached form and return it in the prepaid envelope
- Email me at (email address) with your comments
- Come to the open meeting at (venue) at (time) on (date), where (residents/group/association) and landlord staff will be able to answer any queries.

You must send your views and comments to me by (date, at least four weeks from the date of the letter).

Next steps

I will contact you again to let you know the result of this consultation, and whether the proposed Community Cashback scheme will go ahead or not.

If it does, the (residents/group/association) will publicise the details of the new service before it starts.

Your right to be consulted

For councils - Under Section 105 of the Housing Act 1985, we must consult you about this change, and take your views into account. For housing associations - Your tenancy or lease agreement says that we must consult you about this change and take your views into account. So please let me know what you think, using one of the methods set out above.

Yours sincerely

(Name and position)

Attached:

- Outline plan from (residents/group/association)
- Feedback form and prepaid envelope

Feedback form - for residents to respond to the landlord

Items in red to be edited by the user

Feedback form

Community Cashback scheme for the (service) at (area)

The landlord supports the proposal to establish a Community Cashback scheme for the (service) at (area).

Please tell us what you think by ticking ONE BOX below

- I am in favour of the proposed Community Cashback scheme
- I am against the proposed Community Cashback scheme
- I am neutral about the proposed Community Cashback scheme

Please write any comments on the proposed change in the box below (continue on the back of this form if you need more space)

Your name

Your address

Telephone

Email

Please return this form in the prepaid envelope by (date)

Model questions - to ask all residents in the area

Items in red to be edited by the user

Model questions

- How satisfied are you with the landlord's (gardening, cleaning, caretaking etc) service in the area at the moment?
 Very satisfied satisfied neither satisfied nor dissatisfied
 dissatisfied very dissatisfied

- What do you like most about the way the landlord provides the (gardening, cleaning, caretaking etc service) in the area at the moment?

- What do you like least about the way the landlord provides the (gardening, cleaning, caretaking etc service) in the area at the moment?

- What would you most like to change about the (gardening, cleaning, caretaking etc service) in the area?

- Have you heard about the proposal to set up a Community Cashback scheme for residents to take over the (gardening, cleaning, caretaking etc service)?
 Yes No Don't know

- Could anyone in your household take an active part in delivering the (gardening, cleaning, caretaking etc service)?
 Yes No Don't know

- If yes, who is this, and what could they do? (please give brief details below)

- Are you in favour of forming a special body to take responsibility for the Community Cashback scheme, with residents acting as trustees/directors?
 Yes No Don't know

- Can you suggest any other ways of changing and improving the (gardening, cleaning, caretaking etc) service or know of anyone else who would be interested and willing to take it over?

Yes (please give brief details below) No

- Do you have any other ideas or suggestions on how to improve the (gardening, cleaning, caretaking etc) service in the area?

Model rules - to create an unincorporated, non-charitable association

Items in red to be edited by the user

Rules for **(name)** - an unincorporated, non-charitable association

This agreement creates and governs **(the association)** - an unincorporated, non-charitable, not-for-profit association formed with the single purpose of operating a Community Cashback scheme with **(council)** ('the landlord') at **(location)**.

1 Name

The association is known as **(name)** ('the association').

2 Term

The association exists from the date of this agreement, until and unless it is wound up in line with 15 below.

Or:

The association exists for a fixed period of **(weeks, months, years)** from the date of this agreement, or until **(date)**, whichever is the earlier.

3 Address

The address for correspondence and service of notices on the association is:

(address)

4 Objects

The objects of the association are to:

- Perform the obligations of a Community Cashback scheme with the landlord to provide housing and/or other related services at **(location)**.
- Promote and take action to benefit its members and other local residents in respect of the Community Cashback Agreement.
- Negotiate and work with the landlord, contractors, suppliers and other third parties to provide services under the Community Cashback scheme.
- Cooperate with members and other individuals, associations and agencies in matters of mutual interest.

5 Powers

The association has the authority of its members to fulfil the obligations of, and exercise the rights set out in the Community Cashback agreement at (location), including:

- Carrying out works to land and buildings
- Negotiating and entering into necessary contracts and other legal agreements
- Receiving and handling money necessary to meet the obligations of the Agreement and the association's objects
- Appointing and monitoring the performance of contractors and other third parties to provide local services
- Taking out and maintaining insurance to protect its assets, members and activities.

6 Membership

All residents holding a tenancy, lease, sub-lease or freehold in (location) during the term of this agreement are entitled to be members of the association for as long they maintain their sole or principal home in the area known as (location) and marked on the plan in appendix 1.

Residents are invited to confirm their membership of the association by completing the application form at appendix 2. The association shall maintain written records of all members in line with the principles of The Data Protection Act 1998.

Unless otherwise provided for in 7 below, all members of the association are eligible to stand and act as trustees.

Ordinary members of the association do not have or accept any personal legal liability for the association's activities.

7 Trustees and officers

The day-to-day business of the association is carried out by the trustees named in appendix 3, or their successors in accordance with 8 below.

- The trustees are appointed by:
- Election as an existing Committee Officer of the (residents' group)
- Unopposed self-nomination
- A ballot of the association's members
- Being co-opted by the association (special invitation to an individual)
- (Other method)

Trustees are appointed at each Annual General Meeting (or a properly convened Special General Meeting) and serve for a fixed term of **(two years)**.

Trustees and officers are jointly and personally liable for the association's activities. All trustees have a duty to act openly, honestly, reasonably and prudently in exercising their responsibilities. Trustees must at all times take account of local residents' views and act in the best interests of the association's members and other local residents in respect of the Community Cashback scheme. By signing this agreement, trustees accept and agree to observe these responsibilities and standards.

From their number, the trustees appoint to the following officer posts. Officers of the association have special additional responsibilities:

Chair

- Has overall responsibility for the association's activities
- Signs the Community Cashback scheme on behalf of the association
- Acts as the principal point of contact with the landlord
- Responsible for the association's health and safety management
- Chairs trustees', ordinary, special and annual general meetings of the association
- Acts as an authorised signatory to the association's bank account(s) and contracts under the Community Cashback scheme
- Coordinates the work of other trustees, officers and the association.

Treasurer

- Responsible for the association's finances, insurance and taxation
- Opens and maintains bank and other financial accounts as required
- Arranges and maintains insurance cover as required
- Handles and maintains written records of all the association's financial transactions
- Prepares and supplies financial and taxation records to the landlord as required
- Acts as an authorised signatory to the association's bank account(s) and contracts under the Community Cashback scheme.

Secretary

- Responsible for the association's membership and administration
- Oversees and maintains records of appointments to trustee and officer posts
- Convenes, notifies and keeps written records of all the association's meetings
- Acts as the trustees' principal point of contact for the association's members
- Handles correspondence and enquiries on behalf of the association
- Acts as an authorised signatory to the association's bank account(s) and contracts under the Community Cashback scheme.

Subject to the maximum number of (**number**) trustees, the association may co-opt up to (**number**) other trustees with relevant qualifications or experience (for example, particular knowledge or experience of the service being provided under the Community Cashback scheme). Trustees can be co-opted in this way even if they are not eligible to be members of the association. Co-opted trustees are appointed and serve on the same terms as other trustees.

Officers serve a fixed term of (**one year**). Subject to the appointment process agreed with the landlord, trustees and officers can be reappointed for an unlimited number of further terms in the same post(s). A trustee cannot hold more than two officer posts at the same time.

Trustees will consult and account to the association's members via special and annual general meetings. Where they are not expressly directed by the decision of an ordinary, special or annual general meeting, trustees have reasonable authority to act on behalf of the association in line with the standards set out in these rules.

All trustees are required to sign these rules, and officers are authorised to sign the Community Cashback scheme and associated contracts, orders and instructions on behalf of the association.

8 Succession

Trustees and officers may leave the association and/or discharge their responsibilities with immediate effect if they:

- No longer have their sole or principal home in (**location**)
- Give up their role(s) due to ill health or other personal reasons
- Resign as a trustee by giving written notice to the association
- Have their membership and trustee/officer status removed under the Code of Conduct set out in 13 below.

New trustees and officers can be appointed at any time, in line with the arrangements in 7 above.

9 Meetings

The trustees hold at least four ordinary general meetings per year at approximately quarterly intervals, to review the association's activities and agree necessary management action. The quorum for an ordinary general meeting is **(number)** trustees.

The association also publicises and holds an Annual General Meeting, open to all its members each year to:

- Receive the trustees' written annual report of the association's activities
- Approve any fees payable to trustees
- Appoint new trustees and officers as required
- Agree any changes to the association's rules.

The quorum for an Annual General Meeting is **(number)** members of the association.

Members of the association may request a Special General Meeting at any time, by submitting a written request to the trustees, signed by at least **(five)** members.

The trustees must arrange, publicise and hold a meeting within **(number of days)** of any such request and take reasonable steps to publicise the details of the meeting using normal local methods and outlets.

All votes at the association's meetings are decided by a simple majority of those present and eligible as members to vote, with the Chair (or his/her acting deputy) having a second, casting vote to avoid deadlock.

Only votes decided by a majority in this way at meetings attended by at least the minimum quorum of eligible members shall be considered valid.

10 Money

The trustees may open and maintain bank and other accounts as necessary to achieve the association's objects. The Treasurer is responsible for establishing and keeping accurate written records of the association's finances, and making these available for independent inspection or audit at any time.

All money received by the association must be used to contribute to achieving its objects.

The approval and signatures of two trustees, including at least one officer, are required for all transactions of the association's funds.

Trustees and other members acting on behalf of the association are entitled to recover any reasonable expenses they incur in performing their duties.

If the association is wound up in line with 15 below, any money held, owed, or owed to it must be accounted for and applied to its objects, or returned to the landlord by the outgoing trustees.

11 Insurance and indemnity

The association maintains the following (insurance/indemnity):

Trustee's indemnity cover to a limit of (£amount) for each individual per year. This insures trustees against claims and losses arising from the performance of their duties, so long as they act honestly, and in good faith.

And/or:

The landlord indemnifies individual trustees against claims, personal liabilities and losses arising from the performance of their duties, so long as they act honestly, and in good faith. This indemnity is limited to (£amount) for each individual per year.

Trustees' (insurance/indemnity) protects members from claims both when they are in post as trustees, and afterwards during any limitation period for liability.

The association arranges and maintains other insurance as required to achieve its objects and/or ensures that contractors and suppliers have the appropriate insurance cover.

The association's obligation to maintain insurance is subject to the relevant form and level of cover being available at reasonable expense, and any terms, excess or other conditions required by the insurers.

12 Equality, diversity and fairness

The association must conduct its business and membership in line with the landlord's policies and obligations for equality and diversity.

The association and its trustees will not unlawfully or unreasonably discriminate or treat anyone less favourably because of their race, colour, nationality, culture, religion, beliefs, age, disability, sex, gender, sexuality, economic status, lifestyle, or for any other reason.

The association has an active duty to promote openness, equality, diversity and fairness in all its conduct and activities.

13 Conduct and respect

Members of the association are required to treat each other and third parties with courtesy and respect in all activities connected to the association.

Members must also disclose to the trustees any close personal connection that they have with any individual or firm involved or potentially involved in the service(s) provided under the Community Cashback scheme. Close personal connection

includes any family relationship and current or previous employment or business interest with the supplier or contractor.

Trustees and officers have a particular duty to behave in an honest, reasonable and responsible way to discharge their duties diligently, and maintain positive relationships with each other, members, the landlord and other third parties.

The trustees may issue a written warning to any member who fails to meet these standards at any time.

Members, trustees and officers who manifestly or repeatedly fail to meet these standards may have their membership (and any trustee or officer status) permanently removed by a valid vote at an Annual General or Special General meeting.

14 Changing the agreement

This agreement can be altered or added to only by a valid vote at a properly convened Annual General or Special General Meeting.

Any proposed changes must be notified in writing to the trustees and the landlord at least **(number of days)** before a vote to approve the change.

15 Ending the agreement

This agreement can be brought to an end, and the association wound up, only by a valid vote at a properly convened Annual General or Special General Meeting (or by expiry of the fixed term in 2 above).

Any proposal to end the agreement must be notified in writing to the trustees and the landlord at least **(number of days)** before a vote to approve the change.

A vote to end the agreement cannot be taken while the association has any financial, service or other obligations outstanding or in force. The opinion of a majority of currently named and serving trustees shall decide whether or not such liabilities remain.

16 Non-partnership and jurisdiction

This agreement does not create a legal partnership. The agreement and the association are subject to English law.

17 Inspection

A copy of this agreement is displayed at **(location)** and is available on request from the Secretary of the association or the landlord.

18 Appendices

- 1 Plan of the area covered by the association.
- 2 Membership form
- 3 Trustees of the association
- 4 The association's Community Cashback scheme with the landlord dated
(date)
- (5 Other)

19 Trustees' signatures

Trustee 1

Name

Signature

Date

Trustee 2

Name

Signature

Date

Trustee 3

Name

Signature

Date

Trustee 4

Name

Signature

Date

Trustee 5

Name

Signature

Date

20 Trustees' responsibilities

By signing this agreement, the above named trustees agree to act openly, honestly, reasonably and prudently in exercising their responsibilities. Trustees must at all times take account of local residents' views and act in the best interests of the association's members and other local residents in respect of the Community Cashback scheme. Trustees accept and agree to observe these responsibilities and standards.

Model membership application form - for residents to confirm membership of an unincorporated, non-charitable association

Items in red to be edited by the user

Application for membership of **(association)**

I **(name)** and all members of my family and household living at **(address)** apply to become members of **(association)**.

I/we have received a copy of the association's rules, and agree to observe and be bound by them.

Signature

Date

This membership continues for as long as I/we continue to live at this address or another within the area covered by the Community Cashback scheme as my/our principal home, or the association is wound up or ceases to operate for any reason.

Guidance on constitutional documents - for a community interest company

A full copy of the guidance can be downloaded from <http://www.bis.gov.uk/cicregulator/guidance>

Model constitutions for Community interest companies can be found at

<http://www.bis.gov.uk/cicregulator/forms-introduction/constitution-guidance/model-constitutions>

Community Interest Companies (CICS) are limited companies, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage.

This is achieved by a "community interest test" and "asset lock", which ensure that the CIC is established for community purposes and the assets and profits are dedicated to these purposes. Registration of a company as a CIC has to be approved by the Regulator who also has a continuing monitoring and enforcement role.

The model constitutions for community interest companies have been prepared by the CIC Regulator with the assistance of lawyers experienced in the social enterprise sector. A range of different constitutions has been produced, so as to cater for different types and sizes of community interest company.

Each model constitution consists of a template memorandum and articles of association, and incorporates all the provisions required by the community interest companies legislation.

It is not possible to produce "off-the-peg" constitutions which will suit every conceivable type and size of potential community interest company. Before using one of the model constitutions as the basis of your company's memorandum and articles, you will have to make sure that it fulfils all your requirements - if it does not, you will need to amend it.

If you are considering amending any of the model constitutions, or if you are unsure about its suitability for your company, the Regulator recommends that you take independent legal or other professional advice. You should certainly seek advice from your landlord.

In any case, you will need to "fill in the blanks" left in the model constitutions for relevant details such as the company's name, objects, share capital or guarantee details, quorum for directors' and general meetings, and the name of any asset-locked body which is to be a recipient of the company's assets in the context of uncapped dividend payments or the company being wound up. The spaces for these details are marked by square brackets in the text of the model constitutions.

If you have not used one of the model constitutions for your company's memorandum and articles, or if you have used one of the model constitutions, but have made changes to it, the Regulator requests that you advise them of this at the point of application. Where you have amended the model constitutions, it would greatly assist the Regulator's Office if you were to use an appropriate word processing tool to show what changes you have made to the model constitution concerned.

Model Community Cashback agreement - for residents and the landlord to sign

Items in red to be edited by the user

(Area) Community Cashback scheme for (service)

This agreement sets out how (residents/group/association/company) will provide the (service) at (area), for the benefit of all residents there, for a period of (period up to 12 months).

The agreement is made under Section 27 of the Housing Act 1985, which enables local authorities to delegate part of their statutory housing duties (housing associations should delete this paragraph).

1 Who's involved

The agreement is between:

- (residents/group/association/company)

and

- (landlord) (the landlord).

(Association) is an unincorporated, non-charitable, not-for-profit association - (Company) is a community interest company established for the single purpose of providing the service(s) set out in this Agreement. It and its trustees/directors and members are governed by an agreement dated (date).

2 What's involved

The (residents/group/association/company) will themselves, or through a competent contractor provide the (service) for the area marked on the plan attached at appendix 1.

The landlord will pay the (residents/group/association/company) to provide the (service) as set out in section 6 of this agreement, subject to satisfactory performance and meeting the other standards and obligations of the agreement.

3 Timing

The agreement runs from (date) until (date). The agreement may be extended from (date) for up to 12 months at a time, up to a maximum of (period up to five years) after its original start date, by negotiation and written agreement between the parties.. Landlords may also require a fresh approval under Section 27 of the Housing Act 1985 for agreements extended beyond five years. If extending the agreement would take the total value since the start date above the EU threshold limit (currently £173,934)

limit, it must be subject to fresh consultation and a new agreement. The landlord will carry out Section 20 consultation with leaseholders as and when required.

Any proposal to continue the Community Cashback scheme beyond five years from its original start date will require that both parties sign a new Community Cashback agreement following consultation under section 105 of the Housing Act 1985 (consultation on matters of housing management) and section 27BA of that Act (consultation with respect to management).

Or for housing associations

Any proposal to continue the Community Cashback scheme beyond five years from its original start date will require that both parties sign a new Community Cashback agreement following consultation as required by the landlord's tenancy agreement or lease agreement.

4 Objectives of the agreement

The key objectives of the agreement are to:

- (objectives)

5 Standards

The key service standards are:

- (standards)

These standards are explained in more detail in the specification for the work attached at appendix 2.

6 Money

The landlord will:

- Pay the (residents/group/association/company) (£amount) for the first year, in four equal quarterly instalments of (£amount), paid in advance.
- Increase the quarterly payments by the current retail price index each year, on the anniversary of the start of the agreement.
- Pay the (residents/group/association/company) an extra bonus of (£amount) on the (number) anniversary of the start of the agreement, as long as it remains in force, and the service has met the agreed standards.

The (residents/group/association/company) will:

- Keep written records of all financial matters relating to the agreement, and allow the landlord to inspect or audit these if it gives reasonable written notice.

- Prepare and send the landlord an annual financial statement of the service no longer than three months after each anniversary of the start of the agreement.
- If the Association is registered for VAT, it will comply with all requirements of HMRC including issuing VAT invoices, keeping VAT records and completing VAT returns.
- Ensure that it pays no more than a reasonable market rate for provision of the services specified in appendix 2, having regards to value for money and the landlord's own costs.
- Carry out an annual satisfaction survey of residents to determine the level of satisfaction on the services provided by the Association.

7 A fair service

The (residents/group/association/company) and any contractors will provide the service so that it, and all related practices, are sensitive to the needs of the local community, and do not unfairly disadvantage or discriminate against anyone.

8 Use and clawback

The (residents/group/association/company) must only use money received under this agreement in accordance with Clause 6. Any property provided by the landlord for use by the (residents/group/association/company) to provide the service shall only be used for that purpose in accordance with this agreement. Any change to the intended use of this money and/or property can only be made with the prior written consent of the landlord.

If the (residents/group/association/company) does not use the money and /or property for the agreed use, then the landlord may:

- withdraw future payments of funds;
- suspend payments while it investigates use of the funds and/or property; and
- the (residents/group/association/company) may be required to repay all or part of the funds received, plus any additional losses, charges or expenses incurred by the landlord as a result of the change of use.

9 Dealings with property

The (residents/group/association/company) shall not charge, sell, lease, let, hire, exchange, or otherwise deal with or dispose of any property belonging to the landlord provided for use by the (residents/group/association/company) in delivering the services, without the prior written consent of the landlord.

10 Insurance and indemnity

The (residents/group/association/company) or its contractor will arrange and maintain the following insurance cover: (delete as necessary)

- Public liability to (£amount) to cover personal loss, damage or injury
- *Fidelity to (£amount) to cover fraud, theft and mishandling of money
- *Employer's liability to (£amount) to cover claims by employees for injury or unfair treatment
- Trustee's/director's indemnity to (£amount) to cover trustees for legal liability arising from claims against their actions (optional)
- Contents to (£amount) to cover theft, damage and loss of equipment and materials.

* Insurance will be required if the Association employs a member of staff

The (residents/group/association/company) will keep written records of all insurance matters relating to the agreement, and allow the landlord to inspect these if it gives reasonable written notice.

The (residents/group/association/company) indemnifies the landlord against all actions, claims, and costs arising from this agreement, unless they relate to the landlord being negligent.

If (residents/group/association/company) elect to provide the service themselves under this Agreement, The landlord indemnifies individual trustees of the (association/company) against personal liability and claims arising from operation of this agreement, so long as they act honestly, and in good faith. This indemnity is limited to (£amount) for each individual per year.

11 Health and safety

The landlord will:

- Provide training for the (residents/group/association/company) and its contractor(s) on relevant health, safety and welfare law and practice.

The (residents/group/association/company) and its contractor(s) will:

- Carry out risk assessments and comply with the relevant health and safety laws and regulations set out in appendix 3.
- Keep written records of all health and safety matters relating to the agreement, and allow the landlord to inspect these if it gives reasonable written notice.
- Promptly report any serious health and safety problems or incidents to the landlord.

12 A quality service

The (residents/group/association/company) and its contractor(s) will allow the landlord to inspect its work under this agreement at any reasonable time on receiving 24 hours' notice.

The landlord will tell the (residents/group/association/company) in writing if there are any shortfalls in the service. The (residents/group/association/company) will then put

right any shortfalls within one month. If the (residents/group/association/company) cannot put things right, it will refund the landlord any costs arising from the shortfalls.

The (residents/group/association/company) will keep written records of all complaints about the service provided under this agreement, and the action it takes in response.

13 Nature of the organisation

The (residents/group/association/company) shall notify the landlord immediately if the nature of the organisation delivering the services is to change.

The (residents/group/association/company) shall not, during this agreement, change its constitution, governing document or Articles of Association without consulting the landlord in advance. The landlord reserves the right to terminate this agreement in accordance with clause 16 if it reasonably believes that the changes will have an adverse impact on the services being delivered.

14 Changing the agreement

Either the landlord or the (residents/group/association/company) can ask for a change to the agreement by requesting this in writing to the other party. Both parties will consider any reasonable suggestion to change the agreement. Both parties must sign a new, amended version of the agreement to confirm any changes.

The (residents/group/association/company) cannot in any way pass on the rights and obligations of the agreement, or any part of it, to anyone else, unless the landlord agrees in writing, and as allowed in the rules governing the (association/company).

If substantial changes are proposed to the homes and area covered by the agreement, or services provided by the (residents/group/association/company), the agreement must be brought to an end by three months' written notice from either party, to allow for local consultation and a new agreement.

15 Disputes and notices

If either the landlord or (residents/group/association/company) fails to meet its obligations under this agreement, the other party may give them written notice, allowing at least one month for the failure to be put right.

If the problem is not resolved, either party can:

- Request independent mediation to resolve the dispute

Or

- Request binding independent arbitration to resolve the dispute

Or

- Bring the agreement to an immediate end by confirming this in writing to the other party.

The landlord may take direct action to provide or maintain services if the (residents/group/association/company) disbands, or in any way otherwise fails to meet its responsibilities or provide the services set out in the agreement. In this case, the landlord shall assume all the rights, responsibilities and liabilities of the (residents/group/association/company) in respect of the Community Cashback scheme.

16 Ending the agreement

Either party can end the agreement at any other time, by giving the other at least three months' notice in writing.

The agreement must be brought to an end if the homes covered by the agreement, or a majority of them become subject to a Tenant Management Organisation. The landlord will give written notice to the (residents/group/association/company) if a Tenant Management Organisation intends to take over some or all of the responsibilities and services provided under the agreement. This notice will bring the Community Cashback scheme to an end three months from the date it is served.

If either party decides to end the agreement, the (residents/group/association/company) must also terminate any contracts or supplies connected with the services provided under the agreement. The (residents/group/association/company) must report any problems arising from this process promptly to the landlord.

At the end of the agreement, the (residents/group/association/company) must pass all records and documents relating to the service to the landlord. The landlord is deemed to have ownership and copyright of all records and documents from the date the agreement ends.

The (residents/group/association/company) must repay any allowance to the landlord which has been paid in advance which goes beyond the agreed termination date.

17 Contacts

Trustee(s) for the (residents/group/association/company):

Name(s)

Address(s)

Telephone

Email

Address for the service of notices on the **association/company**:

Address

For **(landlord)**:

Name

Job title

Address

Telephone

Email

18 Appendices

- 1 Plan of area covered by the agreement
- 2 Specification of works
- 3 Health and safety requirements
- 4 Form of contract to employ contractors to provide all or part of the service.

19 Signatures

For **(residents/group/association/company)**:

Name(s)

Signature(s)

Date

For the landlord:

Name

Signature

Date

Model contract - for residents to agree and sign with a contractor or supplier

Items in red to be edited by the user

Contract for **(services)** provided at **(area)** under a Community Cashback scheme

This contract sets out how **(contractor)** will provide the **(service)** to residents at **(area)**, for a period of **(period up to 12 months)**.

1 Who's involved

The contract is between:

- **(residents/group/association/company)** (the client) and
- **(contractor)** (the contractor)

The client is authorised to enter into this contract by a Community Cashback scheme dated **(date)** with **(landlord)** ('the landlord'). For councils, this agreement is made under Section 27 of the Housing Act 1985.

(landlord) has exclusive third-party rights to this contract, and can enforce any of the terms of the contract under The Contracts (Rights of Third Parties) Act 1999.

2 What's involved

The contractor will provide the **(service)** specified in appendix 2 at **(area)** to the areas marked on the plan attached at appendix 1, under the Community Cashback scheme with the landlord.

The client will pay the contractor **(£amount)** per (period) **(including/excluding VAT)** for the service, as set out in section 6 below, subject to satisfactory performance and meeting the standards and obligations set out in this contract.

3 Timing

The contract runs from **(date)** until **(date)**. The contract may be extended from **(date)** for up to 12 months at a time by negotiation and written agreement between the parties, up to a maximum of five years after its original start date, as long as the Community Cashback scheme remains in effect.

4 Objectives of the contract

The key objectives are:

- (objectives)

5 Standards

The key service standards are:

- (standards)

These standards are explained in more detail in the specification for the work attached at appendix 2.

The contractor must get approval from the client before carrying out any extra works outside the scope of the specification. The client will not pay for any unauthorised extra work.

6 Money

The client will:

- Pay the contractor (£amount) (including/excluding VAT) for the first year, in (twelve/four) equal (monthly/quarterly) instalments of (£amount), paid in arrears on receipt of a written invoice.
- Increase the (monthly/quarterly) payments by the current retail price index each year on the anniversary of the start of the agreement, or by any other amount mutually agreed in writing between the parties when the contract is extended or renegotiated.
- Be entitled to charge reasonable damages for demonstrable loss of income or facility and inconvenience caused by the contractor's action, fault or neglect.

The contractor will:

- Prepare and send the client an itemised invoice for the service within (7/28) days of the end of each (month/quarter) during the period of the contract.
- Be entitled to charge interest at (%) on any amounts due from the client which are outstanding more than (number of days) from the date the invoice was received.
- Provide details of their VAT registration number, if applicable.
- Provide details of their status under the Inland Revenue Construction Industry Tax Deduction Scheme, if applicable.

7 Taxation (if applicable)

The Contractor is a self-employed person responsible for taxation and National Insurance or similar liabilities or contributions in respect of the fees and the Contractor will indemnify [organisation] against all liability for the same and any costs, claims or expenses including interest and penalties.

8. A fair service

The client and contractor will provide the service so that it, and all related practices, are sensitive to the needs of the local community, and do not unfairly disadvantage or discriminate against anyone.

The contractor must produce and implement a written statement to demonstrate that they are committed to equality. The contractor also agrees to observe the client's equality and diversity policy.

Apart from the landlord, the contractor will not disclose the terms of this contract to a third party without the prior express written permission of the client.

The contractor will not enter into any price-fixing agreement or otherwise act in any anti-competitive manner that might affect the probity of this contract or the quality and value for money of the service.

9 Insurance and indemnity

The contractor will arrange and maintain the following insurance cover:

- Public liability to (£amount) to cover personal loss, damage or injury
- Fidelity to (£amount) to cover fraud, theft and mishandling of money
- Employer's liability to (£amount) to cover claims by employees for injury or unfair treatment
- Professional indemnity to (£amount) to cover claims against the contractor's actions
- Contents to (£amount) to cover theft, damage and loss of equipment and materials.

The contractor or its broker will provide written confirmation of its insurance cover if the client requests it.

The contractor indemnifies the client and the landlord against all actions, claims, and costs arising from this agreement, except if they relate to the client or the landlord being negligent.

10 Health and safety

The client and contractor will:

- Carry out risk assessments and comply with the relevant health and safety laws and regulations set out in appendix 3.

The contractor will:

- Maintain safe working practices at all times
- Keep written records of all health and safety matters relating to this contract and allow the client and/or the landlord to inspect these if it gives reasonable written notice
- Promptly provide any reasonable information related to health and safety requested by the client and/or the landlord.
- Report any serious health and safety problems or incidents related to this contract promptly to the client.

11 A quality service

The contractor will exercise the appropriate skill, care and diligence that could be reasonably expected of a competent contractor for a service of this scope and nature.

The contractor will not use any sub-contractors or other indirect labour to provide the service without the prior, express written permission of the client.

The contractor will allow the client and/or the landlord to inspect its work under this contract at any reasonable time on receiving 24 hours' notice.

The client will tell the contractor in writing if there are any shortfalls in the service. The contractor will then put right any shortfalls within one month. If the contractor cannot put things right, it will refund the client any reasonable costs arising from the shortfalls.

The contractor will cooperate with and act upon any reasonable systems that the client uses to gather customer feedback on the quality of service provided by the contractor.

The client will keep written records of all complaints about the service provided under this agreement, and the action it takes in response. These records will be available for inspection by the contractor at any reasonable time on receiving 24 hours' notice.

12 Changing the contract

Either the contractor or the client can ask for a change to the contract by requesting this in writing to the other party. Both parties will consider any reasonable suggestion to change the contract.

Both parties must sign a new, amended version of the contract to confirm any changes. Any changes are subject to the Community Cashback scheme with the landlord still being in effect.

The contractor cannot pass on the rights and obligations of the contract, or any part of it, to anyone else, unless the client agrees in writing.

The client cannot pass on the rights and obligations of the contract, or any part of it, to anyone else, unless the landlord agrees in writing.

13 Disputes, notices and ending the contract

If either the contractor or client fails to meet their obligations under this contract, the other party must tell them in writing, and allow at least one month for the failure to be put right.

If the problems are not resolved, the contractor or client can then bring the contract to an immediate end by confirming this in writing to the other party.

Either party can end the contract at any other time, by giving the other at least three months' notice in writing.

The agreement must be brought to an end if the Community Cashback scheme under which the services are provided expires or terminates for any reason.

If the contract is brought to an end, the parties will carry out an accounting exercise to calculate any work or payments outstanding and pay any sums due on receipt of a written invoice.

14 Contacts

For the client:

Name

Address

Telephone

Email

For the contractor:

Name

Address

Telephone

Email

15 Appendices

- 1 Plan of area covered by the contract
- 2 Specification of works or services
- 3 Health and safety requirements
- 4 The client's Community Cashback scheme with the landlord dated (date)

16 Signatures

For the client:

Name
Signature
Date

For the contractor:

Name
Signature
Position
Date

Glossary

Accounts

Regular, written records of actual income and spending for a Community Cashback scheme.

Arbitration

Binding review and decision by an independent expert, to resolve a dispute between two or more parties.

Arm's Length Management Organisation (ALMO)

A council-owned company set up to improve and manage local authority homes.

Award(s)

Recognition of exceptional performance, innovation or achievement arising from a Community Cashback scheme.

Big Society

Government plans to put more power and opportunity into people's hands.

Budget

Annual income and spending plan for a Community Cashback scheme.

Chartered Institute of Housing

Professional membership and trade body for people working in housing.

Community interest companies

Companies created for people to run a business for community benefit.

Consultation

Research to discover the views of local residents about a proposed Community Cashback scheme.

Contract

Written, legal agreement to provide services under a Community Cashback scheme.

Core statement

Short, initial form of words to describe why a Community Cashback scheme is proposed.

landlord

Elected local housing authority - usually City, District or Borough. All references to 'the landlord' in the toolkit mean the local authority where homes covered or potentially covered by a Community Cashback scheme are located, or a registered housing provider managing homes in a similar way.

Data protection

Duties to handle personal and confidential information under the Data Protection Act 1998.

Deficit(s)

Losses made by spending more on services than is received in income from the landlord.

Department for Communities and Local Government

Central Government department responsible for housing policy and local government.

Detailed plan

Advanced proposals for a Community Cashback scheme produced by residents.

Diversity

Aspects of difference in a community (for example, race, ethnicity, age, culture, gender).

Dowry(ies)

Amount paid to residents by a council when they take responsibility for a local service.

Equality(ies)

Respecting differences fairly .

Estimate(s)

Non-binding forecasts of the likely costs of providing a service.

Health and safety

Duties, responsibilities and practices to protect the welfare of anyone affected by a Community Cashback scheme.

Health and Safety Executive (HSE)

Government agency responsible for implementing health, safety and welfare legislation and good practice.

Housing Act 1985

Principal Act of Parliament governing local authorities' housing duties and powers.

Housing association

An independent, not-for-profit housing provider registered with the Social Housing Regulator.

Housing Benefit

State benefit covering housing and related costs administered by local councils.

Indemnity

Immunity from or compensation for legal claims arising from a Community Cashback scheme.

Innovation into Action

Funding programme to develop best practice in local authority housing.

Insurance

Protection and financial cover against legal claims arising from a Community Cashback scheme.

Landlord

A council or other registered housing provider letting homes on Secure or Assured Tenancies or leases.

Liability(ies)

Potential legal and financial responsibilities arising from a Community Cashback scheme.

Local choice, local control

The Government's statutory guidance on tenant management for councils.

Community Cashback scheme

An agreement to provide local housing services between local residents and a landlord made under Section 27 of the Housing Act 1985.

Localism

Government plans to devolve service and decision making to community level.

Mediation

Structured discussion with an independent person to resolve a dispute between two or more parties.

Monitor(ing)

Regular review of performance and finances to control services under a Community Cashback scheme.

Object(s)

The purpose of a Community Cashback scheme or unincorporated association.

Outline plan

Initial scope and proposals for a Community Cashback scheme produced by residents.

Quote(s)

Binding cost proposals to provide a service.

Residents' choice

The Government's non-statutory guidance on tenant management and other options for greater resident control.

Right to Manage

Legal framework for council residents to set up a Tenants Management Organisation to control local services.

Risk(s)

Potential problems and hazards arising from a Community Cashback scheme.

Service charge(s)

Amounts payable by residents for local communal housing services (for example, cleaning, caretaking and gardening).

Social Housing Regulator Government agency responsible for registering social housing providers and regulating their activities. The Homes and Communities Agency took over this role from April 2012.

Specification

Details of services, standards or materials provided under a Community Cashback scheme or contract.

Stock transfer

Change of ownership and management of council homes to a housing association or other provider.

Surplus(es)

Profits made by reducing the cost of services below the income received from the landlord.

Taking Charge

Project led by Westminster City Council to develop Community Cashback as a national model for resident involvement.

Tenant Management Organisations (TMOs)

Resident-led and controlled housing management created under the Right to Manage.

Tender(ing)

Obtaining proposals and costs from contractors to provide services under a Community Cashback scheme.

Test(ing) support

Consultation with local residents about a proposed Community Cashback scheme.

Trustees

Members of an unincorporated association who take on responsibility and liability for its activities under a Community Cashback scheme.

TUPE

Transfer of Undertaking (Protection of Employment) regulations - governing the transfer of public sector staff working in services transferred to other providers.

Unincorporated association

A non-charitable, not-for-profit, single purpose residents' group set up to run services under a Community Cashback scheme.

Westminster City Council

The Local Authority that piloted Local Management Agreements under Innovation into Action funding and who developed this toolkit in partnership with the Chartered Institute of Housing.

