

About Resident Management Organisations (RMOs)

The National Federation for TMOs describes a TMO (Tenant Management Organisation) as a means by which council or housing association tenants and leaseholders can collectively take on responsibility for managing the homes they live in.

Those resident members of the TMO create an independent legal body and usually elect a tenant led management committee to run the organisation. The TMO can then enter into a legal management agreement with the landlord. The TMO is paid, by the local authority, annual management and maintenance allowances in order to carry out the management duties that are delegated to them.

Some TMOs manage just a handful of homes while others manage large estates of two or three thousand properties. The small TMOs may rely mainly on voluntary effort but most employ staff such as housing managers, caretakers and repair workers.

The services managed by the TMO vary with local circumstances but may include day-to-day repairs, allocations and lettings, tenancy management, cleaning and rent collection.

What's the difference between a Co-operative and an RMO?

The difference between RMOs/TMOs and Co-operatives is an academic one that does not affect how the organisations are run. An RMO is a business limited by guarantee, whereas a Co-operative is a member of the Industrial and Provident Society. Like companies, Co-operatives are corporate bodies, but they are not registered under the Companies Acts.

All RMOs and Co-operatives are:

- Not for profit
- Have no dividend payouts for shareholders
- Owned by members who form a management Board

What's the difference between a Residents' Association and an RMO?

Both Residents' Associations and RMOs aim to increase levels of resident participation and involvement. However, while Residents' Association on Council-managed estates can influence decisions made in relation to their estate, they do not have the same level of control that RMOs have.

- RMOs have more control and much more responsibility than a Residents' Association.
- RMO Boards have legal and contractual responsibilities and are accountable to their membership.

- RMOs actively take on landlord management functions such as gardening, cleaning and service charge collection.
- RMOs are granted a management allowance by the Council, and the budgets they deal with are far larger (£100,000s) than the grants given to Residents' Associations (£100s).

Why form an RMO?

Most RMOs tend to be formed due to resident dissatisfaction with management functions, generally aesthetic issues such as cleaning or gardening, or financial issues such as service charge bills.

The National Federation of Tenant Management Organisations (NFTMO) explains that the benefits of forming an RMO include:

- RMOs often manage their housing more effectively than their landlord.
- Their performance matches the top 25% of local councils in England.
- This better performance by RMOs covers repairs, re-lets, rent collection, and tenant satisfaction.
- RMOs, being on the spot and with local knowledge, tend to act sooner and more effectively when dealing with tenancy management problems.
- RMOs can work well in socially excluded communities.
- Many RMOs are involved in wider community activities and play an important part in neighbourhood regeneration.
- The majority of RMO tenants say the RMO helps to increase community spirit and improve the quality of life.

What is a Modular Management Agreement (MMA)?

Each RMO has a Modular Management Agreement (MMA). The MMA is a legal document between the Council and the TMO explaining the split of responsibilities between the two organisations.

The MMA is an important document that should be the main focus point for all queries regarding the RMO and how it should operate.

The MMA is made up of a main body and explanatory 'schedules' which explain:

- The management function split – what services the TMO will do and what services the Council will continue to do.

- The terms of how each service will be carried out.
- The standards that the RMO should meet in regard to the services that have been taken on.
- The standards that the Council should meet in regard to the services that they have retained.
- How the Council will monitor and where possible, support the RMO, and the procedures should things go wrong..

Each RMO can select the areas of responsibility they would like to take on by choosing options from a series of modules in creating the MMA.