

TENANT EMPOWERMENT

NFA response

The National Federation of ALMOs (NFA) represents all current and aspirant arm's length management organisations (ALMOs). We welcome the opportunity to comment on the CLG consultation paper and the key points of our response are summarised below:

- ❖ any speeding up of the Right to Manage process should not detract from its robustness and the adequacy of the information given to residents
- ❖ the NFA does not support opening up of training and support to bodies other than Approved Persons with known competencies in this field
- ❖ offering a wider range of options to tenants does have management implications and the NFA is concerned these should not lead to higher costs that might impact on residents in non TMO managed stock or which might affect the ability of ALMOs to obtain additional funding due to the VfM performance requirements
- ❖ the NFA recommends that CLG fund research into developing good practice guidance on managing the three way relationship between TMOs, councils and ALMOs
- ❖ housing association tenants should be given the same Right to Manage as council tenants
- ❖ all social housing tenants should have the Right to Appoint a new Housing Manager should their own manager fail to deliver an adequate service
- ❖ the NFA supports the concept of an independent regulator that will apply common standards across the whole of the social housing domain
- ❖ the primary purpose of the regulator should include promoting tenant empowerment and excellent standards in service provision and making life better for residents in social housing
- ❖ the regulator's powers should include supporting TMOs and incentivising service improvement and excellence
- ❖ residents should have access to comparable information at local level on cost and quality of all providers in the social housing sector
- ❖ tenant-led ALMOs are potentially a real option for the future.

These key points are outlined in more detail below.

Q1-4 Speeding up Right to Manage process

While recognising that there may be some elements that could be speeded up or made simpler the NFA is concerned that tenants might not fully understand what they are taking on if the process is made too rapid and the training requirements are over simplified. If the information given to residents at the outset is not adequate then there will be much abortive work and disappointed tenants. At the end of the day any system must still be robust and offer adequate assurances and protection to residents. The bottom line is that the process involved in winding up TMOs that fail to meet expectations is even more difficult than setting them up, as well as being very demoralising for the tenants.

Managing the stock themselves requires a very considerable commitment from residents and it is essential that all those going down this route are fully comfortable with the requirements. While, on the surface, comparison with the stock transfer process might seem straightforward, in reality ballots on whether an organisation other than the council should manage the stock differ in considerable degree from asking whether the residents should take such a major task on for themselves. We therefore do have reservations about having only a single ballot and would suggest consideration be given to at least some kind of indicative survey, if not a full ballot, at an earlier stage.

In our experience there has been no difficulty in appointing Approved Persons to advise residents in the past and it is essential that tenants receive good advice and information from agencies or individuals experienced in this field. We therefore do not support the opening up of support and training to bodies or individuals who cannot demonstrate appropriate competencies.

Q5-6 Voluntary process for tenant management

While not wishing to deny residents the opportunity to opt for a variety of choices in managing the stock it must also be recognised that managing multiple types of TMO presents a potential problem for the landlord or managing agent that has to provide the support, collate monitoring information and ensure that all the residents in its area, whether TMO managed or not, are treated equally.

There are significant differences in the size, capacity and functions undertaken within the TMO movement – from large TMOs that are nearly of ALMO size, are professionally staffed and can deliver economies of scale to those with only a handful of units covering very limited functions.

While there are no doubts that TMOs overall have high satisfaction rates due to their ability to deliver at very local level the functions most important to their residents nevertheless they do also have higher costs in general. This can become a problem with the current drive towards delivering VfM, especially in ALMO-managed stock since ALMOs are already pressed by their local authorities to deliver a disproportionate amount of local authority housing efficiencies. ALMO authorities make up only 21% of local housing authorities in England (although managing more than half the council housing stock) yet

they are producing 68% of all local authority housing efficiency gains. It is important that tenants in non-TMO stock are themselves not disadvantaged by potentially higher TMO costs within their area.

Additional funding for ALMOs is dependent on receiving at least a 2* inspection rating and the contribution of TMOs to providing the performance information that will help the ALMO to achieve this goal can also be an issue, especially in those TMOs that deliver relatively few functions or have limited capacity.

Q7 Tenant Management and TMOs

The NFA welcomes the proposal to require local authorities to inform ALMOs when a Right to Manage notice has been served.

However, there is still an issue in relation to existing TMOs and the tripartite relationship between TMOs, councils and ALMOs where practice on the ground remains patchy. When ALMOs were first established very little consideration was given to this issue. There remains a direct contractual arrangement between councils and their TMOs but while some councils recognise it others do not. Some authorities still deal directly with their TMOs, which in itself can lead to problems if the ALMO is not kept informed of developments. Other councils, however, have handed the entire responsibility over to the ALMO, but not necessarily with the agreement of or even discussion with the TMOs. Furthermore, supporting TMOs can have significant unpaid costs for ALMOs that are not necessarily reflected in the management fee.

The NFA is committed to the development of a three-way protocol involving ALMOs, local authorities and TMOs. CLG could give consideration to funding research into the development of good practice guidance that takes into account this tripartite arrangement.

Q8 Voluntary process for RSLs

The NFA considers that housing association tenants should have the same Right to Manage as council tenants. Voluntary agreements on their own will not work since they are only likely to be accepted by the better housing associations while residents in the poorer performers have the most reason for wishing to manage their own homes.

With the increasing parity in opportunity across the social housing domain it makes no sense to continue to withhold the same rights from those in housing association accommodation.

Additionally the NFA believes that all social housing tenants should have right to appoint a housing manager if their own manager fails.

Q9-10 A national voice for tenants

The NFA fully supports the concept of a tenant voice at national level. However, we consider it should be for residents themselves to determine whether this should be through resourcing existing tenant organisations or by

establishing a new trade body, whether separate or attached to another organisation.

Wider neighbourhood services

The NFA recognises that wider neighbourhood issues may be the spur to establishing a TMO rather than the management of the social housing stock. Clarification is needed, however, as to whether such activities are an extension of housing management or a social enterprise role.

Q15 Proposed role of social housing regulator

The NFA supports the concept of an independent regulator that will apply common standards across the whole of the social housing domain. The primary purpose of the regulator should include promoting tenant empowerment and excellent standards in service provision and making life better for residents in social housing. The functions to be regulated should go beyond core housing functions and include housing related community and neighbourhood functions.

The NFA considers it vital that the social housing regulator should ensure residents have access to comparable information at local level on cost and quality of all providers in the social housing domain and that there should be a statutory mechanism to enable the housing management agency of any provider that fails to deliver an adequate service to be changed.

The regulator's powers should include supporting organisations and incentivising service improvement and excellence, rather than being totally orientated towards controls and penalties. Incentives should be given to encourage TMOs to improve basic housing management. The ALMO model has demonstrated that a real incentive linked to achieving high performance has had a much more radical effect in improving service performance in the local authority stock over a short period of time than decades of a punitive subsidy and capital regime. The same effect has been seen in other areas as well, with significant improvements in performance on housing benefit and council tax collection being seen once a regime based on financial penalties for poor performance has been replaced by one that actively seeks to help struggling authorities.

Tenant led ALMOs

ALMOs are still a relatively new phenomenon but they have already demonstrated a new way of delivering excellence in service provision and tenant involvement in the council housing stock.

Residents have clearly shown that they can step up to the mark in terms of making key decisions about the management and maintenance of their homes. The NFA considers it essential that financial freedoms for high performing ALMOs and local authorities should be introduced without delay and, once this is underway, resident majority owned ALMOs, as set out in the joint NFA/CIH/HouseMark report *ALMOs – a new future for council housing*, could well be the next stage in the development of the ALMO model.

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