

## ALMOs – IMPROVING HOUSING AND LIVES

Since their establishment six years ago, ALMOs have secured an unrivalled track record of success, from meeting Government targets for improving housing standards to tenant empowerment and groundbreaking new services on safety and community integration. In doing so, ALMOs are transforming neighbourhoods and enhancing the life chances of council tenants.

- ❑ 67 ALMOs currently operate in 64 local authorities, managing 960,000 council properties. A further three ALMOs are due to go live in 2008.
- ❑ The total ALMO managed stock is set to exceed one million homes by end 2008 – more than half of all local authority housing.
- ❑ £3.7bn since April 2002, and a further £2.4bn in the period 2008-2011, has been committed to improving the council housing managed by ALMOs.
- ❑ 220,000 homes have been brought up to Decent Homes Standard and the first two ALMOs achieved this throughout their entire housing stock five years ahead of the original target date of 2010.
- ❑ In the most recent survey, 77% of tenants reported satisfaction with ALMO housing management – more than achieved by local authority controlled housing or housing associations.
- ❑ Of the 54 ALMOs inspected by the Audit Commission, 49, or 90% have been classified as excellent (14x3 star) or good (35x2 star) on performance and service delivery. No traditional local authority and only two housing associations have achieved three stars in the last three years.
- ❑ 3 out of the 4 authorities awarded Beacon Status for 'improving housing services by involving tenants' were ALMO managed.
- ❑ Although councils with ALMOs constitute only 25% of local authorities in England and are responsible for managing only half the total council stock, ALMOs contribute two thirds of all local authority housing efficiency savings.
- ❑ Tenant involvement is fundamental to the success of ALMOs and sets them apart from council managed and RSL schemes. One third, or more, of every ALMO Board are tenants and, in over a half of ALMOs, tenants are in the Chair.
- ❑ ALMOs are key in helping councils and other agencies deliver innovative social inclusion and community safety agendas, with a reputation for innovative programmes to prevent anti-social behaviour, improve security and deal with domestic violence and racial harassment.
- ❑ ALMOs contribute to the quality of the lives of their customers beyond the traditional remit of housing management through providing employment and training schemes, activities for both young and older people, advice with debt reduction and tackling fuel poverty amongst others.
- ❑ ALMOs recognise that improving housing standards is only one part of a wider role to improve neighbourhoods. ALMOs have an active role in regeneration and improving the local environment.
- ❑ ALMOs can be used for the whole, or part, of the council housing stock. Some authorities use a combination of partial stock transfer, PFI and ALMOs. There can be more than one ALMO in a local authority area. Some ALMOs are also starting to manage properties on behalf of other providers, such as housing associations.

## Future Plans

- ❑ ALMOs that achieve at least 2 stars in their inspections by the Audit Commission are allowed to apply for Social Housing Grant (SHG) administered by The Housing Corporation to build new council homes. The first eight ALMOs have been approved to bid for SHG funds with another qualification round next year.
- ❑ ALMOs want a greater role with more resources for the regeneration of neighbourhoods. They would like the ability to enter into partnerships with other organisations to contribute to community action initiatives and enhance the life chances of residents.

## Housing and Regeneration Bill

The NFA welcomes the Bill but would like to see stronger provisions to ensure all social housing tenants have a level playing field when it comes to regulation and the ability to exercise choice of management.

**Regulation of ALMOs:-** As currently proposed by the Bill, the new Regulator, Oftenant, will only cover housing associations and local authority social housing or housing controlled by councils which includes ALMOs. Following objections to this by the LGA and the NFA amongst others, the Government has said that it is committed to extending the new framework to local authorities as rapidly as possible. It has asked Professor Ian Cole to establish how this will work in practice. As it is unlikely that the issue will be resolved before the Bill completes its passage, this will mean that primary legislation will be required. Given the trouble with finding legislative slots, this could take two years or more. Aside from offering tenants less protection over that period, it also creates the potential for duplicate regulation for ALMOs where they manage properties on behalf of other providers, particularly housing associations, or where they own new build directly. It makes no sense if different regulatory systems are applied across the stock by different bodies, taking up significant management time and wasting resources with no benefit to the residents themselves.

**Right For Tenants To Choose Managers:-** If the basis of the Government's social housing policy to offer real choice to tenants is to mean anything, it must be comprehensive and apply to all social housing tenants, so that they have the same rights as those in the private sector to choose their landlord. Under existing legislation, council tenants have the right to apply to the local authority to directly manage their homes through setting up a Tenants Management Organisation (TMO). We would like to see the Bill amended to specifically state that all tenants will have the power to apply to the Regulator to seek the appointment of a new manager and to have access to information on the cost and quality of all providers in the sector to give them the knowledge they need to inform that option. Giving housing association tenants this choice would not affect the ownership of the property which could stay in the hands of the Association.

**Access to information:-** NFA would like one of the objectives of the Regulator to be to ensure that social housing tenants, as well as having an appropriate degree of choice, also have an appropriate degree of information about the management of their homes. This is essential if they are to have an effective choice and be able to take part in management. The Tenant Involvement Commission found that: 'Awareness of how housing associations perform is very low...Few tenants know how to find out how their association performs compared to others.'

**Self-financing:-** NFA welcomes the provisions in the Bill allowing ALMOs to move out of the HRA subsidy regime, either for new build or for their whole stock. This paves the way for ALMOs to be self-financing, offering long-term financial stability and security, enabling ALMOs to have financial freedom, raise funds from the private sector for new build and further improve service delivery.

**If you would like further briefing on these changes to the Bill please let us know.**

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