

## Community Right to Challenge Consultation NFA response

### Introduction

The National Federation of ALMOs (NFA) is a non-profit-making trade body that represents all 62 arms length management organisations (ALMOs) who between them manage nearly 900,000 council homes in sixty-one local authorities, approximately half of all council housing in England. Since 2002 ALMOs have provided tenants with excellent local, customer-focused and cost-effective housing management services. They have significantly improved performance and customer service by forging a new, closer relationship with residents.

The vibrant ALMO sector is transforming neighbourhoods and enhancing the life chances of council tenants. Central to the ALMO ethos and crucial to their success is the direct involvement of tenants in all decisions. One-third, or more, of every ALMO board are tenants and many chairs of these boards are tenants. There is no better driver to raising standards than having the people who will directly benefit make the decisions instead of having them made for them.

ALMOs are much more than just housing managers. They seek to improve the lives of tenants through ground-breaking services supporting work opportunities contributing to neighbourhood regeneration, tackling anti-social behaviour and promoting community cohesion. However, at present tenants have no legal right to ensure their housing service is provided through an ALMO should the council decide to bring it back in-house.

The NFA welcomes the proposals to give greater power to local communities. This reflects the whole ethos of the ALMO movement to empower tenants. The NFA would like clarification that the Community Right to Challenge will be applicable to social housing tenants and ALMO staff who want to manage their social housing.

### Community Right to Challenge – Section 3 relevant bodies

The legislation will give voluntary groups, charities and social enterprises a right of challenge to run local authority services by submitting an expression of interest (EOI) to their council. The council must then consider the EOI and either accept it, with or without modification, and run a procurement exercise for the service; or reject it.

The NFA believes that council tenants should have the right to challenge local authorities over the running of their housing services and be able to bid to run these for themselves. This would build on the ALMO model through tenants making the decision about the structure of the body they would set up to manage their housing and the degree of direct tenant involvement in decision making. However, the Bill as presently constituted is unclear as to whether a body of council tenants would be classified as a voluntary or community body for the purposes of the legislation even though, on the surface, they would appear to comply with the criteria of non profit

making bodies carrying out activities for the benefit of the community, i.e. council tenants.

Similarly the NFA considers that an ALMO's officers should also be treated as a 'relevant body' for the purposes of the Bill in the same way that local authority staff are. ALMOs are fully owned by the local authority and the ALMO staff are ex-council staff carrying out the same functions as local authority staff in retained stock councils, and by and large working with the same conditions, pay scales, pensions and other employment practices. It is therefore only equitable that they should be treated in the same way and have the same rights as council staff. Not all tenants would necessarily want to take on the risk and effort of running the service themselves but might be happy for their ALMO to do it on their behalf. There is one ALMO actively working on a mutual co-ownership model at present. This is being done with the council's active co-operation, so a right to challenge is not required for them; but it could be an option for other ALMOs in the future.

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