

A variety of housing management models

Following the tragic fire at Grenfell Tower, a lot of attention focussed on the management arrangements for the block.

Kensington and Chelsea Council, delegated day to day management to the Kensington and Chelsea Tenant Management Organisation (KCTMO) in 1996. Residents voted to set up KCTMO and the company is owned by them. TMO's are a child of Right to Manage legislation and in simple terms, tenants can ask their landlord to transfer responsibility for certain landlord functions to them and the landlord is required to pay the TMO a fee to deliver those services. Typically a TMO will take on services such as grounds maintenance, caretaking and minor repairs. TMO's are concentrated in a small number of local authorities including Islington, Lambeth and Wolverhampton. Many of them were set up decades ago as a response to poor service delivery by their landlord. KCTMO is unique, as it is a borough wide TMO delivering the full range of housing management services. Their Board includes eight resident directors.



Just over 10 years ago, KCTMO also registered as an ALMO (Arms Length Management Organisation) to build on the existing resident engagement arrangements and access additional funding from the Government to bring the stock up to the Decent Homes Standard. There are 35 ALMO's across England managing 500,000 homes. The first ALMO's were set up in 2002 under a Labour Government who wanted to see service improvement and greater resident involvement in return for additional borrowing powers. Although 24 ALMO's have gone back in house, 10 have gone on to form new Housing Associations following stock transfer ballots. The majority of the remaining 35 ALMO's have long term agreements and are delivering a wide range of services on behalf of their parent local authorities including building new homes. ALMO Boards comprise a mix of Council and resident representatives, and independents.

ALMOs and TMOs pride themselves on having residents at the heart of their governance and both models have been catalysts to significant service improvements across the country.

Some Housing Associations have also adopted governance models that put residents centre stage. Merthyr Valley Homes and Rochdale Boroughwide Housing, both led by ex ALMO Chief Executives, have adopted mutual models of governance which include residents and staff.

Irrespective of whether the stock is managed directly by landlords or delegated to a TMO, ALMO, or private contractor, there are 3 essential ingredients needed to ensure a successful outcome.

First the Governance arrangements must be excellent. Boards and Council Committees must have the right mix of skills and experience to oversee a wide range of services and risks. Boards and politicians must offer challenge to their Executive management teams.

Secondly, the service specification must be comprehensive. Any delegation of responsibility must cover risk areas including management of fire, gas and other health and safety risks. Management can be delegated, but the landlord is still ultimately responsible for compliance with all statutory requirements. If more than one party is at fault, this may be reflected in fines and penalties being apportioned across a number of partners.

Thirdly, it is essential to have experienced Executive staff at the helm. With the drive for efficiencies, we are seeing a loss and dilution of housing management skills. This is a serious challenge because every Council, ALMO and HA needs a senior manager who “knows their onions” when it comes to dealing with the management of social housing.

None of the existing management models are inherently flawed, but all need to keep a focus on strong governance, a vision with clear outcomes and senior staff who know how to deliver excellent services.

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