

ALMO Governance

- Local authorities are the sole shareholder of an ALMO and they are directly accountable to the local council and community where they operate.
- ALMOs are set up by councils with a specific remit to manage and improve local authority housing stock.
- Unlike Large Scale Voluntary Transfers, the housing stock remains within the ownership of the local authority, as does the ALMO itself. Local authorities retain overall control of the performance and strategic direction of the ALMO and ownership of the housing revenue account, although ALMOs may manage it on their behalf.
- ALMOs are not-for-profit companies with a Memorandum and Articles of Association setting out their aims and governance. The majority have long-term management contracts with their local authorities or other similar arrangements in place.
- Tenancy rights are unchanged – new and existing tenants remain secure council tenants, and all the legal rights of a council tenancy, including Right to Buy, are unaffected.
- ALMO governance is tailored to the locality and designed to meet the needs of the local authority. ALMOs are managed by a board of directors which is usually made up of Independents, Councillors/council nominees and residents/tenants, whereby no single group is in the majority. In 2018, around a third of ALMO boards were tenants, with the remaining board members, independents and councillors/council nominees. In some ALMOs, as governance has become more complex, there are now higher numbers of independent advisors with relevant skills and experience, but in these cases, tenants are represented through sub-committees and scrutiny panels. Tenants have a far greater say in how their properties and surrounding environment are managed, and how their money will be spent, than under any other structure.
- Training and support is provided by all ALMOs to encourage and assist tenants/residents to become board members or engage in other resident engagement structures.
- All ALMOs have tenant/resident scrutiny panels which challenge, question and offer scrutiny on officers' reports on performance. A majority of ALMOs use tenant associations and resident forums to gain feedback. Other structures for tenant engagement include focus groups, community engagement projects, online forums and panels, mystery shopping and surveys.
- Winding up option. If an organisation is not deemed to be a success, the relevant LA is able to close the ALMO and deliver the services within the council, provided tenants have been fully involved in and support the decision. This ensures there is clear accountability and a focus on achieving results.

(Last updated: November 2019)