National Federation of ALMOs

championing better homes and communities

Annual Review

2016-2017

Meet the NFA Board/Team

The NFA Board*

Further details can be found at www.almos.org.uk/nfa_board

Hugh Broadbent
NFA Board Chair

Tony Churton
NFA Board Vice-Chair

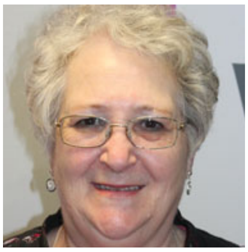
Ainsley Forbes MBE

Jason Langley

Mike Ainsley

Paul Hayes

Peter Walters



Sue Abbott

*subject to AGM

The NFA Team

Further details can be found at www.almos.org.uk/nfa_team

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Introduction

It gives me great pleasure to introduce The National Federation of ALMO's Annual Review, which sets out what the sector has achieved in the past twelve months and our future plans. This report highlights both the successes of our members whilst detailing the findings from our Annual Survey.[1]

Hugh Broadbent
NFA Chair

The survey is carried out annually to identify and track trends, whilst sharing lessons and examples of good practice between members and to the wider housing sector. The NFA is the trade body for all Arms-Length Management Organisations (ALMOs) across England in the social housing sector.

In 2016 the housing policy environment contained a number of elements which we felt would impact negatively on social housing. The political environment at the time also made us believe it would be implemented forcefully over the term of the Parliament until everything changed. They say a week is a long time in politics so the whole year has been like an eruption. The EU referendum not only produced an unexpected result for many, but brought forward "another Government" with different ideas about social housing policy.

We believe the changes that Government has introduced to Pay to Stay and the continued listening to our members about the effects of Universal Credit are clear, demonstrable benefits coming from your trade body acting cooperatively with others to lobby government ministers and civil servants.

We had an early opportunity, jointly with ARCH, to raise your concerns about Pay to Stay which came to avail. In addition, the relevant and hard data coming from our surveys about Universal Credit is certainly making DWP, Ministers and MP's sit up.

There was a lower profile given to a Government proposal which would limit the influence of councils on registered providers and would have ultimately been a nonsense for a number of ALMOs. Fortunately common sense prevailed and this measure will not impact on our sector.

Within the membership there continues to be many examples of why ALMOs are beacons of quality public service delivery, and the review highlights lots of them.

ALMOs continue to perform to a very high level and in ways which demonstrate their ingenuity. Four ALMOs (South Essex Homes, Stockport Homes, Newark and Sherwood Homes and Sutton Housing Partnership) were listed in the Housing Innovation Index by Inside Housing. Lesley Roberts at Wolverhampton Homes was awarded Chief Executive of the Year by 24housing. These are just a few examples of national awards achieved across the sector as a result of their outstanding performance in a number of areas.

Our members continue to provide a widening range of services to their parent council. These initiatives are being developed because ALMOs have a track record of high performance and offering value for money as an in-house provider where accountability and control are close to the public.

The 'public' being tenants, who are always at the forefront of our minds. To that end, we celebrated the "Ordinary People Extraordinary Lives" photography exhibition which was displayed at our Annual Conference and in the Houses of Parliament in Autumn. The exhibition celebrated ALMO tenants and their extraordinary life stories in efforts to mitigate the stigma and the negative stereotypes surrounding social housing tenants. We know this made an impression on MPs' and we are intending to develop this theme in our 2017 photography exhibition "Our Homes Our Street".

Building more new homes primarily for ownership remains the Government's priority, but we continue to argue that more homes available to rent affordably are essential to the housing numbers deficit. Meanwhile many ALMOs with the keen support of their councils are bringing new development to fruition, again as you will see in these pages. There is some recognition of the need for rented homes in Government's thinking, some of which was signalled in the Housing White Paper, *'Fixing our Broken Housing Market'*.

Beyond 'Brexit' housing remains a high priority of Government in 2017, and the NFA team will, as ever, keep on top of the ideas and proposals as they come forward. Alongwith the NFA Board, who will endeavour to work with all its members to represent your community's interests throughout the year ahead.

Many thanks to you all for your commitment to the NFA and we hope that we can continue to support you and your interests as successfully in 2017.

1 Please see NFA (2015) *Changing with the Times* for previous Annual Survey results.

A good year for the NFA

Despite the turbulence we saw in British politics in 2016, with the vote for Brexit, a new administration and a Labour Party leadership contest, the NFA has stayed calm and carried on fighting on behalf of tenants and ALMOs across the country for a better deal for council housing.

Our hard work and perseverance paid off with the new Housing Minister, Rt Hon Gavin Barwell, announcing in November that the Pay to Stay policy would not be made compulsory for councils and the Government would consider the sale of High Value Voids further before its implementation. The HCA Affordable Housing Programme was also made more flexible and included some funding for rented homes which was very welcome.

Throughout 2016 the main focus for the NFA was fighting to mitigate some of the worst effects of the Housing and Planning Act as it was going through Parliament. We briefed and lobbied MPs and Peers in the first half of the year to try to get amendments made to the Bill and then worked with DCLG and ALMOs in the latter half of the year to try to iron out the technical details involved in many of these new polices.

Although the Bill received Royal Assent on 11th May 2016 it was with some hard won changes in the House of Lords and much of the detail to come in regulations. The lobbying certainly gave us traction with the NFA being cited in many parliamentary debates; building our reputation for high quality evidence and briefings amongst parliamentarians. The NFA also contributed to the framing of regulations after Royal Assent by providing evidence to civil servants from ALMOs on the likely costs, front line concerns and potential unintended consequences. We kept members informed of progress along the way and achieved many of our objectives including getting Government to exempt ALMOs from their proposals to reduce the influence councils can have on registered providers.

Alongside the work on the Housing and Planning Act we updated our economic appraisal of building more social housing with SHOUT and publicised that heavily at the Conservative Party Conference and in our work leading up to the Autumn Statement.

In October 2016 we exhibited the top 20 photographs from our competition “Ordinary People, Extraordinary Lives” at the House of Commons, allowing tenants to meet MPs and tell their stories over the course of a week, helping to challenge the negative perceptions of council tenants often cited in the press.

In November we had a very positive joint meeting with the Housing Minister and ARCH. We were pleased to hear that he was keen to explore ways in which councils and ALMOs could help build new homes across all tenures. To help provide options to the new Minister on that issue we worked with ARCH, CIH and CIPFA to develop a proposal for individual deals on HRA settlements in return for promises on supply. We submitted our ideas in December 2016 and we are now discussing them with civil servants.

The NFA also continued to regularly survey members with ARCH on the impacts of Universal Credit. We met with Lord Freud and DWP officials in both June and with his successor, Rt Hon Caroline Nokes in December 2016, for constructive meetings discussing our findings and our recommendations. We also ensured that MPs and Peers were fully briefed on our findings in order to keep up the parliamentary pressure on Ministers.

In addition, the Communications Strategy was successfully implemented and the NFA enjoyed a positive, high profile through the press on Universal Credit, building new social homes and the photography exhibition to name but a few.

In our policy work we also consulted external organisations to develop our understanding of the wider housing sector’s views and responses to aspects of the Housing and Planning Act. We held a roundtable discussion and a private dinner on Value for Money in February with sponsors and a roundtable discussion with Crisis and PlaceShaper Housing Associations on Local Housing Allowance rates for young single people in August.

To support the sector and share best practice in continuing to deliver excellent and efficient services to their tenants we produced a Value for Money briefing as well as a briefing on ALMO Governance. We also held a successful one day event for ALMO and council officers on fixed term tenancies in November to help ALMOs prepare for the coming changes to council tenancies and our annual one day ALMO Board Members event in October.

In order to help achieve all of this as a relatively small organisation we worked closely with other stakeholders across the social housing sector, levering in expertise and funding where useful.

Our main ally in lobbying and policy work has continued to be our friends in ARCH. This year we explored whether we could do more together. We ran a successful joint seminar which examined the role that local housing companies can play in meeting housing demand “A million new homes by 2020 : The role of municipal housing” in July. HouseMark also ran a joint ARCH and NFA Chief Executive Conference in December. As a result of the positive outcomes of our partnership, both trade bodies have agreed to explore the possibility of a joint procurement exercise for our managing agent. We would ask contractors to price for separate and joint provision of services to the NFA and ARCH to allow both parties to see what potential savings could be achieved. To enable this to happen the NFA has asked CIH Consultancy to roll the existing contract over until Dec 2019 so that the NFA and ARCH are both aligned on contract end dates and a procurement exercise would be undertaken in Spring/Summer 2019. A joint task group will consider that option later in 2017.

Hugh Broadbent, NFA Chair, Rt Hon Gavin Barwell, Housing Minister and Cllr Paul Ellis, ARCH Chair (left to right)

Throughout the year the NFA runs various events to help share best practice across the sector, draw on expertise and experience from the wider housing sector and to encourage networking. The following is an overview of the events and publications which were held and published in 2016/17.

Events

- NFA Annual Conference & Awards *(April)*
- ARCH and NFA joint seminar: A million new homes by 2020: The role of municipal housing *(July)*
- LHA Rates and Shared Tenancies Roundtable Meeting with Crisis and Placeshaper HAs *(August)*
- Local Authority Housing Investment Roundtable Meeting with CIH, CIPFA and ARCH *(September)*
- ALMO Board Chairs/Members One Day Event *(October)*
- NFA Tenant Photography Exhibition at the House of Commons *(October)*
- Seminar: How Flexible Are You?: Introduction of Fixed-Term Tenancies – Lessons to Date *(November)*

Publications and Briefings

- 2015 NFA Annual Survey Summary Findings – Changing with the Times *(January)*
- NFA and ARCH Welfare Reform Findings: Measuring the Impact *(January)*
- Housing and Property Management New Apprenticeship Standards with ARLA, ARCH, ARMA, CIH, IRPM and NHF *(February)*
- 10th Annual NFA Awards – Winner and Finalists 2016 *(April)*
- Stretching the Pennies – Seeking Value for Money *(April)*
- NFA Tenant Photography Exhibition Brochure *(April)*
- NFA and ARCH Welfare Reform Findings: Universal Credit – One Year On *(June)*
- Building New Social Rented Homes: An Updated Economic Appraisal with ARCH, LGA, and SHOUT by Capital Economics
- Recruitment Pack: Become an NFA Board Member *(October)*
- ALMO Governance: The Inside Track *(October)*
- Overview of the NFA – Insert for Photography Brochure at the House of Commons *(October)*
- NFA and ARCH Welfare Reform Findings: Universal Credit - A progress update (January 2017)

Policy and Lobbying

- NFA Monthly Policy Update for Members *(1st working day of every month)*
- NFA Member Briefing: Housing and Planning Act *(May)*
- NFA Member Briefing: Preparing for Housing and Planning Act 2016 Regulations *(June)*
- NFA Member Briefing: Welfare Reform Act *(June)*
- NFA Member Briefing: 2016 Autumn Statement – Key Headlines *(November)*
- NFA, ARCH, CIH and CIPFA Joint Proposal to Create Incentives for Local Authority Housing Investment and Letter to Housing Minister to accompany proposal *(December)*

ALMOs: A Year in Review

Everyone knows about ALMOs achievements in delivering the Decent Homes programme. By 2011, most ALMOs had delivered their Decent Homes investment and brought all of their stock, managed on behalf of council/s, to the Government's decency standard.

Despite, ALMOs being set up solely for this purpose, they were also able to demonstrate two further significant achievements: improved performance of the housing management service and greater tenant engagement/empowerment which they continue to deliver to this day.

In 2016, the top social landlords across England were ALMOs as Stockport Homes and Berneslai Homes were ranked as the top two landlords respectively in 24housing's top 50 landlords list. Wolverhampton Homes (16), Poole Housing Partnership (18) and Sutton Housing Partnership (22) also made the top 50.

As well as ALMOs – their staff and tenants have amassed an extensive list of achievements.

To name a few, Solihull Community Housing's IT team who also provide IT services to the council won the Housing Heroes Award for Central Service Provider of the Year. Stockport Homes were awarded Team of the Year for their anti-social behaviour service at the Resolve ASB awards with Derby Homes as the runner-up. Six Town Housing's Scrutiny Group were acknowledged for Excellence in Communications with a Customer Scrutiny Inspection Award.

Keith Walton, a Lewisham Homes resident and Chair of Evelyn Tenant and Residents Association was honoured with the Tenant Champion 24 Housing Award. Ronnie Fray from Wolverhampton Homes was awarded Mentor of the Year at the Housing Heroes Awards and Marie Caygill from St Leger Homes of Doncaster won the Housing Heroes Inspirational Resident/Tenant of the Year Award posthumously; for a cancer support service she set up in the community after being diagnosed in November 2013. She sadly passed away in January 2016. Cora Carter MBE, a Kirklees Neighbourhood Housing tenant activist and NFA founding member, was bestowed with the prestigious Life Achievement award at the Women in Housing Awards. Sue Roberts MBE was given the Most Effective Board Member Women in Housing Award, having served both on the NFA and Wolverhampton Homes as a tenant board member and chair.

ALMOs were also recognised for their innovation in how they manage housing stock, engage with their tenants and communities and increase housing supply.

The Inside Housing Innovation Index, the first of its kind, revealed the innovative and creative cultures of housing organisations which outperform the norm. South Essex Homes, Stockport Homes, Newark and Sherwood Homes and Sutton Housing Partnership were listed in the index, respectively. Rykneld Homes were also awarded the UK Housing Innovation Award (2017) for the Most Innovative Use of Community Engagement and Stockport Homes was the award winner for the Most Innovative Housing Provider (with over 10k properties) category. At present, Wigan and Leigh Homes are also currently shortlisted for the 2017 UK Housing Award for Outstanding Innovation of the Year (with over 20k stock).

ALMOs remained ambitious in their development plans and dedicated to investing in new homes, despite the pressures of the rent cut and other reforms which impacted their business plans.

Four ALMO Chief Executives appeared in Inside Housing's Who's Who in Local Authority Development across the three categories; performers (Helen McHale at Stockport Homes and Ian Fitzpatrick at Eastbourne Homes), accelerators (Jon Mallen-Beadle at Gateshead Housing) and visionaries (Nick Murphy at Nottingham City Homes).

Nottingham City Homes continues to be a leader in development and are one of the few housing organisations that build in-house using the skills and experience of their own repairs and maintenance tradespeople. This year, their independent living scheme, Palmer Court, won the LABC Building Excellence Award for the Best Affordable New Housing Development in the country. Their Denton Green development trained local people to help build new bungalows and won a Considerate Constructors Award. These developments were delivered in partnership with Nottingham City Council and ALMOs developing across the country are similarly working closely with their councils to unlock their full potential to deliver new housing supply.

Eastbourne Homes and Eastbourne Council won the UK Housing Award for Outstanding New Development of the Year for their joint initiative, The Housing and Economic Development Partnership, which delivers a programme of new housing, regeneration, community and economic development.

In addition, to try and combat recruitment struggles, the ALMO sector is undertaking various measures to increase staff retention and encourage young people to pursue employment in social housing.

City West Homes, Stockport Homes and Kensington and Chelsea TMO were listed in the Sunday Times Top 100 best not-for-profit organisations to work for and Berneslai Homes won the Best Apprenticeship Scheme 24housing Award. Four ALMOs were listed in the 2017 Stonewall Top 100 Employers: Tower Hamlet Homes, Your Homes Newcastle, Wolverhampton Homes and Nottingham City Homes. Tower Hamlet Homes (1st), Your Homes Newcastle (2nd) and Wolverhampton Homes (4th) were ranked as the top housing employers across the United Kingdom. The Stonewall Index measures companies progress on lesbian, gay, bi and trans inclusion in the workplace.

Nottingham City Homes also won the UK Housing Award for Outstanding Approach to Leadership and Diversity and Gateshead Housing was awarded the TPAS Award for Excellence in Equality and Diversity for the We Stand Together project which enable young people to engage, discuss and create artwork around hate crime. Last but not least, St Leger Homes of Doncaster were given the Business in the Community Award for Championing an Ageing Workforce for their New Directions Scheme which retains and retrains older employees to help grow the organisation.

Overall, this year has definitely been a series of proud moments for the ALMO sector and it has been wonderful to see ALMOs, their staff and tenants continue to be nationally recognised for a wide range of areas which they demonstrate excellence and expertise in.

Any year in housing is shaped by tenants and their communities, government, ideas and on a more jubilant note, awards. The following shows the celebratory highlights of the ALMO sector over the last year.

May 2016

Local Authority Building Control Excellence Awards
Winner of Best Social or Affordable New Development
Nottingham City Homes for Palmer Court

June 2016

24housing Top 50 Social Landlords
The top social landlords of 2016 were ALMOs, Stockport Homes and Berneslai Homes, respectively. Wolverhampton Homes placed 16, Poole Housing Partnership, 18 and Sutton Housing Partnership, 22.

Housing Heroes Awards
Central Service Provider of the Year
Solihull Community Housing – IT Housing Team
Inspirational Resident/Tenant of the Year
Marie Caygill, St Leger Homes
Mentor of the Year
Ronnie Fray, Wolverhampton Homes

July 2016

TPAS Awards
Excellence in Contractor Engagement
Stockport Homes for engagement with B4Box
Excellence in Equality and Diversity
Gateshead Housing for 'We Stand Together'

August 2016

Business in Community Awards
Championing an Ageing Workforce
St Leger Homes for New Directions scheme

September 2016

Customer Scrutiny Inspection Awards
Excellence in Communications
Six Town Housing
Most Inspiring Scrutiny Panel – ALMO
Stockport Homes

24housing Young Leaders
Central Service Provider of the Year
(3) Wolverhampton Homes – Andy Evans, Project Coordinator
(12) Wolverhampton Homes – Cara Weatherly, HR Officer
(16) Sutton Housing Partnership – Demi Hastain, Business Transformation Officer
(18) Wolverhampton Homes, Nicola Richards Estate Manager
(22) South Tyneside Homes – Ross Hargreaves, Apprentice Electrician

Innovation Index by Inside Housing
(6) South Essex Homes
(10) Stockport Homes
(27) Newark and Sherwood Homes
(33) Sutton Housing Partnership

October 2016

Stonewall Top 100 Employers
Top two housing employers in the Stonewall Index were ALMOs:
(12) Tower Hamlet Homes – Top Housing Employer
(28) Your Homes Newcastle (2nd)
(63) Wolverhampton Homes (4th)
(89) Nottingham City Homes

November 2016

Women in Housing Awards
Exemplary Housing Professional of the Year
Emma Richman, Six Town Housing
Lifetime Achievement Award
Cora Carter MBE, Kirklees Neighbourhood Housing and TAROE.
Most Effective Board Member
Sue Roberts MBE, Wolverhampton Homes and NFA

February 2017

24housing Top 50 Power Players
(15) Rebecca Rance – Chief Executive, Newark and Sherwood Homes
(16) Eamon McGoldrick – Managing Director, NFA
(22) Helen McHale – Chief Executive, Stockport Homes
(28) Chloe Fletcher – Policy Director, NFA
(47) Helen Jaggar – Chief Executive, Berneslai Homes

Housing Innovation Awards
Most Innovative Use of Community Engagement
Rykneld Homes
Most Innovative Housing Provider (over 10k properties)
Stockport Homes

Building Communities East Midlands (BCEM) Awards
Health and Safety
Derby Homes
Sustainable and Renewable Technologies
Rykneld Homes
Tenant of the Year
Karen Humble, Nottingham City Homes

April 2017

UK Housing Awards Finalists
An Outstanding Approach to Tenant Involvement
Derby Homes
An Outstanding Approach to Income Management
Gateshead Housing
An Outstanding Approach to Tackling ASB
Stockport Homes
Outstanding Landlord of the Year
Stockport Homes
An Outstanding Approach to Tackling Homelessness
Stockport Homes
Wigan and Leigh Homes
Outstanding Innovation of the Year
Wigan and Leigh Homes

A Change of Tack

Policy Review

A new Prime Minister and a new set of DCLG Ministers has brought about a new view of the housing crisis and how best to solve it. The Government recently set out its analysis of the issues and outlined its favoured solutions to the crisis in the Housing White Paper *'Fixing Our Broken Housing Market'*. So what does this all mean for ALMOs and their councils?

Chloe Fletcher
NFA Policy Director

The main focus of the White Paper is on planning measures to speed up the delivery of new homes across all tenures. However it does state that *"Local authorities' role in delivering new housing goes beyond using their planning powers. They also have an important role in delivering homes themselves. We want to make sure that they have the tools they need to get homes built where the market isn't coming forward with enough."*

The NFA is very pleased that the role of councils and ALMOs in building new homes has been recognised in this way and has welcomed this significant shift in attitude from Government.

The White Paper also states that *"Ministers are interested in the scope for bespoke housing deals with authorities in high demand areas, which have a genuine ambition to build."* Given that we submitted a bid along these lines in December 2016 we are keen to make the most of the opportunity offered in the White Paper and are now working closely with our colleagues at ARCH, CIH and CIPFA as well as two councils and one ALMO to try to take our proposals forward with DCLG officials and Ministers. We aim to persuade the Government to give councils and ALMOs who are willing and able to build more homes immediately additional freedoms and flexibilities within the Housing Revenue Account to be able to do so.

Our proposal shows that with changes to specific areas of housing policy the council sector has the potential to substantially raise its output without extra Government grant. The main high level policy areas in which changes are proposed are:

- flexibilities in borrowing caps
- greater stability and certainty of rental income
- better use of receipts following Right to Buy

The Government has acknowledged the issue on rent policy but has not given any further detail and said it will *"set out, in due course, a rent policy for social housing landlords"* but that *"The Government also confirms that the 1% rent reduction will remain in place in the period up to 2020."* So there is still much work to be done during 2017 with our colleagues across the social housing sector to lobby for a reasonable rent policy from 2020 onwards.

There was also no mention of the sale of High Value Voids or the ending of lifetime tenancies and we are still waiting to hear what Ministers are planning for the implementation of those parts of the Housing and Planning Act 2016.

Happily the energies of the department now seem much more focused on increasing supply across all tenures than tinkering around the edges with how council housing is managed on the ground. That said, Gavin Barwell, the Housing Minister, has indicated that both policies will still be implemented although possibly with some favourable changes for the sector so we look forward to engaging with the Government on those issues too in 2017.

The White Paper noted that the Government welcomed innovation in the council sector and was supportive of local authority housing companies which have added to the supply of new housing. It said the Government is keen to look at how they might be encouraged as long as *"tenants that local authorities place in new affordable properties are offered equivalent terms to those in council housing, including a right to buy their home."*

To our dismay there was no mention of the impact of recent welfare changes on the ability of tenants to pay for affordable housing across the social and private rented sector or the impact of the roll out of Universal Credit on arrears and the risks posed to landlords to their income stream. In our view this is integral to how much and how quickly social landlords can build affordable homes and needs to be considered as part of a policy framework to support rather than restrict the building of social and affordable homes.

So, looking forward to the year ahead, the NFA will grasp the opportunities offered by the change in tack by the Government on housing policy and fight hard for the bespoke deals for councils and ALMOs, as promised in the White Paper, to help deliver the many new affordable homes the country needs. We will also continue to argue the case against further housing benefit cuts and for improvements to the Universal Credit programme to try to ensure that we get the joined up Government response to '*Fixing our Broken Housing Market*' that we really need.

It looks like another challenging year ahead for ALMOs but we are confident that our members will be able to meet the challenges head on and do the very best they can for their tenants.

Housing is back on the Agenda

Housing is back on the agenda and there have been a number of very significant changes in the last year.

Terrie Alafat CBE
Chief Executive, Chartered Institute of Housing

We've had a new Housing Minister, a new Prime Minister, a new commitment from the Government to solve our housing crisis and of course, Brexit.

But through all of this one challenge remains: the need to build more homes.

There is no doubt that this is a challenge all organisations, including ALMOs, must play an active role in.

Home ownership is at a 30-year low, private renting is at an all-time high and homelessness has been steadily rising since 2010 – the evidence that more and more people are struggling to afford a place to call home seems to grow by the day.

For 25-30 per cent of people in the UK owning a home is simply not a realistic prospect. Too many people, particularly under 35s, are finding themselves priced out of buying a home and left with no alternative but to grapple with increasingly expensive private rents.

The research is mirrored in public perception; our own research has showed that 79 per cent of people believe young people will not be able to access a home they can afford, even if they work hard and get a good job.

This all points to one thing – we have to build more homes. In fact we need 250,000 a year to meet demand.

We are currently nowhere near this level of building. In fact we ended 2016 with the lowest level of affordable house building for 25 years.

The Government's White Paper represents a significant shift – but we have yet to see the concrete commitments to back up its very positive messages on affordability.

It's no surprise there is a shortage of homes that people can afford when one looks at where the Government is currently directing its housing investment.

Our recent analysis showed that of the £51 billion invested in housing in the years up to 2020/21; only £8 billion will directly fund affordable homes.

Meanwhile our recent projections suggest 250,000 social rents will be lost between 2012 and 2020 as a result of the Right to Buy and conversions to affordable rents.

It is very clear then that we still need to do much more to support the people who need housing the most. We need more homes that people can afford and we need to give the organisations able to deliver those homes the funding, support and flexibility to do so.

CIH have consistently called for more support for local authorities and ALMOs to rightly become major players in house building and were delighted to recently be part of a meeting at the Department for Communities and Local Government with the NFA, ARCH, CIPFA, local authorities and ALMOs to take the first tentative steps towards the bespoke deals which could be a key part of building the homes we so desperately need.

The NFA continues to be a crucial lobbying organisation and representative body for the hundreds of ALMOs across the UK.

One thing is very clear – if we are going to build the houses we need then all organisations, including ALMOs, must play a very significant part.

Cornwall Housing, Hendra Parc in Liskeard

Why Universal Credit's problems shouldn't come as a surprise

Universal Credit, the Government's flagship welfare reform, appears to be in difficulty and 'bad news' stories about it abound. It has been criticised for having fundamental design flaws, like the absence of effective daring sharing between the Department for Work and Pensions and social housing landlords, and the requirement for new claimants to wait at least six weeks for their first benefit payment.

Paul Hickman
Professor of Social Policy and Housing, Sheffield Hallam University

These design flaws, along with others, have resulted in the arrears rates for tenants who have moved onto UC increasing markedly, recent studies suggest. For example, an 'investigation' by The Guardian found that eight out of ten social housing tenants who had moved onto Universal Credit (UC) had fallen into rent arrears or had seen increases in the level of their pre-existing arrears and the survey by the NFA and ARCH of 33 stock retaining councils and ALMOs also found that the arrears rates of tenants receiving UC was significantly higher than for those receiving their benefits in the 'traditional' way.

None of these findings should come as a surprise as they are consistent with those of the evaluation of the 'trial' designed to test UC: the Direct Payment Demonstration Projects (DPDPs). Crucially, in light of the apparent surprise shown by Ministers when yet more bad news about UC surfaces, it is important to note that the study, which myself and Dr Kesia Reeve directed, was funded by the Department for Work and Pensions (DWP). The DPDPs explored the impact of the two central tenets of UC: direct payment and the consolidation of six key benefit payments into one monthly payment.

The circumstances under which DP was implemented under DPDP were more favourable than is the case under UC: for example, under the DPDP programme (in part because of DWP funding) landlords were able to allocate considerable resources to managing DP. Despite this, the study's final written outputs highlighted numerous problems associated with DP, problems that were also likely to occur in UC, potentially on a grander scale because of this circumstantial difference.

The study found that:

- Most tenants encountered difficulties under DP and only eight per cent of those who were still on DP at the end of the programme managed to pay all of their rent in full over its duration.
- Many tenants found DP stressful and a source of anxiety. A telephone survey of under-payers found that, when asked why they wanted to leave the DPDP programme, 34 per cent of respondents reported that it was 'too stressful'. A number of tenants who were interviewed in-depth highlighted how stressful they found DP, particularly when transitioning from landlord payment. *'It [DP] did make me worry and panic ... cos obviously I'm ringing them [landlord] saying: 'this is what I've been paid, is it right?" And they're: "well if that's what's been paid". And I'm: "no I want to make sure it's right. I don't want you sending me a letter saying you owe us £15 from last week 13 from the week before". And then it all mounts up and you've got loads of rent arrears and I don't want that.'*
- DP in the DPDPs had a significant negative effect on landlords' arrears and a total of £1.9m of rent owed was not paid over the 18 month period, which was equivalent to 2.3 per cent of their annual rent roll. Overall, tenants who went onto DP paid 95.5 per cent of all the rent owed, compared with the comparator sample who paid 99.1 per cent of rent owed (a difference of 3.6 percentage points).
- Landlords reported that managing DP was much more resource intensive than the 'traditional', landlord payment, where (for tenants on full housing benefit payments were paid directly to them). For example, one landlord noted that it had to devote three times more resources than 'normal' to secure a payment under DP: *'So on average we're putting three times the work in to get the same debit that we used to have before'*. Landlords identified a number of areas where the delivery and management of DP had resulted in the use of additional resource and increased costs, with staff time identified as being the largest one.

These findings, along with others, then, suggest that the problems currently being encountered by UC were entirely predictable and to be expected.

As mentioned by Paul, our recent surveys with ARCH have shown very clearly the negative impact the roll out of Universal Credit is having on the level of arrears that tenants accrue during the initial 6-8 week waiting period for payment and the impact that has on families in terms of needing support from hardship funds, foodbanks and loans to get through that time.

Chloe Fletcher
NFA Policy Director

Our key findings were:

- Overall, a higher proportion of tenants (85%) claiming UC are in arrears compared to 39% of tenants overall.
- Since 31st March 2016, the proportion of households in arrears for the tracked cohort has increased overall from 31% to 37% and particularly among those claiming UC, from 79% to 86%.
- The same cohort have witnessed a decrease in the average a tenant owes across all households from £294.57 to £250.15 whilst for those on UC the average has nearly doubled from £321.05 to £615.89.
- For the tracked cohort 59% of those households on Universal Credit and in arrears owed more than one month's rent and 44% were subject to an APA.
- Among the tracked cohort, 63% of tenants on Universal Credit and in arrears had pre-existing arrears compared to 51% as at 31 March 2016.
- Although, pre-existing arrears is a significant issue it does not completely explain the higher levels of arrears among UC claimants. Within the tracked cohort only 50% of the arrears can be attributed to pre-existing arrears, this has fallen from 69% in March 2016.

We have shared all of our findings with DWP and have recently made a submission to the Work and Pensions Committee with additional information from ALMOs and will continue to engage with DWP officials and Ministers to try to get improvements in both the UC policy and the processes to ensure people get their money quicker and have more choice about how they pay their rent.

To that end the NFA and ARCH are calling on a number of changes to Government policy and practice in relation to Universal Credit and would like to see:

- An end to the seven day waiting period for Universal Credit claims to begin.
- Provision for UC recipients to have their rent paid directly to their landlords by choice.
- The speeding up of the UC assessment process to 3 weeks similar to the processing period for housing benefit.

Benefit caps have also already been lowered and most working age benefits frozen since 2016. The coming changes for housing benefit in the social sector are also likely to cause some tenants hardship and landlords concerns as Housing Benefit entitlement is taken away from 18-21 year olds except in exceptional circumstances and social tenants are made subject to the same Local Housing Allowance rates from April 2019 as those in the private sector. This will mean that some tenants may face a shortfall in their housing benefit and not be able to afford social housing. In particular single under 35 year olds will only be eligible for help with their housing costs up to the equivalent of a shared room in the private sector. The LHA rates will also apply to supported housing in the social sector and we are awaiting the outcome of consultation by the Government on a new funding pot for supported housing which may or may not cover the additional costs of this type of accommodation.

So I am afraid we will not see any let up in the austerity cuts for some of the poorest members of society in the coming year and the consequent reduction in many households' spending power will therefore continue to impact within families and across communities and is only likely to make rent collection and housing management support harder for all landlords.

Thinglass/www.istockphoto.com

Looking Forward
Life Chances

Theresa May has been very clear that that she wants those who are 'just about managing' to be firmly at the top of her Government's priorities. This focus is sorely needed. Recent JRF research found that there is a large and growing number of people whose incomes are below the level they need for an acceptable standard of living – in 2014/15 there were 19 million people in this group, four million more than there were in 2008/09.

Brian Robson
Policy and Research Manager, Joseph Rowntree Foundation

Tackling the unaffordable cost of housing must be at the heart of action to change this. The growing cost of renting or buying a home is putting increasing pressure on household budgets and, in turn, increasing pressure on the Government to take action. Organisations that provide and manage social housing are at the crux of where these two priorities meet.

A severe lack of genuinely affordable housing is at the centre of the current crisis. Housing costs can be enough to tip people who are just about managing into not managing at all. There are three million more people living in poverty after housing costs are taken into account than before.

The Government has, rightly, been clear that its priority is to increase overall housing supply. Building more homes is important, but the type and tenure of housing matters too. Many people who are in poverty after housing costs are taken into account live in the private rented sector, where 70% of households spend more than a third of their income on housing costs, and where homes are more likely to be in poor condition or let out on short-term contracts.

This puts further pressure on the already stretched household budgets of those who are just about managing but, particularly for those on low incomes, the impact of living in an insecure or unsuitable home can go beyond the household finances. Having a stable, secure home is crucial for children's life chances. For adults, the lack of a secure home can make it more difficult to plan for the future, get involved in the local community or even to hold down a job. These issues are particularly acute in the private rented sector, where many people living in the bottom of the market are struggling with short term contracts and poor conditions.

Social housing providers should be proud of the important role they play in delivering secure homes which are genuinely affordable to those on lower incomes – social housing has been labelled the most 'pro poor' aspect of the entire welfare state. We know ALMOs and councils could do more if they were freed from restrictions on borrowing to build.

But they can also go beyond bricks and mortar – providing residents with a range of services that help to boost financial security. Many ALMOs offer innovative services like opening a digital hub to help residents increase their digital skills, providing affordable childcare and offering affordable credit via a small loans schemes. At a time when money is tight we must redouble our efforts to ensure investments like these are based on the best possible evidence on what works.

Tackling the high cost of housing is key to improving the living standards and financial stability of people who are just about managing. The Government has taken important steps to acknowledge the impact that unaffordable rented housing is having on people's financial security. To make a long term difference, it's vital that they work with councils, ALMOs and residents to ensure that everyone can access a safe, secure and affordable home.

Barnet Homes, Get Real Project - a shared flat in Edgware

The term ‘life chances’ is used to describe opportunities available to individuals which enable them to improve their quality of life and depending on these opportunities their life will remain the same, worsen or improve both socially and economically.

Manpreet Kaur
NFA Policy and Research Officer

The social rented sector provides affordable, safe and secure housing to people on low incomes across the country. In 2015-16, 45% of social renters were in the lowest income quintiles and 27% in the second lowest. Therefore, ALMOs by their nature work with some of the most vulnerable tenants in the country.[2]

Extending life chances starts at home; living in poor housing conditions has a long-term impact on your health, ability to learn and your productivity. NFA members’ diverse services and excellent housing management services ensure tenants can access the support they need to be healthy, safe, realise their ambitions, make a positive contribution to society and achieve economic wellbeing for their family.

Tenants and residents remain at the heart of what our members do and ALMOs are committed to championing better communities and providing opportunities and support which allow people to thrive and prosper.

This includes providing better care and reducing health inequalities among residents. Since February 2016, Stockport Homes has offered a free counselling service through its contracted partner Relate GMS. The service is primarily for tenants who are going through a difficult time and feel that they would benefit from talking about it. During the initial eight months of implementing the service, 97 referrals had been received with 339 individual counselling sessions delivered. In addition, Eastbourne Homes offer a housing support service called ‘STEPS’ to clients aged 65+ and a navigator service for 18+ year olds with a long term physical condition which hopes to enable them to live independently for as long as possible. Since 2015, it has provided support to 1,009 navigator clients and 2,144 clients with a housing support need.

People over the age of 65 spend more than 80% of their time at home, by 85 this rises to 90%,[3] and they are more likely to have contact with friends and neighbours just once a month.[4] To improve later life for older residents our members provide specialist housing and offer housing support such as welfare/benefits advice and home adaptations. In Poole, 24% of tenants are 65 and over (24%) and Poole Housing Partnership has recently refurbished their extra care schemes which provide 24 hour care and support commissioned by social services.

Similar to other ALMOs with extra care schemes (38%) they make savings to the NHS social care budget by preventing the need for residents to move into residential care and also reducing hospitalisation costs by limiting the possibility of accidents which can cause injuries such as falls.

ALMOs also encourage elderly residents to be actively engaged in their communities as well as socialise with other tenants. They run various activities to tackle social isolation such as communal dining (i.e. coffee mornings and lunch clubs), social activities (i.e. bingo and cooking classes) and low intensity physical activities such as tai-chi to also promote a health living style.

Those who are homeless and in poverty are particularly disadvantaged and it can have a detrimental and unforgiving impact on one’s life chances. ALMOs are heavily focused on tenancy sustainment and providing the relevant support required for vulnerable tenants to help them manage their tenancies and avoid evictions to prevent homelessness. Examples of the vulnerable groups ALMOs provide services to include: those that are homeless, have a history of substance misuse, care leavers, low income families and domestic violence survivors.

The majority of ALMOs (68%) also directly assist their local authority in implementing their Homelessness Prevention Strategy, carrying out homelessness and general advisory duties such as homelessness assessments and housing options advice. Whilst, 41% provide homelessness services delivering support and advice to vulnerable groups at risk of homelessness and outreach housing support; to prevent homelessness.

NFA members are also creating opportunities for young people and residents to improve their life chances by offering support to get back into work such as interview practice, CV writing, education and training opportunities. 70% have initiatives to tackle unemployment and 24 ALMOs (65%) have apprenticeship schemes with 254 apprentices being employed across the sector. Seven of our members also offer support and advice to tenants who want to start their own businesses or are self-employed.

Despite the financial uncertainty within council housing services at the moment, with the threat of having to sell off high value voids, the impact of the 1% rent reduction coupled with all of the welfare reforms and cuts to benefits recently, ALMOs are as passionate and determined as ever to ensure their tenants and residents are given the means to improve their health and their social and economic wellbeing.

2 DCLG (2017) *English Housing Survey 2015 to 2016: Headline Report*
3 NHS Alliance (2016) *Housing for Health – Supporting Older People*
4 Shelter (2007) *Older People and Housing Factsheet*

In Memory of Cora Carter MBE

On 2 November 2016, the housing sector lost one of its great heroes, with the passing of Cora Carter MBE at the age of 82. Cora was a true pioneer of the tenants' movement, not just in Kirklees, but nationally too, starting in 1984, when she set up a tenant's group as a way to lobby the council on behalf of her neighbours.

Liz Cook
Chief Executive, Kirklees Neighbourhood Housing

Then going on to establish the Kirklees Federation of Tenants and Residents Associations in 1987 (now known as Communities Who Can) which she chaired. Cora was a founding member of the Board of Kirklees Neighbourhood Housing (KNH), serving as chair for five years and continuing to play an active role until her passing. During her tenure, KNH was awarded beacon status for tenant participation and was accredited three times by the Tenant Participation Advisory Service (TPAS) for resident involvement.

As a founding member and former chair of the Tenants' and Residents' Organisations of England (TAROE), Cora was an influential figure nationally as well as locally. Meeting regularly with government ministers, senior civil servants and national housing organisations as well as working on European social housing projects with TAROE. Cora was a down-to-earth Yorkshire woman, friendly, approachable but unafraid to speak her mind – no matter who she was talking to. As comfortable addressing ministers as her local tenants group, she seemed to know everyone in the housing world. The outstanding service Cora provided to the community and to housing tenants was acknowledged in 1999 when she was honoured with an MBE (Member of the British Empire or "My Bloody Efforts" as she was known to say). Additionally, Cora was voted by the Chartered Institute of Housing as one of the top 25 people in the country to change the face of housing over a 25 year period and was recognised with a lifetime achievement award at the inaugural Women in Housing awards in 2013.

As a devoted local activist throughout her time, she worked tirelessly to give tenants and residents a say in the decisions that affect them. Cora made a massive difference to the lives of thousands of people, many of whom will have no idea how much they have to thank her for. Very few people leave behind them such an exceptional legacy and we are all privileged to have known and worked with her.

Cora will be remembered and missed not just in Kirklees, but throughout the housing sector.

Cora Carter MBE

Mike Owen
Chief Executive,
Merthyr Valleys Homes

Cora Carter MBE (left) and Mike Owen (right), formerly CEO of Carrick Housing one of the first ALMOs in the country and a founding member of the NFA.

Cora has been an inspiration and a friend for a number of years. In the early 1990's Cora came in her own time, voluntarily, all the way from Huddersfield down to Cornwall where I worked to encourage tenants to take a more active role in the management of their homes. It was the start of something wonderful and tenants, in Carrick District Council and then the ALMO Carrick Housing, changed those organisations for the better. This tenant involvement acted as a catalyst for the three star housing inspections which brought an additional £20m investment and every house up to decent home standard. From small seeds big trees grow.

In around 2000 a number of like-minded councils got together to plan a future housing structure that was at arms-length from the local authority. Those present at these meetings knew we needed several things to make it a success. We need the tacit support of trade unions but we also needed the outright support of tenants. Cora along with Dennis Rees from Derby Homes and Juliet Rawlings from Kensington and Chelsea TMO were the people that supported this idea and helped deliver this tenant support. Cora grasped the potential of remaining part of the local authority family but of having real tenant influence along with the potential for more resources and recognised this was a deal that tenants across the country should embrace. At its peak over 1.3 million lived in homes managed by an ALMO and overall at least £7 billion[5] was spent improving homes from Northumberland to Cornwall.

It is hard to put a value on tenant involvement or even to guess whether events would have occurred without the work and support of certain people. However, I was at all those meetings with government ministers and civil servants in the early years of the Blair Government and I know for a fact that we all owe a debt of gratitude to Cora for the powerful voice she gave to tenants.

On a personal level what impressed me most about Cora was that the trappings of power and the access to the top level can change many people but Cora always, always insisted on being grounded in the community where she lived.

5 NFA estimate of total annual supported borrowing for ALMOs Decent Homes Programme 2002-2015

Championing better homes and communities

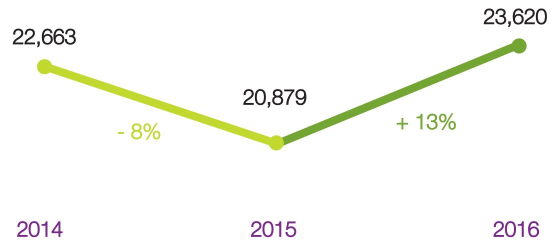
ALMOs are responsible for…

…managing **505,480 homes** across 40 local authorities including **499,821 council and ALMO homes** – nearly a third of all local authority housing across England.[6] As of January 2017 the sector was made up of 37 organisations.

Since ALMOs were introduced in 2002, they have contributed to local housing need by delivering a diverse range of housing options for residents with varying incomes, ambitions and support needs. Members have continued to carry out new development as well as acquire and convert properties to meet local housing need, changing the nature of the stock managed over time.

This year we have seen an increase in the number of supported housing properties being managed by our members on behalf of their parent council/s.

Number of Local Authority Supported Housing Properties Managed by ALMOs



TYPE	NO. OF PROPERTIES
LA General Needs	410,649
LA Supported Housing	23,964
LA Leasehold	54,655
LA Shared Ownership	150
LA Leased Properties	4,922
ALMO General Needs	1,103
ALMO Supported Housing	60
ALMO Leasehold	2
ALMO Shared Ownership	93
Other	4,223
TOTAL	499,821

98.5%

Rent collection rate[7]

86.3%

Percentage of customers satisfied with the ALMO service[8]

Key Facts

- The ALMO sector manages nearly a third (31%) of local authority housing in England and is responsible for 505,480 homes across 40 local authority areas.
- Out of 37 ALMOs, 38% (14) manage nearly 2,000 properties in the private rented sector.
- 38% (14) also manage 3,734 properties on behalf of other social landlord/s, an increase of 18% compared to last year.
- A third (34%) of ALMO boards are represented by residents/tenants with council representatives (30%) and independents (32%) comprising approximately a third each.
- The sector acquired/built and developed 1,136 properties of which 775 homes were new build (council and ALMO owned). This is a 10% decrease on the number of properties delivered last year.
- They plan to deliver 8,894 homes over the next five years, 16% less compared to the reported planned for the same period of time last year. This is due to recent reforms introduced by Government creating financial uncertainty i.e. 1% social rent reduction, capped LHA rates and High Value Voids causing members to scale back and in some cases discontinue development plans.
- The sector continues to deliver more than housing management with 70% implementing initiatives to tackle unemployment, 68% directly assisting their parent local authority(s) in implementing the Homelessness Prevention Strategy and nearly half providing care and support services on behalf of their local authority or as a market product.
- Despite the challenges ALMOs continue to stand the test of time and are lobbying Government to restore the integrity of the self-financing agreement, remove HRA borrowing caps and restore social rent policy to CPI +1% to secure their future financial viability and tackle the under-supply of housing within the social housing sector.

6 This is a third of 1.61m council dwellings in England, the most recent local authority housing statistics available – Department for Communities and Local Government (2016) Local authority housing statistics: year ending March 2016, England.

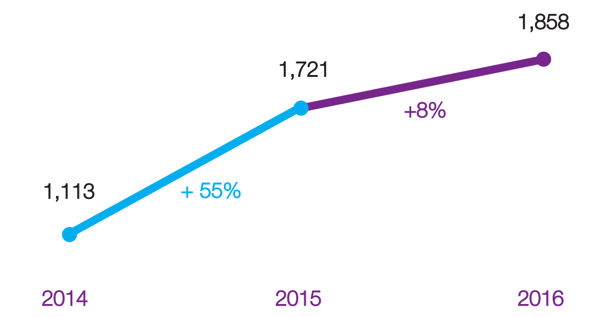
7 Average of all ALMO local authorities rent collection rates taken from DCLG (2017) Local Authority Housing Statistics Data Returns for 2015 to 2016

8 Source: HouseMark – Satisfaction with General Needs and Housing for Older People for 2016 calendar year – Median quartile (Total: 31 ALMOs)

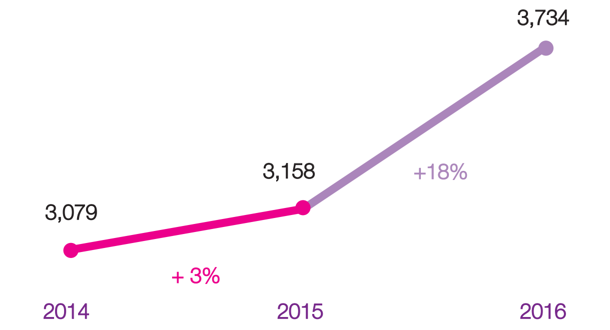
Overall, ALMOs manage **499,821 homes** in the council housing sector and continue to explore ways in which they can continue to improve the quality of housing and properties in their communities.

In addition to managing social housing our members are playing a growing role in improving standards of management and maintenance in the private rented sector as well as on behalf of other social landlords.

No. of properties managed by the ALMO sector in the PRS



No. of properties managed on behalf of other social landlord/s



More than a third work in the private rented sector, supplying services such as housing and tenancy management, repairs and maintenance, gas servicing, allocations, residential lettings, furniture services and care support. This also includes a number of private sector leasing (PSL) schemes to provide temporary accommodation for homeless families. Fourteen ALMOs provide services to other PRS landlords, ranging from Blackpool Coastal Housing just providing a repairs service to nine providing the whole service for private sector landlords and tenants from lettings to housing management and repairs. Five ALMOs deliver housing management services as well as repairs services for the PRS in their locality. The numbers managed by each ALMO range from a handful of properties for a number of ALMOs just getting into this service area to over 1,000 for Homes for Haringey. Forty one percent manage properties on behalf of other social landlord/s.

Our members are uniquely placed to help improve standards of management and maintenance of social housing. We expect they will continue to respond to the growing problems within the PRS and deliver excellent housing management and quality homes.

Thirty four per cent of our members (12) now have management contracts running beyond or up to 2030. This has increased from 28% from last year.

The following are examples of other management services our members provide:

Colchester Castle
Colchester Borough Homes

£40k per annum

in savings delivered to the council.

Colchester Borough Homes Responsive and Planned Maintenance Team service a hundred corporate buildings for which the Technical Team delivers repairs, including the castle above.

Get Real Temporary Accommodation
Barnet Homes

£333k per annum

on average in savings delivered to the HRA and General Fund over the first three years of Barnet Homes taking on the management of statutory homelessness service for London Borough of Barnet Council.

flickr.com/NJKPhotography

South Shields
South Tyneside Homes

£1.3m per annum

in savings delivered to the council.

South Tyneside Homes provide street cleaning and community services, which includes local shops, shopping centres, a beach and the Great North Run!

Governance matters

ALMOs are adjusting to a new and ever more challenging environment. Those who have been successful have ensured they have remained close to their parent local authority's strategic objectives and close to their tenants.

Steve Douglas
Partner, Altair

However, the pressure on central and local government budgets has meant that there has been increased diversification and exploration of new business streams beyond traditional housing management; to ensure these organisations remain viable and are able to maintain and in some instances increase their range of service provision.

However, increased diversification brings with it increased risk and greater expectations on the skills and experience of boards. Having conducted a major piece of research on the governance of Large Scale Voluntary Transfers in late 2015, we have found that there are a number of common challenges and lessons that can be learnt by the ALMO sector, particularly in ensuring that a board has the right skills and experience, whilst ensuring that it is still accountable to its constituents.

Those who are modelling best practice have ensured their approach and processes remain flexible and agile, regularly reviewing the skills they have available and adopting arrangements that ensure those skills remain up-to-date and relevant to their organisation's needs.

We've found that there are a range of approaches taken to board composition for maturing organisations, and this is echoed in the NFA's own state of the nation review of Board composition. Whilst it is for each organisation to come to a view as to what is the best structure for their governance, many have introduced board pay, streamlined their arrangements, and reduced the size of their board to enhance and supplement their approach.

Most significantly, in all of our work with boards, we have found that there has been, and continues to be, a move towards more skills-focused governance arrangements, particularly because the constituency approach makes recruiting the right skills to their boards more difficult.

However, the value of the ALMO model, including its core focus on its relationship with its tenants and parent local authority, should neither be taken for granted or diminished in the process of growth and adaption.

This includes:

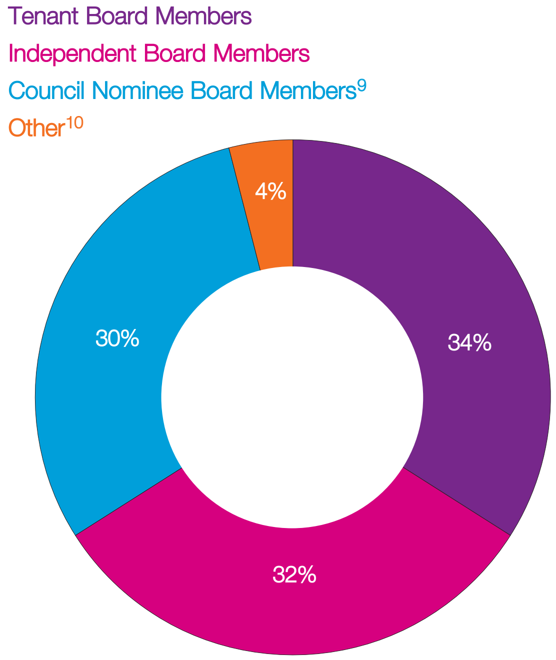
- Maintaining a customer-focused ethos
- Ensuring there is adequate accountability, relationships and partnership working with the organisation's primary stakeholders
- Enabling the board to 'hear the voice of the customer' so that the strategic direction and the shaping of service delivery reflect both future and current customer needs appropriately.

The best organisations retain a strong focus on resident engagement, as well as the communication strategy and partnership working with the council. This is an approach that should be adopted by all organisations making significant changes to their governance.

Interestingly, many who have made significant revisions to their arrangements have done so with relative ease, when they have developed a clear business case for change and genuinely engaged with their main stakeholders on the reasons for change and the benefits.

Our view is that those who adjust their governance to the challenges they face are likely to increase the capacity and adequacy of their organisations' governance, as well as their effectiveness, long term resilience and viability.

Governance matters



Tenants remain at the heart of the sector as ALMOs continue with the 'traditional' board set up whereby no single constituency group is in the overwhelming majority.

Tenants, Independents and Council Nominees represent a **1/3** or more each across individual ALMO boards.

NFA members encourage residents to be actively involved in the decision-making of the management of their own homes and scrutiny panels/forums so that they can continuously improve their housing services.

However, tenants are still more likely to carry out the Vice Chair position (55%) than the Chair position (19%).

Governance highlights

Average board size 12.5

Average salary for Board Members: £2,405

Vice Chairs: £4,071

Chairs: £7,695

57% remunerate their board chairs

38% for board members and vice chairs

Equality and diversity

42% of board members – and 30% of board chairs – are women

11% of board members – and 5% of board chairs – have a disability

10% of board members – and 5% of board chairs – are from BME backgrounds

Average age for boards across the ALMO sector is 55

9 Please see the NFA (2016) *ALMO Governance: Inside Track* best practice briefing for more information. Please note the composition of ALMO boards

10 The other category consists of CEOs, executive officers, members of staff and/or co-optees who also serve on the board.

Building the homes we need

The sector continues to be committed to delivering additional housing supply and contributing to the Government's target of 1 million homes by 2020 which translates into 200,000 additional homes per year.

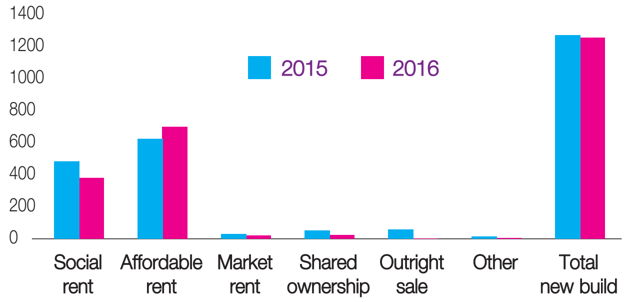
Despite the numerous financial challenges and limited borrowing availability for local authority housing organisations/ companies to build, our members are still finding ways to contribute to housing supply. **1,136 properties** were built, acquired and developed by the sector in 2016, a 10% decrease on last year, of which **775 homes** were new build (ALMO and council owned); a 14% decrease on the previous year.

The majority of organisations financed development inside the HRA (23) and with HCA Grant (18). In comparison three organisations used the General Fund and two developed in partnership with other social landlord/s. Some organisations also mentioned the use of their reserves, one for one replacement funds, Right to Buy receipts and loan finance from the council and Public Works Loan Board to continue to meet local housing needs of residents and the housing market.

The sector plans to build **8,894 homes** across a variety of tenures over the next 5 years, affordable rent (49%) (23% increase on last year), social rent (19%) and shared ownership, market rent, outright sale accounting for the majority of the remaining 32%.

With the 1% cut to social housing rents for at least the next four years, housing benefit being capped at Local Housing Allowance rates and the yet to be introduced legislation on the forced sale of High Value Voids; our members are having to scale back or discontinue their building programmes. This year planned development over the next five years is 16% lower than the 10,633 reported last year for the same period.

Number of new homes built/acquired/developed in 2016 by tenure



For ALMOs to unlock their full potential in delivering housing supply the NFA are asking the Government to:

- Restore the integrity of the self-financing settlement for council housing and allow councils to retain the proceeds from sales of higher value voids and Right to Buy properties.
- Remove the HRA borrowing caps and rely on prudential borrowing rules to invest in new homes with the interest and capital being paid back by the increase in rental income; not general taxation.
- Reverse the future under investment in social housing by restoring council housing rent policy to CPI + 1% and scrap 1% rent reduction over the next four years; as these are some of the lowest rents in the country already.

The following ALMO development schemes delivered 160 new affordable homes in 2016:

Alum Close
Alvaston, Derby
Derby Homes

4 homes

council owned and for affordable rent

Green Gardens
Golborne, Wigan
Wigan and Leigh Homes

14 homes

council owned for affordable rent

Palmer Court
Lenton, Nottingham
Nottingham City Homes

142 homes

80 for ALMO owned and social rent
(**54** for Independent Living Service)
62 for council owned and affordable rent

Growth and diversification

ALMOs continue to deliver more than housing management utilising their expertise and extending their reach to build stronger communities and improve the life chances of tenants. In addition to the following, the majority of our members continue to deliver lettings, allocations or housing advice (73%), money advice (59%), cross tenure ASB management (30%), family (16%) and adult support services (24%).

Tackling worklessness

70% of ALMOs have initiatives in place to tackle unemployment.

24 (65%) ALMOs have apprentices with **254** being employed across the sector. 105 apprentices are 19 years old or above. ALMOs fund these apprentices from their budgets with some accessing grant funding through their local colleges and training providers.

In addition to providing apprenticeships, our members provide various support structures to tackle unemployment.

Brent Housing Partnership, Nottingham City Homes and St Leger Homes of Doncaster have academies where tenants can gain the necessary skills and support as they look for employment. Northwards Housing has set up a subsidiary as a social enterprise for the same purpose.

The apprenticeship levy came into force on 6th April 2017, which changes the funding arrangements for apprenticeships. Employers with a wage bill of over £3m will have to pay the levy and in turn will become available in the form of an Apprenticeship Levy Allowance.

Homelessness

68% directly assist their local authority in implementing their Homelessness Prevention Strategy, carrying out homelessness and general advisory duties such as homelessness assessments and housing options advice.

41% provide homelessness services delivering support and advice to vulnerable groups at risk to help sustain tenancies and prevent homelessness and outreach housing support.

The Homelessness Reduction Bill is welcomed by the sector who remain optimistic about the additional funding and the promise of assistance in the form of new specialist advisors in the Housing White Paper.

We expect the combined impact of the Bill and various reforms introduced in the Welfare Reform and Work Act, Housing and Planning Act and the Housing White Paper in meeting the additional statutory duties to be more tangible in next year's Annual Review; when all legislation has been made available and/or implemented.

Housing offer

ALMOs continue to provide specialist housing for their elderly residents in the form of:

- sheltered schemes (**78%**)
- home adaptations (**70%**)
- general needs floating support (**49%**) and
- extra care schemes (**38%**).

73% also offer welfare benefits/pension advice and **62%** provide community alarms.

Our members also play a role in housing care leavers and looked after children. Blackpool Coastal Housing, Gateshead Housing Company, St Leger Homes of Doncaster, Wigan and Leigh Homes, Wolverhampton Homes and Your Homes Newcastle provide specialist support for this vulnerable group.

Care and support

49% (18) provide care and support services either on behalf of their local authority (**38%**), of for other local authorities (16%) and/or as a market product (**19%**).

The number of ALMOs providing care and support services on behalf of other local authorities has increased by **15%** from **1%** last year as an additional 5 organisations deliver these services.

Barnet Homes, Gateshead Housing Company, Northampton Partnership Homes, Nottingham City Homes, Shropshire Towns and Rural Housing and Your Homes Newcastle also provide mental health support services on behalf of their local authority; with the former also delivering their services as a market product.

NFA 2016 Annual Survey Summary

ALMOs manage:

512,150
properties* across
40 local authority areas

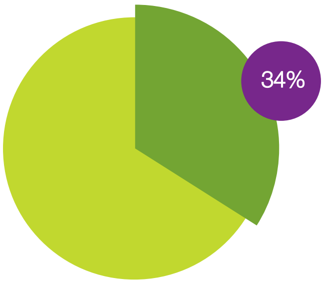
which includes →

* including garages and commercial properties

499,821
council and ALMO homes

3,734
homes on behalf of social landlord/s and HAs

1,858
properties in the PRS



Residents continue to remain at the heart of the sector with approximately a 1/3 of ALMO boards still being represented by tenants and are actively involved in the decision-making of their own homes and improving services.

ALMOs have remained committed to:

Building new homes

ALMOs built **775 new homes** in 2016, a 14% decrease compared to the previous year. Overall the sector built/acquired and developed **1,136 properties** to the social housing sector, only 10% less than in 2015.

They plan to build **8,894 homes** over the next five years. This is 16% less than the 10,633 homes reported planned development last year.

Members are having to scale back or discontinue their building programmes due to the financial pressure brought on by austerity measures and the 1% reduction in social rents. However, they are still finding ways to continue to build and meet local housing need.

Tackling worklessness

70% have initiatives to tackle unemployment

24 ALMOs have apprentices with 254 being employed across the sector

Homelessness

68% directly assist their local authority in implementing their Homelessness Prevention Strategy

Housing offer

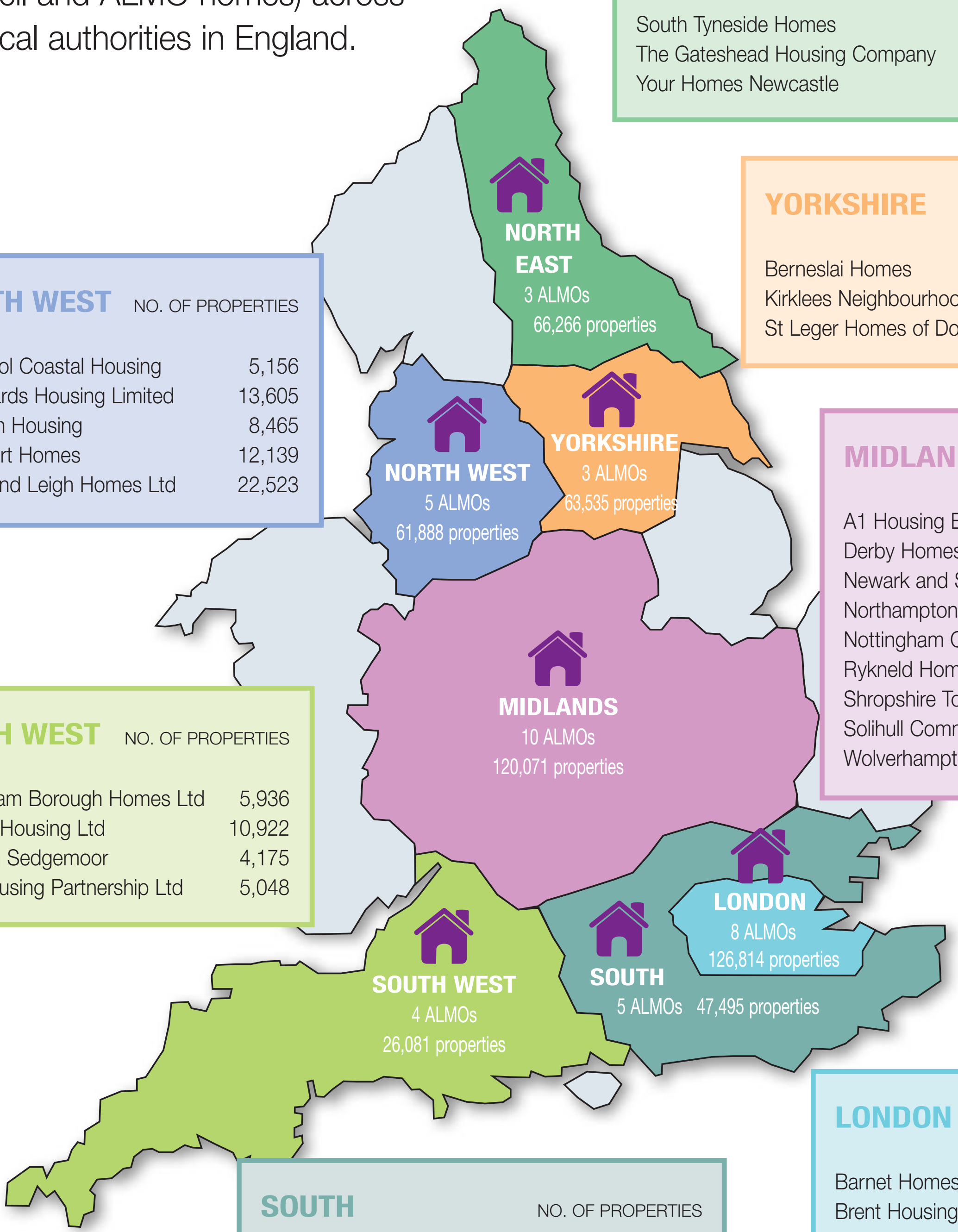
ALMOs continue to offer specialist housing for elderly residents providing sheltered schemes (78%), home adaptations (70%), general needs floating support (49%) and extra care scheme (38%)

Care and support

18 members continue to offer care and support services. However, the percentage of members delivering services as a market product has doubled since last year from 8% to 16%

Putting ALMOs on the map

The NFA currently represents 37 ALMOs, which manage 512,150 properties* (499,821 council and ALMO homes) across 40 local authorities in England.



NORTH EAST

	NO. OF PROPERTIES
South Tyneside Homes	17,583
The Gateshead Housing Company	20,675
Your Homes Newcastle	28,008

YORKSHIRE

	NO. OF PROPERTIES
Berneslai Homes	19,056
Kirklees Neighbourhood Housing	23,673
St Leger Homes of Doncaster	20,806

NORTH WEST

	NO. OF PROPERTIES
Blackpool Coastal Housing	5,156
Northwards Housing Limited	13,605
Six Town Housing	8,465
Stockport Homes	12,139
Wigan and Leigh Homes Ltd	22,523

MIDLANDS

	NO. OF PROPERTIES
A1 Housing Bassetlaw	6,984
Derby Homes Limited	13,891
Newark and Sherwood Homes	5,702
Northampton Partnership Homes Ltd	12,546
Nottingham City Homes	27,390
Rykneld Homes	8,059
Shropshire Towns & Rural Housing Ltd	4,276
Solihull Community Housing	16,384
Wolverhampton Homes	24,839

SOUTH WEST

	NO. OF PROPERTIES
Cheltenham Borough Homes Ltd	5,936
Cornwall Housing Ltd	10,922
Homes in Sedgemoor	4,175
Poole Housing Partnership Ltd	5,048

LONDON

	NO. OF PROPERTIES
Barnet Homes	15,855
Brent Housing Partnership	12,024
CityWest Homes	21,713
Homes for Haringey	21,415
Kensington and Chelsea TMO	9,492
Lewisham Homes	17,755
Sutton Housing Partnership	7,414
Tower Hamlets Homes	21,146

SOUTH

	NO. OF PROPERTIES
Colchester Borough Homes	7,025
East Kent Housing	17,343
Eastbourne Homes Limited	4,858
South Essex Homes	8,047
Welwyn Hatfield Community Housing Trust	10,222

* including garages and commercial properties

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