

Managing in a time of COVID

NFA Annual Survey Results 2020



The NFA would like to thank all the ALMOs who responded to the Annual Survey. Further information about the ALMO sector can be found on the NFA website.

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“Our ALMO (Your Homes Newcastle) is an exemplar organisation which is creating a model for preventing homelessness that other landlords can follow. We’ve often done this with Your Homes Newcastle, if you can show that something can work with your largest housing provider to provide quality housing for all our residents including those with vulnerabilities and maintain high levels of customer satisfaction, then that becomes an example that others can follow. Our ALMO is an exemplar anchor institution and that shows the huge contribution a positive social housing provider can make to the city”

Neil Muslow MBE, Newcastle City Council, Service Manager Active Inclusion

Introduction

ALMOs are housing companies which are 100% owned by their parent local authority. ALMOs put tenants at the heart of what they do, with around a third of boards represented by tenant board members.

There are 29 ALMOs across the country, managing **396,556** properties.

They deliver core housing services alongside a range of other services which meet their social objectives, and the objectives of their parent local authority.

2020 was derailed by COVID-19. From March 2020 when the country went into its first lockdown, through the months of emergency response and adaptation, to the steady state of delivering services during a pandemic and the tiered system, ALMOs have been focused on supporting their parent local authorities to manage the impact of COVID-19 on communities. While maintaining core housing services, ALMO staff transferred into community hubs, worked in emergency food provision, delivered or supported the 'Everyone In' and Protect programmes, and provided thousands of wellbeing calls among other emergency support work.

In difficult circumstances, ALMOs continued to provide housing management services and other housing related services as far as was possible. They shifted operations online, implemented home working for those staff who were not out in communities, and made sure that those staff who were still out and about were safe. ALMOs have long been seen as flexible and fleet-of-foot local authority partners, and they demonstrated their value during this pandemic.

While it is clear that the pandemic is far from over, ALMOs are starting to look with their local authorities at the longer-term recovery, building on learning gained through the pandemic. They are working to understand how they can leverage ALMO assets to build back community resilience, reduce unemployment and tackle inequalities.

New Stock

Despite COVID-19, ALMOs have contributed **1,666 homes** to the sector in 2020 (Part Four). This includes 724 new build homes and 942 acquisitions. These numbers are down on the last few years, with around 200 homes not being built as planned due to COVID-19 but is still an impressive figure considering the various restrictions over the year. Acquisitions make up a larger percentage of new homes in the sector than in previous years, suggesting that ALMOs have used acquisitions to make up some of the difference.

Over the last five years, ALMOs have added over 8,000 new homes to the sector, and they have plans to build 10,600 homes over the next five years. It is worth noting, however, that the majority of development is happening within the Housing Revenue Account, which is likely to be under growing pressure over the next few years as a result of necessary building safety work, carbon zero retrofit programmes, increasing rent arrears, and local authority spending pressures more generally.

Building Post Pandemic Prosperity

The NFA joined together with ARCH (the Association of Retained Council Housing) and the LGA (Local Government Association) to publish a report by Pragmatix Advisory in November 2020 looking at the total economic benefit of building 100,000 new socially rented homes a year. The report, Building Post Pandemic Prosperity, finds that every 100,000 new

social homes built would bring £14.5 billion into the UK economy, create 263,000 jobs and improve public finances by £7.8 billion in today's money over 25 years.¹ In order to achieve this we need Government to shift its attention towards funding a new generation of council housing and away from home ownership products which are unaffordable to many. We also need the Government to reform the Right to Buy, which it consulted on in 2018 but has not yet published a response to. These twin approaches will provide people with genuinely affordable homes that allow them to save for a deposit, and a ready-made 'rent to buy' scheme through a sustainable Right to Buy offer that replaces homes sold one-to-one.

The Social Housing White Paper

The Government published its Social Housing White Paper in November 2020 which will allow work to progress on the regulation of Social Housing and ensuring that the tenant voice is heard. The ALMO sector has welcomed the White Paper and we look forward to working with the Regulator and MHCLG over 2021 to ensure a fit-for-purpose regulatory regime. We look in Part Three at ALMO governance and how boards hear the tenant voice. As a key pillar of the ALMO model, tenant engagement is a particular strength of ALMOs. It makes sure that ALMOs remain accountable to the communities that they serve, and that services are designed around the needs of those communities.

NFA asks

NFA is calling for:



An effective grant programme with sufficient funding to deliver social rented homes we can all be proud of.



Specific, secure, long-term funding to end rough sleeping and reduce homelessness by the end of this Parliament.



Reform right to buy + one-for-one replacement of every rented social home sold.



Full financial support from government for essential building safety work post-Grenfell.



A clear strategy to meet the 2050 zero-carbon target for housing.

¹ The full report is available here: <http://almos.org.uk/include/getDoc.php?did=8682&fid=10345>
The Executive Summary is available here: <http://almos.org.uk/include/getDoc.php?did=8681&fid=10344>

Summary

At the 31st December 2020, the NFA membership consisted of 29 ALMOs managing 396,556 properties:

- 389,969 Council/ ALMO owned stock
- 2,121 properties on behalf of another social landlord or housing association
- 4,466 homes in the private rented sector; 1,693 general needs and 2,773 as temporary accommodation.

The involvement of tenants and leaseholders in running ALMOs is still very much apparent, with 30% of board member places filled by tenants and leaseholders. 36% of board members are independents and 28% council nominees (with 6% classed as 'other', including staff and tenant/leaseholder co-optees).

ALMOs have been key partners for local authorities during COVID-19, supporting them in much of their pandemic response. Alongside the emergency work, ALMOs have continued to deliver high quality housing management services. The majority of ALMOs also deliver services on behalf of their parent local authority outside the core housing management services. This includes:

- 74% who deliver money or financial inclusion services;
- 59% who have services tackling worklessness;
- 48% who deliver homelessness services;
- 37% who deliver adult support services and 35% who deliver family support services.

The sector acquired or built a total of **1,666 homes** in 2020. While this is less than in each of the last two years, COVID-19 has had an impact on new build plans, with some 200 homes not being finished as planned in 2020. The percentage of the total which are acquisitions is higher than in previous years, even taking into consideration delays on the new build programme. Of the new homes:

- 724 are new build
- 942 are acquisitions.

There were at least 1,557 homes sold under Right to Buy. Nationally, Right to Buy rates were depressed last year due to COVID-19, so while the sector managed to replace many of the homes that had been sold, this is not the normal situation. The intrinsic problems with the way Right to Buy operates still exist, and we are still waiting for the response to the Government's consultation on this from 2018.

In the last five years, ALMOs have added 8,129 homes to the sector. Although there has been a reduction this year, over the last five years the number of new build and acquisitions has been rising despite a reduction in the size of the sector. In 2016 when there were 37 ALMOs, there were 1,136 new build and acquisitions. Some of this is due to a more favourable policy environment, and some due to ALMOs working with local authorities to develop new ways of delivering homes in the sector.

Next year, the ALMO sector plans to build and acquire 2,735 new homes (1,764 new build and 971 acquisitions).

Over the next 5 years, the sector has plans to build 10,600 homes.



Part One: Stock Management

In December 2020, the ALMO sector consisted of 29 ALMOs which managed a total of **396,556** properties; of these, **389,969** properties were council/ ALMO owed stock (98%)

1. Total number of homes managed by region

Region	Number of ALMOs	Total Stock Managed
North	10	166,645
Midlands	7	101,338 ²
South West	4	25,620
London & Southern	8	102,953
TOTAL	29	396,556

Eight ALMOs (28%) manage a total of **2,121** properties on behalf of another social landlord or housing association. **11 ALMOs** manage a total of **4,466** properties in the private rented sector. This includes **eight ALMOs** who manage **1,693 General Needs homes**, and **four ALMOs** who manage **2,773** temporary accommodation homes in the PRS, mainly in London.

Housing Revenue Accounts

Based on 26 responses, the HRA is managed in **12** cases by the Local Authority, in **eight** cases by the ALMO, and **six** cases in joint arrangement.

2. Council property nature and ownership

Property Type	Number of properties	Percentage of stock
Council owned general needs (inc. age designated stock)	327,243	84%
Council owned supported housing	15,246	4%
Council owned leasehold	41,697	11%
Council owned shared ownership	373	<1%
ALMO owned general needs (inc. age designated stock)	1,737	<1%
ALMO owned supported housing	61	<1%
ALMO owned leasehold	2	<1%
ALMO owned shared ownership	328	<1%
Council or ALMO owned temporary accommodation	2,119	<1%
OTHER ³	1,163	1%
Total stock	389,969	

² We have used property data from 2019 for one ALMO.

³ As classified by the ALMO: includes offices, day centres, non-residential properties, traveller sites, HMOs, Alms Houses, retail units, community rooms, shops, hostels and private lets. Does not include garages or sheds.

Nine ALMOs have Registered Provider status.

21 ALMOs have a direct labour organisation (DLO).

Two ALMOs have a separate repairs subsidiary.

Eight ALMOs are part of a group structure.

There are 15 ALMOs or their parent local authorities with housing companies for development or housing need, with a total of 26 companies.

Part Two: Services

ALMOs have continued to provide a range of services alongside the core housing management services throughout 2020. This includes those delivered on behalf of the local authority, such as financial inclusion services, and lettings, allocations and housing advice. It also includes services provided as a market product.

Alongside this, ALMOs provided a range of other assistance to their parent local authorities during COVID-19 throughout the initial lockdown and the rest of the year. For example, ALMOs have:

- ✦ Contributed to multi-agency local planning and COVID-19 responses;
- ✦ Kept in touch with residents and providing wellbeing calls to those who need them;
- ✦ Supported with running food banks, and delivering food and medicine;
- ✦ Redeployed staff into frontline council services, including bin collections, homelessness services, supporting cemeteries and morgues;
- ✦ Led or contributed towards the 'Everyone In' and 'Protect' response;
- ✦ Supported vaccination and testing centres;
- ✦ Provided increased financial wellbeing services and support with Universal Credit (UC) applications and benefits to the significantly increased numbers of people moving onto UC.

As flexible and streamlined organisations, ALMOs have been well-placed to step up during this public health emergency, using their resources and knowledge of local communities to support their parent local authorities.

Case studies

Derby Homes have supported their local authority in a wide range of areas during COVID-19. This includes:

- The temporary redeployment of staff to support essential roles in the council, including to co-ordinate ward-based COVID support teams, official presence and support at the city's cemetery and crematorium as well as COVID enforcement in the city; and keeping refuse collections running
- Derby Homes Capital Works Team helped to get a building ready to be used as a COVID testing centre; constructing 12 testing stations, laying new floor coverings, creating access ramps and erecting routes through the centre;
- Enabling a system to distribute PPE for Derby City Council at Derby Homes' London Road site;
- Ongoing joint-working neighbourhood officers and a dedicated Neighbourhood Partnership officer to coordinate local partnership work for the council and ALMO, from fire safety to community events to resident group support and projects;
- The lead on the #AvoidEviction campaign. The Private Sector Housing Team is part of the Housing Options Service managed by Derby Homes. This team provides a 'Call B4 you serve' free specialist advice service for private rented sector landlords;
- Part of the Council's 'Everyone In' response for 'roofless' citizens. Including block-booking 100 hotel rooms in partnership with the Council and Office of the Police Crime Commissioner. The scheme ran for 90 days and all people temporarily housed here had an offer of accommodation upon leaving.
- Staff have also volunteered their time and skills for a range of support to individuals, communities and charities to keep them running during COVID-19.
- Through the Christmas Cheer project, supported the council to supply and deliver Christmas meals to the homes of targeted members of the community; delivery of Christmas hampers; and providing COVID-safe entertainment using an online platform.



© Derby Homes

Case studies

Wolverhampton Homes – supporting the City of Wolverhampton Council during Covid-19

Wolverhampton Homes manages around 22,000 properties for the City of Wolverhampton Council, and has worked closely with the council and other partners in the city throughout the Covid-19 pandemic.

- At the beginning of the national lockdown in March 2020, Wolverhampton Homes contacted all 3,500 of their tenants aged 70 or over and who live alone, with the offer of support and to ensure they had access to essential food and services. More than 300 referrals for support were made following these conversations, including to the city council's food distribution hub which had been set up following the introduction of the strict social distancing measures.
- Wolverhampton Homes supported with the co-ordination of food parcels to vulnerable members of the wider community. Staff volunteers, supported by community volunteers, shopped for and delivered essential food and medicines to local residents who were shielding and unable to safely leave their home.
- Emergency accommodation was quickly set up in a city centre hotel to support those who were in shared emergency accommodation, sofa-surfing, single people who had been made homeless and rough sleepers. The Housing Options team worked in partnership with the city council's homeless task force to support over 160 rough sleepers to help them address issues and find a home.
- The Aids and Adaptations team worked seven days a week to carry out installations to enable residents to return home from hospital, thereby freeing up hospital beds and easing pressure on the NHS.
- The Wolverhampton Homes Money Smart service provides advice and help to customers who have money worries which could be due to job losses, changing benefits or debt. The service has supported more than 4,500 customers so far during the pandemic, an increase of 29% compared to the previous year.
- Telephone Befriending service – this service has been running for five years and provides weekly phone calls to more than 100 elderly and isolated residents from staff and trained volunteers. It has continued throughout Covid-19 and WH staff have taken over from the volunteers during lockdowns. The service maintains strong links with other community support, making additional referrals as necessary to ensure vulnerable customers are supported.
- Wolverhampton Homes collected and delivered 200 meals twice a week during the initial lockdown from March to June 2020 – this was a local initiative brought about by local Councillors.
- More than 50 Wolverhampton Homes staff volunteered to deliver festive goodie bags to over 100 families in the city during the week before Christmas.
- Wolverhampton Homes staff volunteered to put together Christmas hampers for 68 care homes across Wolverhampton as part of the City of Wolverhampton Council's Christmas Kindness campaign.
- Staff have also volunteered at Covid-19 test centres in the city and for a variety of #onecity initiatives to support the fight against Covid-19.

1. Services delivered

24 out of 27 ALMOs who provided data (89%) deliver other services on behalf of their Local Authority. This ranges from core housing management services, to work to support with financial wellbeing and to tackle worklessness, to strategic function such as developing housing strategy.

Lettings, allocations or housing advice	74%
Money or financial inclusion services	74%
Tackling worklessness	59%
Homelessness work	48%
Emergency out of hours services	48%
Cross-tenure ASB management	41%
Private rented services	37%
Family support services	30%
Adult support services	37%
Call Centre	26%
Writing/ developing housing strategy	26%
HR/ back office services	22%
Project management consultancy	11%

15 ALMOs out of 27 (56%) provide **management or maintenance services for other non-domestic properties.**

This includes:

- 🏠 Educational establishments: **Seven ALMOs (26%)**
- 🏠 Commercial & retail services: **Nine ALMOs (33%)**
- 🏠 Other (including a range of council-owned/ public buildings, and shops): **Five ALMOs (19%)**

12 ALMOs deliver services in the private rented sector (out of 26 which responded to this question); and one ALMO is considering developing services within the next 12 months. Of those who deliver services:

- 🏠 Eight ALMOs deliver housing management services
- 🏠 Ten ALMOs deliver repairs and maintenance services (including gas services)
- 🏠 Nine ALMOs deliver lettings/ allocations services

Two ALMOs deliver other services. This includes Solihull Community Housing who deliver a free tenant matching service for private landlords, including support to set-up tenancies and a wide range of support to help tenants manage and maintain their tenancies (Solihome). It also includes Barnet Homes who lead on the provision of co-located multi-agency employment, benefit advice and mental health support to private rented sector tenants, particularly those affected by welfare reforms.

11 ALMOs deliver **care and support services.** This covers a range of services, including (but not limited to) provision of telecare and community alarms, emergency mobile response service, care and support services for specialist groups, independent living support, day care services, respite, extra care and sheltered housing services, assistance with pathways from hospital, mental health services, support to looked after children's services, and move-on accommodation and floating support.

Much of the work that ALMOs do in this area is part of the prevention agenda and would have been funded as housing

related support under Supporting People prior to that funding being de-ringfenced in 2009. As part of the recovery from COVID-19, the NFA is calling for increased ringfenced funding into preventative services, including wraparound housing related support services.

14 ALMOs utilise their expertise to deliver services in the **wider marketplace** as a means of generating additional income for the ALMOs. This includes:

- 🏠 Repairs and maintenance services (including gas and handyman services): 10 ALMOs
- 🏠 Development or asset management: Two ALMOs
- 🏠 Estate or grounds maintenance: Six ALMOs
- 🏠 Care and/or support services to private homes: Six ALMOs
- 🏠 Other services: Four ALMOs (including a range of services: facilities management and catering, Energy Performance Certificate surveys, leasehold management of a private high-rise block, noise monitoring/CCTV service for other housing providers, architectural services to external clients, collection of water charges).

Part Three: Governance, Staffing and EDI (Equality, Diversity & Inclusion)

The Government published the Charter for Social Housing Residents (Social Housing White Paper), in November 2020. The main aim of the Charter is to provide more accountability and a stronger voice for tenants with their social housing landlords. In this section, we look at the mechanisms that ALMOs use for ensuring the tenant and resident voice is heard at the board level and throughout the organisation.

We have also included in this section questions on Equality, Diversity and Inclusion (EDI) within our survey to reflect the national focus on these areas. Clearly inequality has been a growing issue over recent years, but it has become much more reported on as a result of the disproportionate impact of the pandemic on poorer and BAME communities. 2020 also saw the Black Lives Matter protests following the killing of George Floyd in America, which shone a light on the systemic issues of racism.

Governance and Tenant Scrutiny

1. ALMO board composition

ALMOs continue to maintain a strong resident presence on their boards, and the third/third/third split of tenant, council and independent board members is still evident. Across ALMO boards, just under a third of board members are tenants or leaseholders (30%); 36% are independents, and 28% are council nominees. 6% are listed as 'other' which includes staff and co-optees (including tenants and leaseholders).

A fifth of ALMOs who provided information in the survey have moved to recruiting their boards on a purely 'skills basis' without an allocated number of tenant places. This is driven in part by the growing complexity of the sector and changing skillsets required by board members to deliver assurance. However, all have maintained tenants on their board through this process.

The majority of ALMO board chairs are independents (21 out of 28, 75%); three are tenants (11%) and four are councillors (14%) which is broadly unchanged since last year.

2. Tenant Engagement and Governance

ALMOs have a range of ways integrated into their governance arrangements to ensure that the resident voice is heard at board level and to ensure that the board knows residents are treated with respect. These structures include the presence of residents on boards but offer much wider opportunities for engagement and scrutiny. Across ALMOs, locally-designed structures include:

- 🏠 Tenant, resident and leasehold panels with representatives attending board committees or board meetings;
- 🏠 Scrutiny groups or review groups presenting feedback to the board or board committees;
- 🏠 Board committees dedicated to resident services with majority resident members which feed into boards;
- 🏠 Residents attending board meetings as observers.
- 🏠 Board members attending regular neighbourhood walkabouts
- 🏠 Regular meetings between the chair of the board and chairs of Tenants and Residents Associations;
- 🏠 Board scrutiny of resident satisfaction and complaints data;
- 🏠 A commitment for all reports to Board to address how resident involvement has shaped the development of the report;
- 🏠 Residents writing the ALMO annual report

Nearly all ALMOs operate a tenant scrutiny panel within the ALMO (22 out of the 24 which responded to the question); these panels report either directly to boards or into committees that sit within the board structures. Two ALMOs use their council scrutiny panel. For example, Your Homes Newcastle has access to SIFT (Scrutiny Involvement for Tenants) which is commissioned through an independent contractor by the council and covers scrutiny for all tenants and leaseholders across Newcastle.

Examples

Derby Homes

In addition to three tenant board members (one of whom is the Vice Chair), Derby Homes has an Operational Board taking responsibility for performance and policy issues that affect tenants. This is made up of a majority of tenants but with three main board members who can refer a decision up to the Board if necessary. Derby Homes also has a residents consultative body (DACP), a tenant scrutiny panel and a customer voice group all performing slightly different representative roles as well as the usual complaints process.

Tower Hamlets Homes

THH operates a Residents' Scrutiny Panel which draws on THH tenants, leaseholders and private renters. The Panel is attended by the Chair of the Board who regularly provides updates on the activities of the Board and seeks feedback from the Panel. The Residents Panel also engages in the Board as part of their scrutiny process making recommendations for improvements and also collaborates on joint initiatives such as the organisation's dedicated working group on Fire and Building Safety.

Eastbourne Homes

Eastbourne Homes has three resident members on its board. A key sub-committee is the Service & Performance Committee, which is chaired by a resident member. This committee receives quarterly reports relating to tenant involvement activity and performance of the Tenant Involvement Strategy. The Board receives updates on a quarterly basis, as well as an annual resident involvement impact assessment and approving the annual report to tenants, which is developed in close collaboration with key strategic tenant involvement groups.

Resident Scrutiny Teams comprise involved residents who have undertaken introductory training in resident-led scrutiny and understanding housing management performance information. These teams are commissioned to undertake scrutiny reviews by the Tenant Involvement & Empowerment (TIE) Panel and final reports including recommendations and organisational response (improvement plan) are shared with board. Onward monitoring of delivery of the improvement plan is undertaken by the TIE Panel and if any concerns arise, they can be escalated for consideration by the Board.

One of the challenges during COVID-19 for all social housing organisations has been to maintain the level of involvement in a digital world and to try and minimise the barriers to engagement. The NFA published a briefing in December 2020 looking at some of the good examples of virtual and digital tenant engagement in the ALMO sector over COVID-19 (see Berneslai Homes example opposite).⁴

Berneslai Homes

Ensuring that the Tenant Voice and Scrutiny Panel members could continue to meet during the pandemic was extremely important. Berneslai Homes had already supplied members with equipment, training and bespoke email addresses. As lockdown hit, the group started to use the Microsoft Teams software on their devices to meet. The group has met a number of times and report that as they become more comfortable with the platform, their meetings have become more focused and productive.

Berneslai Homes also surveyed the Tenants and Residents Associations to understand their connectivity and equipment, and make sure they had the equipment they needed to engage with the organisation online. Some people had no experience of online meetings and have therefore been supported through this period.

A number of ALMOs have moved to live-streaming of board meetings and AGM, for example direct to YouTube;

ALMOs have also been using Facebook's events to host live Q&A sessions.

⁴ <http://almos.org.uk/include/getDoc.php?did=8694&fid=10359>

Staffing

The previously referenced Pragmatix Report looking at post-pandemic recovery found that building 100,000 new social homes would create 263,000 jobs. This is massively important, since forecasts show that an average of one million full time jobs will disappear over the next five years, and employment is not expected to return to pre-pandemic levels until at least 2025.

The NFA has been working closely with Communities that Work and other sector organisations this year to lobby the Government to ensure that social housing providers can play a role in the recovery from COVID-19, for example through the Kickstart programme. One of the key aims is to make sure that government recovery programmes are accessible to housing providers, which often do intense and highly personalised work with those furthest from the jobs market.

Apprentices

The sector has maintained its commitment to supporting apprentices this year.

Of the 27 ALMOs that provided information on their apprenticeship programme, 24 employ apprentices (89%). In total, these organisations have 408 apprentices. A large proportion of these apprentices are working in trades (45%), 19% are classed as generalists working across departments, and 10% are working in housing management. The remaining apprentices are working in a range of areas including Asset Management & Responsive Repairs (7%), Business Administration, Customer Services, HR, Facilities Management and Corporate Finance (13%).

Equality, Diversity and Inclusion (EDI)

A foundation stone in the establishment of ALMOs was the involvement in tenants in the structures and decision making. This continuing focus has created organisations which have a clear understanding of issues that matter to tenants, residents and communities. At the same time, ALMOs have developed into trusted partners for local authorities to deliver their strategic priorities, including those around community development, cohesion and inclusion, improving health & wellbeing, and reducing inequalities. This means that ALMOs are often integral to local EDI work; they employ from their local communities and are often the largest provider of housing in a community, as well as providing other related services, some cross-tenure.

ALMOs drive their EDI work from core values which shape their strategic and policy frameworks, employing best practice principles. This includes mandatory EDI training for staff, recruitment practices which further EDI principles, and employment of specific EDI Officers to manage the programme of work. Strategies and work streams are aligned with parent local authorities and local partners. ALMOs provide reports to their boards to track progress against EDI work and ensure that it is embedded at the highest level.

Many ALMOs reported the use of awards and accreditations to help them build their approach. This includes the Disability Confident employer scheme, Inclusive Employers, Mindful Employer charter, Investors in People, Housing Diversity Network Accreditation, and the government-led Customer Service Excellence Accreditation.

Reducing inequalities in communities is a core pillar of the work that ALMOs do. There is a huge range of services and projects, from working with young people, those who are excluded from society, supporting those who are in financial hardship, reducing fuel and food poverty, running employment and training programmes, supporting specialist groups and funding pots. We have featured in-depth examples of this work in NFA publications over recent years, including the best practice publication, Enhancing Life Chances in 2017 and the best practice housing management publication, Managing to Make a Difference, in 2019.⁵

While there is a huge amount happening, the basic principles of this work are the same: making sure that everyone can access services, that services are designed to meet the needs of communities in line with local authority priorities, and that everyone can benefit from programmes which reduce inequality.

We have heard of the impact of COVID-19 in many of the places where ALMOs work, for example in terms of youth unemployment, rising levels of poverty and mental ill-health; so ALMOs are looking at how they can leverage their current housing-related services and develop new ones to support their local authorities.

5 Both available on the NFA website: http://almos.org.uk/news_docs.php?subtypeid=24

Case Study – Tower Hamlets Homes (THH)

THH has a number of initiatives within its EDI approach. This includes:

- ◆ A blind recruitment process so that shortlisting panels cannot see candidate names;
- ◆ Women's and LGBT staff groups
- ◆ BAME targeted recruitment into Apprentice and Kickstart schemes;
- ◆ Charityworks Graduate Scheme with three out of five of the current trainees BAME;
- ◆ Housing Diversity Network mentoring programme and organisational accreditation;
- ◆ "Leadership Now" leadership development programme run through external consultants;
- ◆ Mandatory E&D training for all employees, refreshed at least every three years, informed by E&D group staff.
- ◆ A BME Women's Leadership Programme which provides a formal accredited community leadership training programme for BME women who are under-represented in local leadership.
- ◆ A Youth Leadership programme which is targeted at 16-21 year olds to ensure their views and opinions are heard in local decision making structures.

Tower Hamlets has the highest rate of tenants who live below the poverty line (4 out 10) while the ward of Bethnal Green has the highest child poverty rate in the country. 20% of households have an income lower than £15,000. THH commissioned a study to look at financial wellbeing, a main finding being that there were various providers of support in the borough but the services were fragmented, difficult to access and in some cases having problems with sustainability.

THH has brought together a number of partners into a shared Financial Wellbeing Centre. This includes benefits/legal advice, advice on disability matters, Citizens Advice, Employment & Training, money management, debt advice, employment and training geared towards over 50+, women's inclusive team, and bi-lingual services. THH provides the building to deliver the services, while the organisations bring their own funding.

Case Study – Nottingham City Homes (NCH)

Nottingham City Homes (NCH) has an Equality, Diversity and Inclusion Steering Group (EDISG) which meets regularly to update the NCH EDI Action Plan. This group is made up of a diverse range of stakeholders, including tenants, service managers, Union representatives, an ALMO Board member, Head of Organisational Development, EDI Manager and the Director of Corporate Resources.

The organisation uses 'Positive Action' to ensure that it recruits and trains/develops employees from under-represented groups to increase retention and enhance career progression. This is strengthened by the Future Leaders of Nottingham Programme, NCH Aspire to Manage programme, Women in Construction campaign, employee coaching and mentoring programme, and Apprenticeship Scheme.

An Inclusion Survey has been created for all employees to access to help gain further insight into employee experience.

NCH uses a range of equality frameworks: Race at Work Charter, Disability Confident Employer, Stonewall Equality Framework for Local Government. They also operate a selection of employee equality forums, including the Ethnicity Diverse Forum (EDF), Disabled Employees and Carers Forum (DECF), LGBT+ Forum, and Youth Forum.

Case Study – Your Homes Newcastle

YHN's EDI Strategy 2018-2021 states that the overarching goal is to embed and sustain positive EDI practice throughout the business so that it is never an add-on.

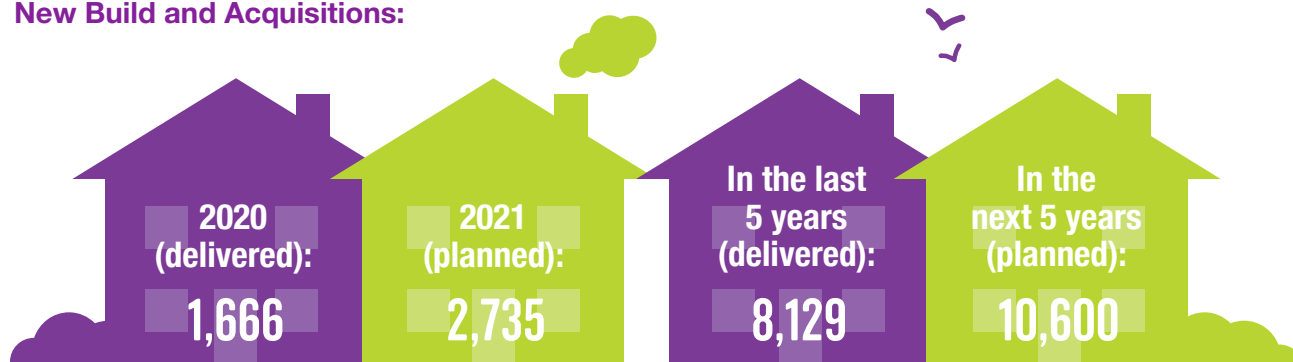
There are three Staff Network groups: Diversity@YHN (formerly the multi-cultural staff network group); Proud@YHN (for LGBT+ staff and allies) and vis-Able@YHN (for colleagues who are disabled or whose lives are affected by disability). The Staff Network Group co-chairs meet quarterly with the Executive Team to discuss issues of importance or relevance.

Last year the Staff Network Groups held Network Group November (which included blogs by staff members, articles on current EDI topics, and competitions) to promote the staff network groups.

YHN are a Stonewall Diversity Champion, Disability Confident Employer, and signatory to the Mindful Employer Charter. They are a member of the Housing Quality Network (HQN) Equality and Diversity Network to enable access to additional expertise, good practice, and case law. They also hold 'maintaining excellence status' and Ambassador status in the North East Health awards, a scheme for improving health and wellbeing. A significant part of staff health and wellbeing work is around mental health including comprehensive support for staff and reducing any stigma associated with mental health issues.

Part Four: New Stock

New Build and Acquisitions:



1. New build and acquisitions

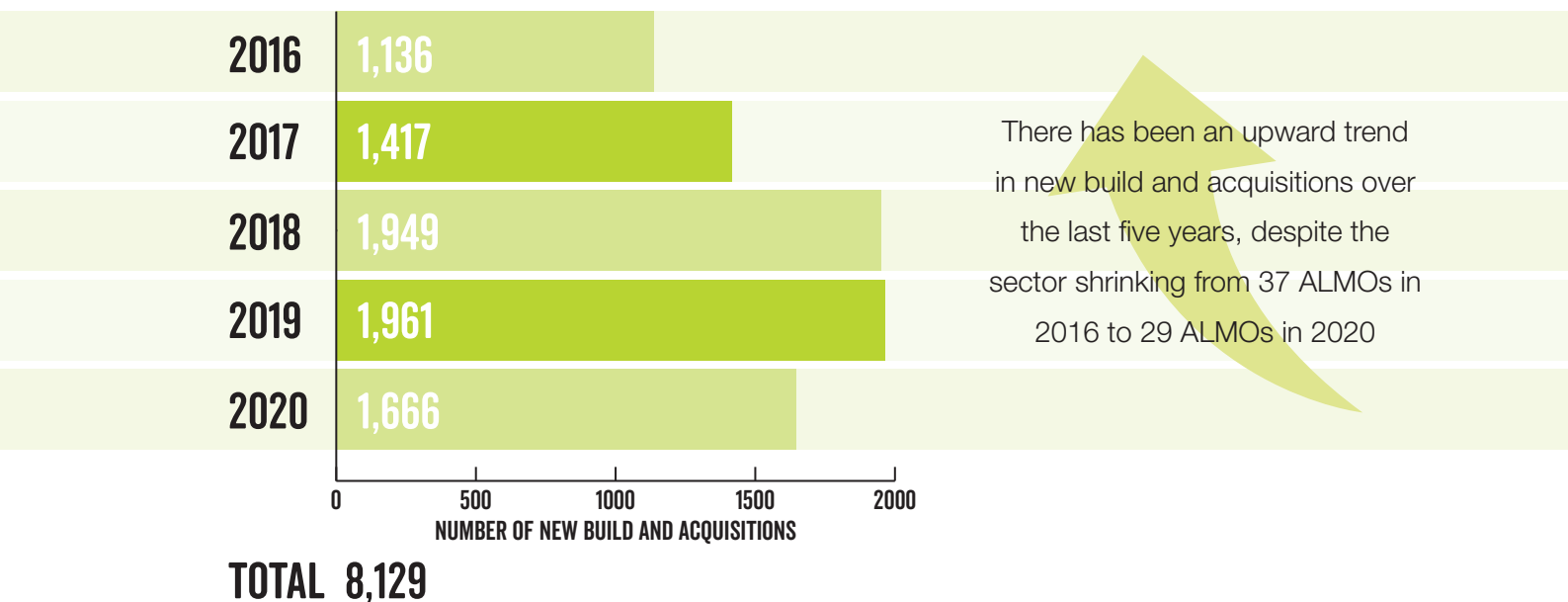
The ALMO sector built or acquired **1,666 properties** in 2020. This compares with **1,961 properties** in 2019, and **1,949 properties** in 2018.

Region	New Build	Acquisitions	Total
North	374	82	456
Midlands	238	408	646
South (Inc London)	104	405	509
South West	8	47	55
Total	724	942	1,666

Geographical breakdown of new build and acquisitions

Nine ALMOs stated that new build numbers had been negatively affected by COVID-19, with around 200 properties not completed as planned. This would have brought the numbers more into line with the previous two years. At the same time, ALMOs reported some delays on starting on site and slippage in build timetables which may have a knock-on effect into next year, especially considering the extension of the lockdown.

Last 5 years



Acquisitions make up a much larger proportion of new stock in the sector this year compared with previous years; over half of the total compared with around a third in the last three years. Many members have told us they have used acquisitions more than planned this year in order to be able to spend the RtB receipts they would have had to return to the Government with 4% interest otherwise. This will then impact on their ability to fund delayed new build schemes next year but is driven by the perverse incentives built into the RtB receipts agreements.

Where tenure breakdown is given, the majority of new build and acquisitions are still for Affordable Rent.

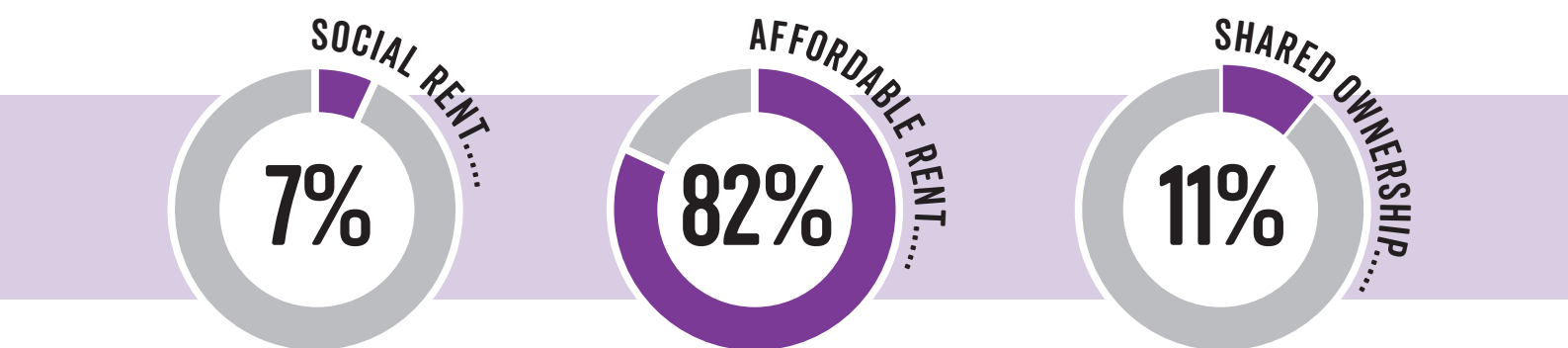
- 18% Social Rent
- 54% Affordable Rent
- 13% Market Rent
- 6% Shared Ownership
- 10% Other

Breakdown of new build and acquisitions - 2020

1. New build (724 properties)

ALMOs built **558** new properties in 2020.

In addition, ALMOs developed **36** properties with Housing Associations, and **130** with private developers.



15 out of 16 of the ALMOs which responded to the question about how development is funded, developed inside the Housing Revenue Account, the majority using HCA Grant. There were other funding sources, including NHS Grant, use of prudential borrowing, and partnership with other social landlords, however these are less common. Clearly the increasing pressures on the HRA will make it harder to fund the level of new build required from the sector to meet both government targets and local need.

2. Acquisitions (942 properties)

ALMOs acquired a total of 942 properties for the sector, the majority of these in the Midlands and the South. A much higher percentage of these properties are for Social Rent (27%) than the new build programme; 32% are for Affordable Rent; 22% at market rent; 2% shared ownership; and 18% other, including local living rents.⁶

⁶ Nearly all of the Market Rent acquisitions were acquired by one ALMO



© Your Homes Newcastle

YHN's Repairs & Construction Service has recently completed four three bedroom homes in a popular part of Newcastle.

They worked with local architects as well as mechanical and electrical consultants to design the properties, and the ensuing project was managed by YHN and Newcastle City Council staff.

The properties have a high specification finish, generous gardens and living spaces, separate kitchen diners and downstairs WCs, which can be adapted to shower rooms for future use if necessary. Despite a small delay caused by the first lockdown, the houses were completed on time for families to move into just in time for Christmas.

3. New stock versus properties sold under Right to Buy

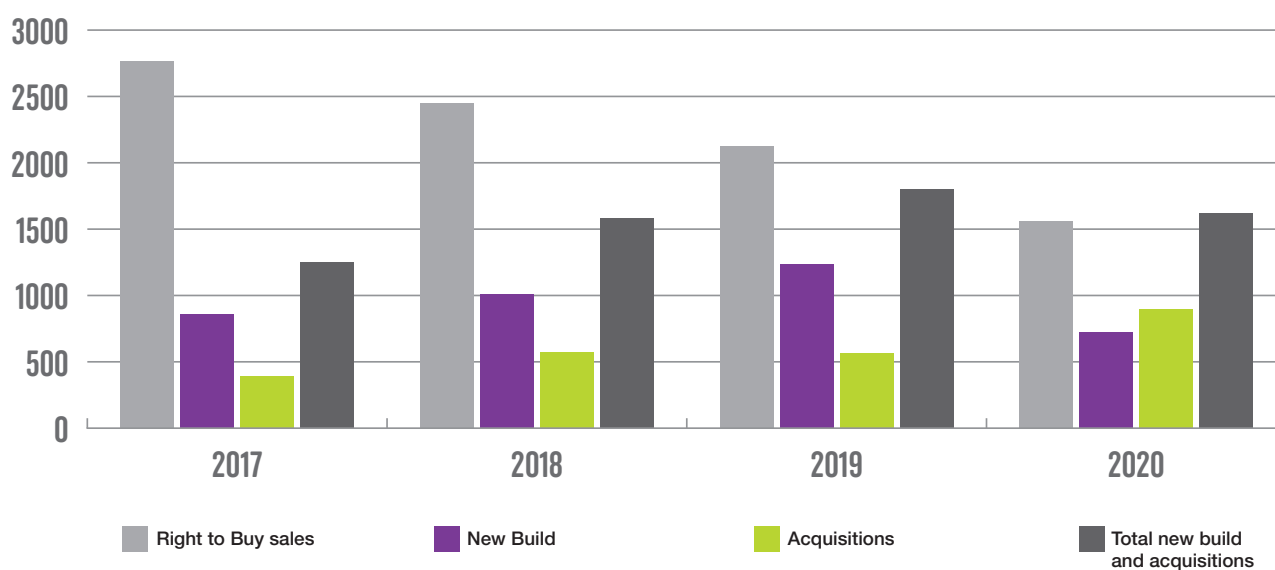
Based on data from **25 ALMOs**, at least **1,557 homes** were sold under the Right to Buy in 2020 (an average of four homes sold per 1,000 properties). This compares with last year's figure of 2,348 homes from 28 ALMOs. The reduction in sales is in line with a national reduction in Right to Buy sales last year most likely due to COVID-19. For example, MHCLG data shows a 39% reduction in the period January to June 2020 compared with the same period in 2019.⁷

It is true that these 25 ALMOs managed to build and acquire slightly more properties than were sold (1,617 versus 1,557) but this is clearly because RtB sales were down rather than new build/acquisition figures being up.

As with previous years, the Midlands have experienced the highest rates of Right to Buy:

Region	Right to Buy sales per 1,000 properties			
	2017	2018	2019	2020
North	8	7	7	5
Midlands	12	12	9	7
South (inc. London)	8	6	3	2.5
South West	8	7	4	3.5

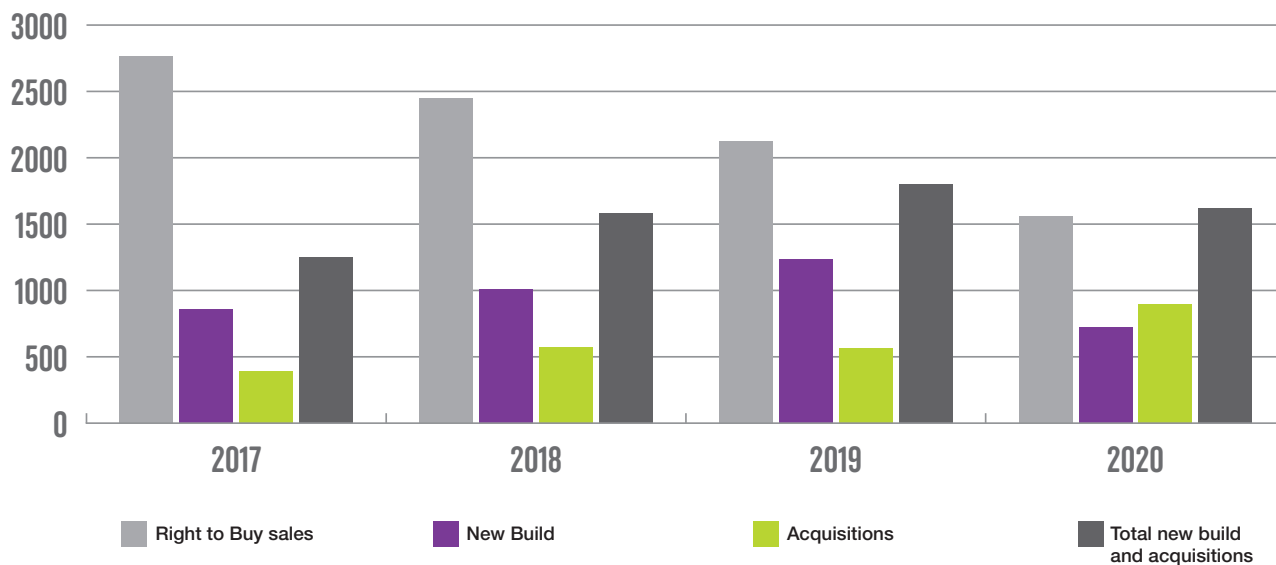
All ALMOs



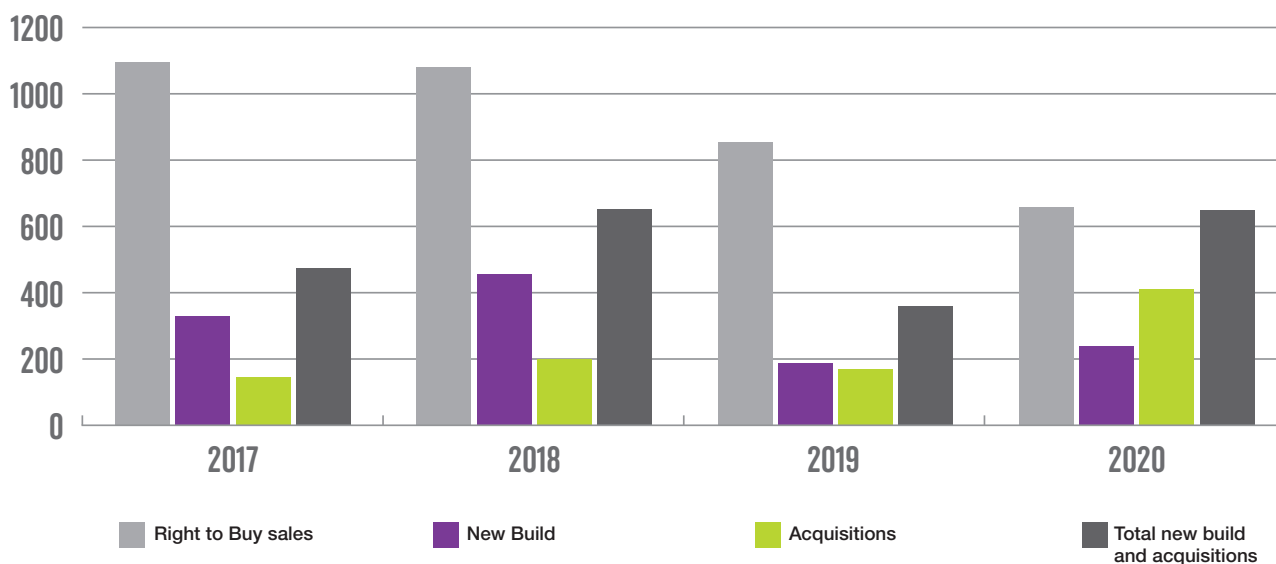
The above graph shows data for 25 ALMOs who provided this information across the four years. In this period, 8,893 properties were sold through Right to Buy. They were replaced with 3,818 new build and 2,430 acquisitions (a total of 6,248). This leaves a shortfall of 2,645 homes.

⁷ MHCLG data:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/925429/Right_to_Buy_Sales_-_January_to_June_2020_England_Statistical_release.pdf

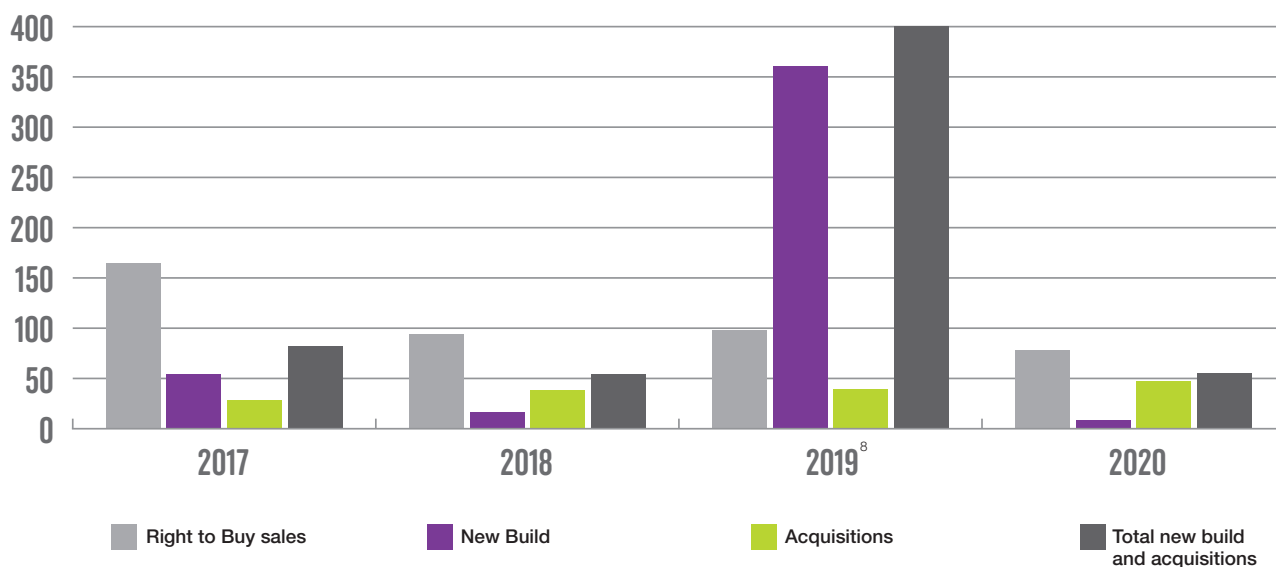
North



Midlands

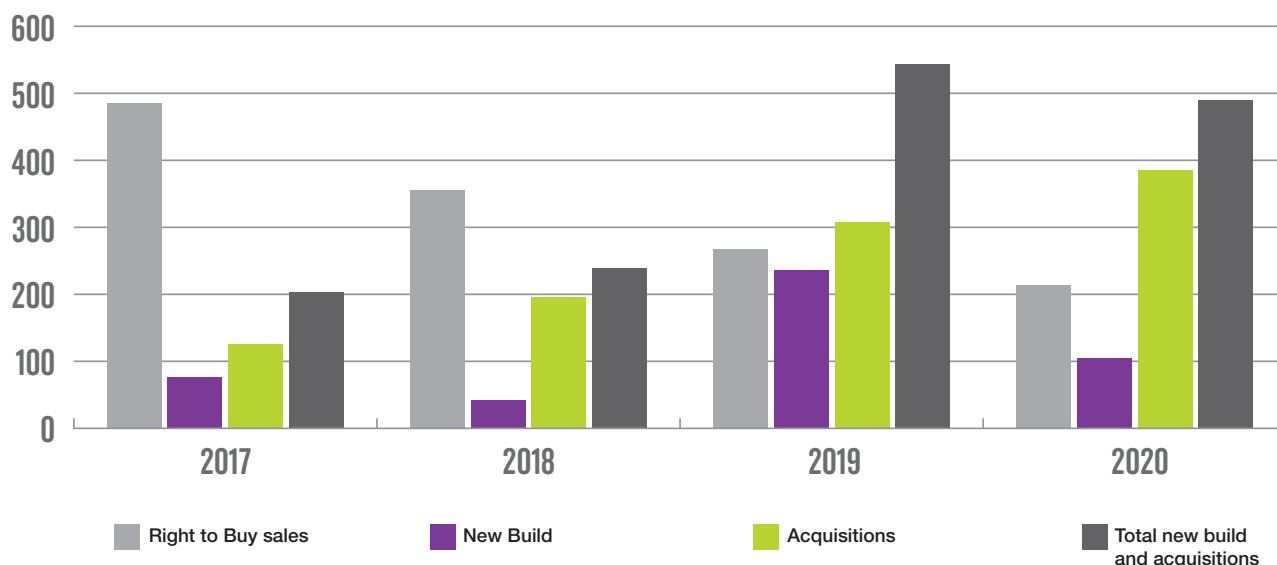


South West



⁸ Due to one ALMO completing a significant programme of development this year

South (inc. London)



16 out of 24 ALMOs that responded to the question stated that they had had delays in spending their Right to Buy receipts due to the lockdown. This was due to a variety of factors affecting organisation's delivery plans, such as the closure of construction sites in the first lockdown. More significantly the furloughing of development staff by contractors led to a reduction in bidding for work and starting new developments, as well as staff sickness and new working arrangements slowing processes down. Members have also reported a slowing down of planning permissions and some of the professional services associated with the development process. This has pushed organisations to acquire more properties this year than they would normally and will continue to impact on development plans well into 2021.

It is clear that COVID-19 has impacted on the majority of our members' development plans and their ability to deliver, but in many ways it has just exacerbated one of the major obstacles to councils and ALMOs new build programmes: the inflexibility of the Right to Buy receipt programme. As Right to Buy sales are demand led by tenants and affected by overall economic and housing market conditions neither councils nor indeed central government has any control over the level of them from year to year. We would expect them to rise and fall with the economic cycle over the medium to long term and be affected by shocks such as COVID-19 in the short term. Councils and ALMOs need an increase from the current 3-year period to at least a 5-year period to provide the time to plan and deliver new build schemes as well as smoothing out the income over a longer period so it can support a sustainable development programme.

Developing councils and ALMOs need to be able to plan a five to ten year programme with enough flexibility in it to be able to switch in and out certain sites depending on issues arising as they go through planning, resident consultation and site preparation. They are mostly dealing with the awkward smaller sites which developers have not touched in decades, pockets of council owned land which help make a wider regeneration or development site feasible. To effectively support this their financing needs to be long term and flexible, something which the current receipts programme is not.

The Government consulted on making the Right to Buy Receipts rules more flexible back in October 2018, but has not yet published the findings of the consultation or implemented any of their own proposals. With the pandemic having exposed the current flaws in the system so visibly it is now imperative that the government take the opportunity of the March Budget/ Spring statement to implement the original proposals in the 2018 consultation paper and:

- ▲ Increase the time period for spending existing and future RtB receipts from three years to five years
- ▲ Allow councils and ALMOs to use RtB receipts to fund up to 50% of the cost of developments where they build social rented homes, larger family homes or meet increased energy efficiency targets like carbon neutral homes.
- ▲ Continue to allow councils and ALMOs to use RtB receipts for acquisitions as this does allow for flexibility in any given year and helps support wider neighbourhood regeneration schemes, provides temporary accommodation or tackles empty homes in some areas.
- ▲ Enable councils to pass RtB receipts to their ALMOs;

The NFA would also like to see the Government go further and to really help prepare the ground to support councils and ALMOs build back better after the pandemic and put the whole Right to Buy programme back on a sustainable footing.

The re-invigoration of the Right to Buy policy back in 2012 led to significant levels of discounts in some areas as well as widening the number of tenants eligible to gain that subsidy. This has led to a situation where some councils are receiving so little as a receipt they will never be able to replace the homes sold locally. This makes councils less willing to invest money in new build as they fear they will lose the value of that investment too quickly and not be able to replace the lost homes. Savills found strong evidence that allowing selective local variation in the level of discount would have a positive effect on supply; “We estimate that by capping discounts in the five northern and midlands regions by a flat £20,000 applying to all sales, this could lead to a net greater social/affordable housing stock of c12,500 homes over a 5 year period.”⁹

- We fully support the Right to Buy policy but believe discount levels need to be reduced and eligibility criteria lengthened again to ensure it is sustainable for local councils, communities and better value for money for the public purse.
- We are also calling for the cost floor mechanism to be extended to 30 years to cover the debt for new build so that new investment within the HRA is not disincentivised as 30 years is the typical length of time a council will borrow over for new build.
- We believe that as the government has never achieved its replacement commitment since 2012 that it is time that the Treasury foregoes its share of receipts so that 100% of the revenue raised from sales is retained and reinvested locally.



Derby Homes **completed nine bungalows** for War Memorial Village Derby during lockdown. The War Memorial Village is a historic village run by a charity for ex-service people. These properties are a glimpse into the future of housing standards.

⁹ <https://www.local.gov.uk/sustainability-right-buy>

Part Five: Future Development Plans

1. Over the next 12 months

Over the next 12 months, ALMOs plan to build or acquire at least **2,735** properties:



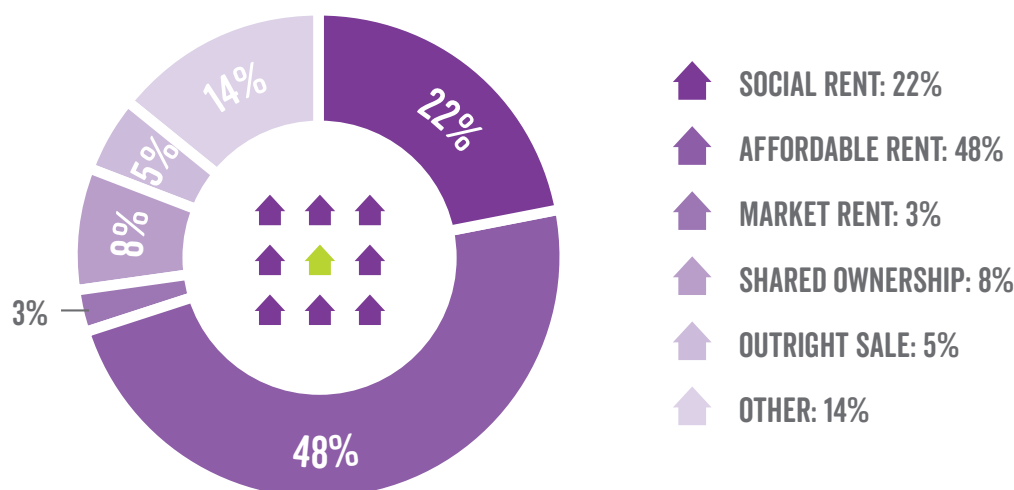
22 ALMOs (76%) have new build plans over the next 12 months, planning to build at least 1,764 homes:

49% of new build homes will be HRA owned; 16% will be ALMO owned; 6% will be owned by the Registered Provider arm; 9% will be local authority development owned by the housing company; and 1% will be owned by the General Fund, with 19% unspecified

The majority of ALMOs (18 ALMOs) are funding all or part of their development through the HRA, with 12 ALMOs using HCA grant. Two ALMOs are funding development through the General Fund. One ALMO is developing in partnership with another organisation, and two ALMOs are using private investment. Seven ALMOs are using a range of different funding sources to fund development including Section 106 receipts, PWLB loan, GLA Grant, and an annuity lease back model.

22 ALMOs have acquisition plans over the next 12 months: 66% of acquisitions will be HRA owned, 75% of acquisitions will be HRA owned, 20% Registered Provider owned, 1% General Fund Owned and 2% ALMO owned, and 2% acquired through a housing company

Where reported, the planned breakdown of tenure for new build and acquisitions is as follows:



2. Building Post-Pandemic Prosperity – over the next five years

The NFA published a report with the LGA and ARCH in November 2020 which looked at how the social housing sector can contribute to the building of post-pandemic prosperity.¹⁰ The report, authored by an independent consultancy, found that every 100,000 new social homes built would bring £14.5 billion into the UK economy. It would:

- Create 263,000 jobs
- Improve public finances by £7.8 billion in today's money over 25 years

¹⁰ Building Post Pandemic Prosperity, Pragmatix Advisory, November 2020, <http://almos.org.uk/include/getDoc.php?did=8682&fid=10345>

- Reduce the annual deficit by £70 million (£7,000 for each new home).

Economically speaking, the building of social housing to quality standards is an investment in publicly-owned infrastructure that will retain its value and return income over many years, as well as reducing the ever-inflating housing benefit bill. Socially speaking, the building of social housing will help the Government's levelling up agenda, reducing the inequalities which have become so apparent during COVID-19 and providing genuinely affordable homes for people to build their lives from.

ALMOs have been working hard to support local authorities to build new homes in communities where they are needed, but there are still considerable barriers to development which could be easily rectified with more of a focus on genuinely affordable homes in the Affordable Housing Programme and the Government's planned reforms to the Right to Buy. The NFA is calling for:

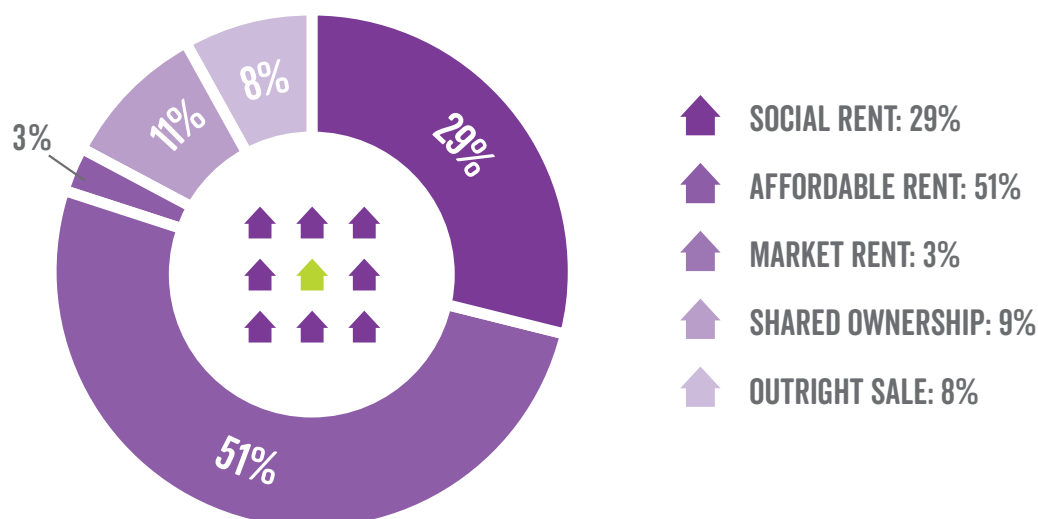
- An effective grant programme with sufficient funding to deliver social rented homes we can all be proud of, with at least 100,000 new social rented homes a year;
- Reform of the Right to Buy to make sure there is one-to-one replacement of every rented social home sold;

Considering the fact that the people who have most been affected by COVID-19 are those who are least able to buy their own home, we are also calling for a move in funding from home-ownership products such as shared ownership or First Homes into genuinely affordable homes. Since these will be more affordable, it will also provide people with the security to start saving a deposit for their own home in a way that is currently impossible for so many, as well as access to a ready-made 'rent to buy model' through a reformed Right to Buy.

The ALMO sector had plans in December 2020 to build around 10,600 properties over the next five years, the majority of which is being developed within the HRA.

REGION	Number of new build properties	Percentage of the total
North	3,600	34%
Midlands	2,470	23%
South (inc. London)	3,600	34%
South West	925	9%
TOTAL	10,595	

Where the breakdown of type of property is known, ALMOs are anticipating building:





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The NFA Team

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



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