The ALMO advantage

STRONG GOVERNANCE is one of six briefs that assemble learnings from the ALMO model and its potential for delivery of high quality, compliant and value-for-money local authority housing through a specialist council-owned organisation. Drawing on 20 years of operational experience, these findings will also be useful to other council housing management models, including housing advisory boards and direct in-house service delivery.

What the new regulatory regime asks of a landlord's governance processes

The Regulator of Social Housing will be looking for:

- ***Proof of genuine effort to listen to tenants.*** *The RSH will ask landlords show how they listen to residents, and how they use the information residents give them when services are planned or assessed.*
- ***Good scores from tenant satisfaction measures (TSMs) surveys – and swift, demonstrable response to poor scores.*** *The results must be published and will be a quick-reference guide to how a landlord's performance compares with previous years and with the performance of other housing providers. But key for the Regulator will be the presence of an improvement plan that addresses weak scores.*
- ***Compliance with updated Consumer Standards.*** *Councils must make it clear which person or organisation is responsible for making sure these standards are met.*
- ***Regular inspections.*** *As the Regulator begins to routinely inspect social landlords, censure will be tougher on landlords who have not monitored their own performance and missed gaps or failings.*

Clear governance = clear compliance

THE ALMO MODEL HAS A STRONG GOVERNANCE FRAMEWORK

An ALMO's work is overseen by both its parent council and a board of non-executive directors. Council nominees, independent members, and either tenant representatives, or formal mechanisms of tenant sub-committees or scrutiny panels feeding input directly into transparent decision-making.

THIS MEANS THAT INCLUSIVE GOVERNANCE LIES AT THE HEART OF A TRANSPARENT ALMO STRUCTURE

As a wholly owned local authority company, an ALMO is governed by its Memorandum and Articles of Association which together form its written constitution.

THE RELATIONSHIP BETWEEN ALMOs AND THEIR PARENT COUNCIL IS CLEARLY DEFINED

A management agreement between council and ALMO, reviewed at clearly defined intervals, sets out responsibilities and performance targets. The ALMO board develops the company's housing management vision in line with the parent council's wider strategic objectives.

EMBEDDED IN THEIR COMMUNITIES, ALMO BOARDS CAN ACCURATELY FEED VALUABLE LOCAL KNOWLEDGE UPWARDS INTO A COUNCIL'S WIDER STRATEGIC OBJECTIVES

Drawing on knowledge from specialist frontline staff, housing-plus services, facilities and community hubs, they can suggest entry points for well-targeted, value-for-money services. The outcome is a service that is more highly rated by tenants and often better value for money than directly managed housing services.

AN ALMO's TRACKABLE DECISION-MAKING GIVES ITS PARENT COUNCIL READY-MADE REGULATORY ASSURANCE

Local authority landlords now need to evidence decision-making processes and tenant engagement. The deliberations of ALMO boards, informed by tenant input, create a high level of evidenced and transparent governance.

BEST PRACTICE FOR NON-EXECUTIVE BOARDS IS TO FOLLOW A SECTOR-RELEVANT CODE OF GOVERNANCE

As an additional safeguard and quality assurance, many ALMOs regularly review their governance arrangements in the context of the 2020 NHF code and its compliance checklist.

For an in-depth examination of ALMO governance and compliance structures, see Excellence in Partnership and Management.

Solihull Metropolitan Borough Council
Govenance and assurance framework

SMBC
Legal & statutory landlord duty

Assurance

QUARTERLY MONITORING BOARD

PARTNERSHIP PERFORMANCE GROUP

SMBC BUILDING SAFETY BOARD

Performance dashboard
- Key performance indicators
- Delivery plan milestones

Solihull Community Housing
- Delivery organisation
- Landlord function as set in management agreement
- Operational & building safety management & compliance
- Allocations/homelessness duty/strategic service delivery as determined by parent council
- Income collection and tenancy sustainment

ALMOs are:

- 100 per cent owned by and accountable to their local authority;
- expertise-led housing managers embedded in their communities;
- flexible and outcomes-focused organisations, ready to learn, develop and innovate;
- subject to strategic independent board oversight that involves tenants and external experts;
- tenant-focused, making sure residents' views are heard and acted upon;
- high-performing and value for money.

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