



# Arms Length Management Organisations

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# Introduction

- Background
- What is an ALMO?
- What can and can't the ALMO do?
- Implications for Residents
- Role of Board Members
- How to Access Additional Funding



# Background

- Housing Green Paper 'Quality and Choice: A decent home for all' 2000
- Accepted £19bn backlog in disrepair
- Decent Homes target by 2010
- Four main funding solutions



# Background

- Stock Transfer
- Major Repairs Allowance (MRA)
- The Private Finance Initiative (PFI)
- Arms Length Management Organisations (ALMOs)



# Background

- Total of £2.1 bn capital support
- £700 m for 04/05 ALMOs (Round 3)
- No longer capped per property
- Building Costs Model



# What is an ALMO?

- Private, not for profit company wholly owned by the local authority
- Retain stock ownership, but transfer the management
- Local authority still the legal landlord
- Tenants rights remain the same Right to Buy, Repair and Manage
- Business-like and innovative



# What is an ALMO?

- Management agreement
- ALMO run by a Board of Directors (usually 3/3/3)
- Tenants, Independent Experts and Local Authority Representatives
- Day to day management delegated to the senior management team
- Staff transfer from the local authority



# What can an ALMO do?

- Stock investment and repairs
- Rent collection, dealing with arrears
- Consulting and informing tenants on ALMO matters
- Promoting tenant participation
- Enforcement of tenancy and lease conditions
- Managing lettings and empty properties
- Estate management and caretaking
- Environmental protection and improvement





# What stays with the Council?

- Overall housing strategy
- Setting standards for the ALMO
- Homelessness and Housing Advice
- Policy development on rents, lettings etc
- Housing Benefit
- Best Value Review Planning
- Owner occupier strategies
- Supporting People



# Implications for Residents

- Demonstrate tenant support
- Seats on the board
- Responsive to your needs
- Management focus
- Additional funding
- Inspection process



# Role of Board Members

- Running a business
- Relevant experience
- Elected Tenant Board members
- Representative and accountable
- Unpaid, may receive expenses
- Skills audit and training



# Accessing Additional Funding

## Round 3

- Expressions of interest 4 April 2003
- Detailed bid 16 May 2003
- ALMO commences April 04

## Round 4

- Expressions of interest 26 September 2003
- Detailed bid 31 December 2003
- ALMO commences April 05

Dates	Action
4 <sup>th</sup> April 2003	Express an interest to ODPM
May 2003	ALMO 'shadow' Board •starts meeting starts training programme
16 <sup>th</sup> May 2003	Submit formal 'bid' to ODPM
July 2003	ODPM approve 'bid' and announce conditional funding allocation
September 2003	LHA submit S.2 application to ODPM
October 2003	ODPM approve applications
November 2003	ALMO 'goes live', taking over housing management functions
May 2004	ALMO inspection
June 2004	Inspection result announced. If 2* obtained, LHA draws down additional funding
July/August 2004	Publication of final inspection report



# Accessing Additional Funding

- Comply with Guidance
- Good separation between landlord and enabling
- Genuine management freedom
- Plan to meet the decency standard 2010
- Demonstrate the need for the money
- Value for money proposals
- Readiness to spend resources
- Providing a good service



# Accessing Additional Funding

- Demonstrate a high level of performance against BVPIs and obtained a 'good' rating (2\*) plus
- Demonstrate sound financial planning, management and long term financial viability through a high quality business plan
- Have a clear plan to re-structure rent and introduce choice within lettings



# Accessing Additional Funding

- Six months after set up
- Typically two weeks
- Inspection of all transferring functions
- Principal focus will be on service delivery
- ALMO Governance is important
- Primarily the improvement rating
- Indicative ALMO Inspection
- Recognise ‘teething troubles’





# Summary

- Method of meeting Decent Homes target
- Private, not for profit company wholly owned by the local authority
- Genuine management freedom and housing management core activity
- Residents have seat on the board
- Additional funding available for good performing services