

SOCIAL HOUSING BRIEFING NOTE

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Social Housing Classifications

This briefing note explains the different types of social housing providers: Housing Associations; Arms Length Management Organisations (ALMOs); and Local Authorities. It also looks at how social housing providers are audited.

Social Housing Classifications

In order to get funding from the government to meet the Decent Homes Standard (see briefing note 2), Local Authorities had three options available to them. These were:-

- 1) Transfer stock from Local Authority control to an independent Housing Association.
- 2) Convert status to an Arms Length Management Organisation (ALMO).
- 3) Retain housing within the Local Authority.

1) Transfer of Stock to Registered Social Landlords (usually called Housing Associations)

Transfer of stock to a registered social landlord is a well-established means of securing investment for the improvement of social housing and contributing to wider regeneration.

An authority can only decide on stock transfer after a full investment Options Appraisal (OA), carried out in consultation with their tenants.

Any local authority wishing to transfer 500 or more dwellings to a single registered social landlord (RSL) must obtain a place on the annual Large Scale Voluntary Transfer (LSVT) Programme. The annual LSVT Programme allows local authorities to complete their transfers over two years.

LSVT transfers can only take place if:

- they are to RSLs registered with the Housing Corporation;
- they have the support of a majority of tenants;
- and the Secretary of State gives his consent.

2) Arms Length Management Organisations (ALMO)

An Arms Length Management Organisation (ALMO) is a company set up by a local authority to manage and improve all or part of its housing stock.

The company is owned by the local authority and operates under the terms of a management agreement between the authority and the ALMO. An ALMO is managed by a board of directors which includes tenants, local authority nominees and independent members.

Establishment of an ALMO will separate the day to day housing management role of the landlord from the wider strategic housing role of the local authority. However, the local authority retains ownership of the housing and tenants remain secure tenants of the local

authority. Ministers will not give consent to the establishment of an ALMO without clear evidence that the council has consulted its tenants and leaseholders and can demonstrate a balance of support from them for the ALMO proposal.

Through the ALMO Programme, the government offers additional resources towards the cost of achieving the Decent Homes target to councils who set up ALMOs that are assessed as 2* (good) or 3* (excellent) on inspection by the Housing Inspectorate (which is part of the Audit Commission).

Local Authority Housing Stock

If tenants or the local authority decide against a transfer or ALMO, then the council can gain investment through the Public Finance Initiative (PFI). PFI enables the Government to provide financial support for partnerships between the public and private sectors. Typically, PFI contracts last for thirty years. Although the council still owns the homes, in most cases, the private sector partner will provide the management services.

Housing Auditing

Social housing providers are audited by the Audit Commission (an independent public body responsible for ensuring that public money is spent economically, efficiently, and effectively) It helps housing organisations to improve their services. They do this for local authorities, ALMOs and housing associations through their audit, inspection and research functions. They also work with the Housing Corporation to help improve the performance of housing associations. Inspections are made using the Key Line of Enquiry approach (KLOE).

Key Lines of Enquiry (KLOEs) represent sets of questions and statements around either service or judgement specific issues which provide consistent criteria for assessing and measuring the effectiveness and efficiency of housing services. These KLOEs are designed to provide inspectors, inspected bodies and others with a framework through which to view and assess services. Descriptors (a series of benchmarks) of excellent and fair services will help organisations to understand how the quality of services is judged against the KLOEs. These descriptors are not intended to act as a checklist or to prescribe the services that organisations would be providing if they were judged to have an excellent or fair service by inspectors.

KLOEs are used by inspectors to assist them in carrying out service level inspections and relevant improvement work in housing organisations. The Housing Inspectorate's set of KLOEs will evolve over time as a result of experience with their use in the field, consultation with the bodies we inspect, discussions with national housing bodies and the input from the Audit Commission's broader inspection methodology.

The Main Social Housing Landlords in Gloucestershire

Housing Providers	Number of homes	Status
Cheltenham Borough Homes	4027	ALMO
Fosseway Housing Association	5225	HA
Forest of Dean Housing Association	3500	HA
Gloucester City Home	4600	ALMO
Stroud District Council	5503	Council
Severn Vale Housing Association	3124	HA
Gloucestershire Housing Association	3000	HA
Wyedean Housing Association	400	HA
Oxbode Housing Association	407	HA
Bromford Housing Association	1301	HA

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