



POLICY GAZING ALMO GOVERNANCE AND BOARD LEADERSHIP

**HDN Board Mentoring Programme
9 June 2022**

**Eamon McGoldrick
Managing Director – NFA**

Objectives of Presentation

- Describe governance models in Council owned social housing
- Outline ingredients for successful governance and management
- Outline current national policy context and impacts on governance and management
- Stimulate debate and provide food for thought

Council Housing Management Models

- Councils own 1.6m homes. Down from over 5m 40 years ago
- Majority directly managed by Councils. Governance delivered by elected Councillors
- Some Tenant Management Organisations (TMOs) deliver specific services through a residents elected Committee

Council Housing Management Models

ALMO / Housing Company

- 24 Council owned organisations managing just over 320,000 homes across England
- **Board** - Combination of Council nominees, independents, residents – all Company Directors
- **Management Agreement** – Formal document
- **Executive Team** – Leader will have strong housing / customer services background

Common Objectives

- Meet objectives in Management Agreement or key strategic documents
- Support their parent Councils
- Deliver excellent services
- Meet performance targets
- Demonstrate Value for Money
- Meet regulatory and legislative requirements
- Involve and listen to customers
- Ensure all residents and staff are safe

Governance - keys to success

- Relationship between Councils, ALMO Boards and Exec Teams is crucial
- Must be robust challenge with respect
- No dominant characters!

- Exec Teams must “know their onions” – a major challenge in housing at this time
- Boards and Executive teams need to be aware of their operating environment

National Policy Landscape

A lot going on

Changes are

- Grenfell related
- Government policy commitments
- Created / accelerated by pandemic
- Global issues

Climate Change / Building Safety

- Big focus on **Zero Carbon**
- Decarbonisation pilots underway
- Strategy not clear and funding is a major challenge
- New **Building Safety Act** - 28 April 2022
- Resident engagement will need to be evidenced
- **Fire Safety Order** - increased inspections of fire doors and possible information sharing protocols on evacuations

Housing Ombudsman

- More accessible
- Naming and shaming landlords with new Complaints Handling Code
- More focus on sharing best practice
- Will have formal links with Regulator for Social Housing
- Has set up a Residents Panel of 600

Regulation of Social Housing

Social Housing and Regeneration Bill will enable

- More intervention by Regulator including ordering repairs and unlimited fines on poorly performing landlords
- Revised Consumer Standards
- New Tenant Satisfaction Measures (TSMs)

Plus new **Social Housing Quality Residents Panel** being set up

Other policy changes

- Mandatory Smoke Alarms and CO Detectors in social housing from 1 October 2022
- Review of professionalism in housing sector underway
- Decent Home Review also underway

How have ALMOs responded?

- Doing emergency/ safety/ compliance works
- Following existing Government guidance
- Reviewing risk registers
- Adjusting Financial & Business Plans
- Highlighting positive practice
- Influencing policy agenda
- Sharing and learning

Board Governance and Leadership

- Meetings more focused
- Questions sent in advance / more use of electronic Board papers
- Some relaxation of Delegated Authority and decision - making processes
- Reviewing current performance measures against new TSMs
- Thinking about impacts of Regulator Intervention

Governance challenges

- Must restore some face to face contact
- Can you run Away Days, induction and appraisals virtually?
- What if temporary changes become permanent? Will Board members feel their roles have been downgraded?
- Do you allow public to access meetings?
- Don't forget resident involvement and scrutiny!

Governance challenges

- Are all your Board colleagues confident with this new world?
- How Strategic are Boards?
- Is Cyber security a concern?
- Is your Business Continuity Plan fit for purpose?

Questions for ALMO Boards

Resident Engagement

- Are we listening to residents?
- How are they involved in decision making when the agenda fast moving?

Regulation

- Are we prepared for further scrutiny/ regulation?

Management

- Are Board members involved in shaping “new normal” and future ways of working?

Questions for ALMO Boards

Health / Safety / Compliance

- How do we know if our residents are safe?
- Do you know who is regulating you?

Finances

- What is the impact of policy changes on our Business Plans?
- Have we thought of all the cost / income pressures?

Questions for ALMO Boards

- **Communications**

What did we learn from Covid communications that could be retained?

- **Stakeholder / Partnership working**

Who stepped up? New opportunities?

- **Governance Review**

Have experiences of last 2 years triggered any thoughts for change in Governance arrangements?

Summary

- Diversity of governance models is good and none have inherent flaws
- Councils, ALMOs and Exec Teams have common objectives but different roles
- Management and governance arrangements must be regularly reviewed
- A lot of challenges in current operating environment – a good reason to learn from each other and share best practice

Thank You For Listening

NATIONAL FEDERATION OF ALMOs

Website: www.almos.org.uk

Email: info@almos.org.uk

Twitter: @almos_nfa