



**cwag**  
Councils with ALMOs Group

## Excellence in Management & Partnership

# Policy Brief: November 2022

Delivering new social housing regulation for ALMO-council residents



Councils with ALMOs Group (CWAG)  
The National Federation of Arm's-Length Management Organisations (NFA)

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# Introduction

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The NFA and CWAG have published a guide for both NFA ALMO members and their parent councils who have chosen to manage their housing stock through an arms-length management organisation. The guide [explains how social housing management is changing](#) as a result of the Grenfell Tower fire. It is intended to help councils and their ALMOs be sure that they are complying with those changes and listening carefully to what tenants have to say about how their homes and communities are managed.

## What is changing?

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### 🏠 Social Housing White Paper

The Grenfell Tower fire in June 2017 led to a fundamental shift in the government's view of how social housing should be regulated.

#### **The Charter for Social Housing Residents: Social Housing White Paper**

Aims to reset the relationship between tenants and landlords. It makes it clear that tenants must feel safe in their home; they must have good quality homes and neighbourhoods; they must be listened to; and their opinions must influence the decisions that landlords make about how their homes and communities are managed.

### 🏠 Changes to social housing regulation

How well councils and housing associations manage their properties is overseen by a government-appointed body, the **Regulator of Social Housing (RSH)**. At the moment, the RSH only intervenes when something goes seriously wrong. The Social Housing (Regulation) Bill sets out the changes required in law to set up this new, proactive regulatory regime and the legislation is currently going through parliament. Within the next few years, the RSH will start to monitor the performance of social landlords regularly.

The RSH will measure landlords' performance in the following ways:

**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.

**Tenant satisfaction measures (TSMs).** TSMs will be published each year, based on how residents rate the service they have had from their landlord. The results will be a quick-reference guide to how a landlord's performance compares with previous years and with the performance of other housing providers. Following a consultation exercise the final **Tenant Satisfaction Measures** have now been published and councils and ALMOs should be preparing to collect them from 1 April 2023.

**Consumer Standards review.** Landlords must meet minimum standards of quality and health & safety in the work they do, and these are set out in the **Consumer Standards** (a review of the current standards is expected to begin in late 2022). However, under the current rules, it can be difficult to know exactly which person or organisation is responsible for making sure these standards are met. The RSH will order all social housing providers to name the person or people who will take on these responsibilities.

**Regular inspections:** Over the next few years, the Regulator will begin to inspect social landlords even if there have been no specific complaints about them if there are other reasons to be worried about their work. Inspections may also be prompted, for instance, by information from landlords themselves, from the **Housing Ombudsman** and from other sources such as media reports.

**Councils are responsible for council housing:** If a council has created an ALMO to look after its housing, the council is still the landlord and has the legal responsibility to fulfil all the promises made in the Charter for Social Housing Residents. This means councils must be able to show the Regulator that their ALMO is well run and delivers good quality and safe services to tenants.

### 🏠 Safety – buildings and fire risk

The Grenfell Tower fire has also prompted big changes to the law on building and fire safety. The **Building Safety Act** was passed in 2022 and various provisions of it are being enacted between 2022 and 2024. The new **Fire Safety Act** was passed in 2021.

The changes introduced by the Building Safety Act include:

- 🏠 The creation of a new official regulator, the **Building Safety Regulator**, whose office is part of the Health and Safety Executive
- 🏠 A requirement that **landlords actively seek out tenants' thoughts and observations about the safety of their homes**



- 🏠 **A unique fire safety assessment for every high-risk building over 18 metres high** that takes account of each building's specific construction and layout.
- 🏠 Councils that have high-risk buildings managed by an ALMO must appoint an **Accountable Person**, based at the council, who is legally responsible for the safety of those buildings.

## What do these changes mean for councils with ALMOs?

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These changes cover all social housing providers whether they are councils, housing associations or ALMOs.

Residents have had a say in the running of ALMOs since they were first created in the early 2000s. The ALMO structure also calls for a board – almost all of which include tenant representatives – to oversee its work independently of council or ALMO staff.

Councils with ALMOs should already have:

- 🏠 regular meetings between the council and ALMO to discuss planned investment and services for five years ahead;
- 🏠 regular monitoring of data such as rent arrears, repairs, complaints and overall service levels that help show where performance could be better;
- 🏠 external checks to confirm the accuracy and honesty of data and whether all laws and regulations are complied with;
- 🏠 regular review of ALMO board papers and other reports by the council.

Even so, these changes have given councils and ALMOs an excellent opportunity to take a good look at everything they do and make sure they are meeting the needs of local authority tenants.

NFA and CWAG have drawn up a list of questions that council and ALMOs can ask themselves and each other as they check whether their work will meet the high standards set by The Charter for Social Housing Residents.

This toolkit asks questions such as – does the local authority have sufficient proof that their ALMO is well-run and a good landlord? If the Regulator asked to see this proof, would it be convincing? How can they show that the tenant voice is effectively heard?

The full toolkit - useful for all social housing providers who want to track their compliance with the new regulatory regime - is available on the NFA sector publications page at [almos.org.uk](https://almos.org.uk).

## What will the Regulator of Social Housing be looking for?

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The Regulator of Social Housing will ask for evidence that shows the ALMO is well-run.

This means:

The Regulator will consider the performance of all landlords. However, organisations will be looked at more closely if, for example, a lot of complaints have been made to the Housing Ombudsman about them, or if they are returning poor tenant satisfaction measure results, or if media reports single them out for bad customer service.

The Regulator has set out its thinking in [Reshaping Consumer Regulation, Our principles and approach](#).

## Complaints and the Housing Ombudsman

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Complaints are mentioned often in the Social Housing White Paper. Landlords are asked to think about how they listen to tenants and what they do with the information tenants give them.

While the Regulator for Social Housing checks that landlords follow the rules, specific complaints about landlords are considered by the [Housing Ombudsman](#). This service is set up by law to look at complaints about the housing organisations that are registered with it, and this includes all social housing and some private rented sector landlords.

The Ombudsman service is responding to the changes in social housing regulation by giving landlords clear guidance about what is expected of them when they receive a complaint. The Ombudsman is telling landlords to make sure that tenants can easily find out how to make a complaint and check that it has been taken seriously.

As part of this, all social landlords should have assessed themselves against the [Housing Ombudsman Complaints Handling Code](#). They must have published the results of the assessment on their website and it should be easy to find. Tenants can look at it and question its accuracy; and if the assessment says the landlord needs to improve in some ways, they can ask how that is being done and how long it will take.

The Housing Ombudsman's webpage has [useful resources for tenants](#). The guide, [Effective involvement of governing bodies](#), sets out useful questions that tenants could ask when scrutinising their landlord's policies, procedures and performance.

# The tenant voice

Councils and ALMOs need to think about how they involve tenants in shaping and checking services. This is a key requirement of the White Paper provisions and is likely to be a primary focus of the findings of Grenfell Inquiry. Do they:

- include tenants in the formal governance structures that ALMOs use, including boards, sub-committees, scrutiny panels and other formal bodies?
- organise wider 'tenant voice' activities to seek feedback and improve services?
- make it simple for tenants to complain and get their complaints listened to and the issues resolved?
- learn from complaints to make services better?
- make sure the ALMO's internal culture fosters respect towards tenants?
- make it clear that tenants can raise concerns with the local authority if they feel their ALMO is not listening?

While looking at the relationship between ALMOs and councils, researchers consulted the NFA Tenant Advisory Panel which is made up of involved ALMO tenants. Asked to list the most important principles that councils and ALMOs should follow to work successfully alongside tenants, the panel came up with six key messages:

- The importance of the feedback loop:** It is crucial that tenants are told how their work has been used to make changes and improvements because it makes them feel heard and valued.
- Recognition of the skills and importance of tenants in governance structures:** Residents bring a huge amount to ALMO boards and governance structures, and their contribution must be recognised.
- Training:** Resident engagement must be properly funded to be effective and this should include a training budget for tenants who want to be involved. The panel also stressed that there should be a good range of choice in the ways that tenants can get involved and how much commitment is asked for.
- The importance of checking performance statistics and numbers against the lived experience of residents:** Performance indicators and statistics only give part of the picture; councils and ALMOs should set data alongside the lived experience of residents.
- Scrutiny:** An independent and trusted resident scrutiny panel can help organisations improve and should be seen by ALMOs as a 'critical friend' offering valuable insight.
- Diversity of engagement structures and boards:** A good ALMO board should represent the community it works for. Governance structures and wider engagement work must also be inclusive and representative.

To supplement the toolkit checklist for councils and their ALMOs, CWAG and the NFA have developed a separate checklist of questions social housing residents can ask their landlords to hold them to account and check that they are observing the spirit of the Social Housing White Paper recommendations.

**Social Housing White Paper:** [www.gov.uk/government/publications/the-charter-for-social-housing-residents-social-housing-white-paper](http://www.gov.uk/government/publications/the-charter-for-social-housing-residents-social-housing-white-paper)

**Regulator of Social Housing:** [www.gov.uk/government/organisations/regulator-of-social-housing](http://www.gov.uk/government/organisations/regulator-of-social-housing)

**Reshaping consumer regulation:** [www.gov.uk/government/publications/reshaping-consumer-regulation-our-principles-and-approach](http://www.gov.uk/government/publications/reshaping-consumer-regulation-our-principles-and-approach)

**Tenant Satisfaction Measures:** [www.gov.uk/government/consultations/consultation-on-the-introduction-of-tenant-satisfaction-measures](http://www.gov.uk/government/consultations/consultation-on-the-introduction-of-tenant-satisfaction-measures)

**Consumer Standards:** [www.gov.uk/guidance/regulatory-standards](http://www.gov.uk/guidance/regulatory-standards)

**Building Safety Act:** [www.legislation.gov.uk/ukpga/2022/30/contents/enacted](http://www.legislation.gov.uk/ukpga/2022/30/contents/enacted)

**Fire Safety Act:** [www.legislation.gov.uk/ukpga/2021/24/contents/enacted](http://www.legislation.gov.uk/ukpga/2021/24/contents/enacted)

**Housing Ombudsman:** [www.housing-ombudsman.org.uk/](http://www.housing-ombudsman.org.uk/)

**Complaint handling code:** [www.housing-ombudsman.org.uk/landlords-info/complaint-handling-code/](http://www.housing-ombudsman.org.uk/landlords-info/complaint-handling-code/)

**Useful resources for tenants:** [www.housing-ombudsman.org.uk/residents/](http://www.housing-ombudsman.org.uk/residents/)

**Effective involvement of governing bodies:** [www.housing-ombudsman.org.uk/wp-content/uploads/2021/07/Guidance-for-governing-bodies.pdf](http://www.housing-ombudsman.org.uk/wp-content/uploads/2021/07/Guidance-for-governing-bodies.pdf)

**The full CWAG/NFA report and checklist can be found at:** <https://www.almos.org.uk/publications/sector-publications/excellence-in-management-and-partnership-how-councils-can-put-the-almo-advantage-to-work-in-the-new-regulatory-environment/>



A joint report from:  
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