



ALMO Inspections:

Housing Inspectorate advice
for local authorities and their ALMOs

June 2002

Relationship between the local housing authority and the ALMO

10. The local housing authority (LHA) retains responsibility for the community plan, housing strategy, finance strategy, the housing revenue account (HRA), borrowing authority and property ownership. Formal delegations, Delivery Plans¹, and legal agreements govern the relationship between the two parties.

11. The purpose of our inspection is to assess the nature and effectiveness of this relationship – focusing (in particular) on its ability to contribute to high quality and improving services.

Are the LHA's corporate strategies being refined in recognition of the creation of the new body (or bodies)?

Strategies that have been refined or are due to be refined would include those on:

- *Best Value Performance Plans*
- *Housing Investment Plans*
- *crime and disorder, social inclusion and anti-poverty issues*
- *diversity, equality and BME issues*

Have the LHA and the ALMO secured agreement on the responsibilities of each party on relevant strategic and operational matters?

This would include agreement on:

- *business planning/risk management/asset management/use of the HRA*
- *data management and protection*
- *inspection and internal/external audit arrangements*
- *respective roles and responsibilities for best value and continuous improvement*
- *a communications strategy/protocol between the two bodies*
- *personnel issues (including TUPE, staff training and development, staff terms and conditions, trade union matters and diversity and equalities)*
- *health and safety issues*

Also, how are conflicts of interest between the two parties minimised or resolved?

Are the links between the LHA's housing strategy, its HRA Business Plan and the ALMO's Business Plan consistent and transparent and have they been fed into a clear set of outcomes agreed with tenants?

Has the LHA agreed with the ALMO about their respective responsibilities for preparing and maintaining the HRA?

Is the LHA's role of reviewing the ALMO's performance against its business and Delivery Plans clear, and are there procedures for dealing with poor performance or non-performance by either party?

Is the Delivery Plan clear and focused on meeting both national and local objectives?

Is there an effective mechanism to report variances to the Delivery Plan and have it amended by joint agreement?

Are delegations under the Delivery Plan clear and effective?

¹ The Delivery Plan sets out the agreement between the LHA and the ALMO on the services to be provided by the arm's-length body. The most recent advice on the contents of ALMO Delivery Plans was produced by the former DTLR in March this year.

Organisational and performance management

Are there effective arrangements for securing best value including continuous improvement in services?

Has a comprehensive Business Plan, which delivers the LHA's own Business Plan (or part of it where there is more than one service provider) been prepared with regular and robust reporting arrangements to the LHA and tenants?

Has a formal review process for the ALMO's Business Plan (linked to the LHA Business Plan) been set up?

- *What arrangements has the ALMO established to secure best value and achieve continuous improvement in service delivery?*
- *How does the ALMO ensure effective service delivery and value for money? What techniques does the ALMO use to manage and monitor performance?*
- *What planning processes are employed by the ALMO? How are the ALMO's aims, objectives and strategies reflected in team and individual targets?*
- *How are the ALMO's policies and procedures developed and how are they communicated to staff? What mechanisms are used to review the ALMO's policies and procedures?*
- *What systems has the ALMO set up to work with the LHA in the event of performance failure?*

User involvement

Has a range of opportunities been established for tenants and leaseholders to participate in the ALMO's management, development and review processes?

- *How are users engaged in evaluating and influencing the ALMO's performance?*
- *How does the ALMO ensure that decisions about services are informed by user and other stakeholder information and (where appropriate) involvement? Specifically, what access do tenants have to the ALMO's board and committee meetings?*
- *What mechanisms does the ALMO use to communicate with its users and other parties (e.g. its staff and its local authority partner)? What type of information does the ALMO communicate to its stakeholders?*
- *How does the ALMO handle complaints from tenants and other parties? What arrangements have been put in place to handle appeals against ALMO decisions?*

