



ALMOs
**Shaping the Future through
Partnership**

The Gateshead Housing Company







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Chief Executive



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Presentation will cover

-  ALMOs
-  The Gateshead Housing Company
-  Transition to transformation
-  The Importance of Partnership
-  The Impact
-  The Future



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ALMOs - a growing movement

- ♥ April 2000 - Housing Green Paper
- ♥ November 2001 - First ALMO bidding round
- ♥ April 2002 - 8 Round 1 ALMOs go live
- ♥ April 2007:
 - Six ALMO round
 - 65 live and 5 aspirant ALMOs
 - Managing 1m+ council homes in 66 local authorities
 - 14 x 3* and 31 x 2*
 - £3.27bn funding allocated
 - 220,000 homes made decent so far



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The Gateshead Housing Company

A bit about Gateshead

- 🏠 Largest of the 5 Tyne and Wear boroughs
- 🏠 Population around 191,000
- 🏠 89,000 households
- 🏠 30% council rented
- 🏠 1.6% BME



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The Housing Stock

- ♥ 23,500 council properties
- ♥ Range of housing types including 30 multi-storey blocks and over 1,500 non traditional properties
- ♥ Over 1,500 one bed bungalows
- ♥ Last council house built in mid 1980's
- ♥ 50% of all 3 bedroomed properties sold
- ♥ 39% non-decent



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The challenge of decency

- ♥ £330 million required up to 2010
- ♥ Likely resources £110m up to 2010
 - Shortfall of at least £220m
- ♥ Decency would not deliver policy priorities
- ♥ Decency not achievable without pursuing one of the Government options



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The options

Retention

- Significant funding gap

Transfer

- Large debt, low value, high investment needs

PFI

- Not applicable as a whole stock solution

ALMO

- Prospect of additional resources but didn't initially provide enough



Why an ALMO?

- 🏠 Access to resources
- 🏠 Would keep the stock together
- 🏠 Best option from tenants point of view
 - No wish to transfer
 - Remain secure tenants
 - Strong support for council as landlord
- 🏠 93.5% support from tenants



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The Gateshead Housing Company

- ♥ Established in January 2004
- ♥ Manages just over 22,000 properties
- ♥ 370 employees
- ♥ A separate organisation
- ♥ Operational freedom
- ♥ Partnership with the Council
- ♥ Board of directors
- ♥ Successful bid for £232 million additional ALMO resources



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Transition to transformation

The Ronseal Effect



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Audit Commission assessment



A good service that has promising prospects for improvement

From transition to transformation



Audit Commission assessment

- Significant strengths in the way the company delivers services
- A strong track record of improvement in priority areas which matter most to customers
- Strong leadership which is visible, open and recognised as effective by partner organisations and staff
- Has appropriate arrangements in place to support continuous improvement



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From transition to transformation

Performance

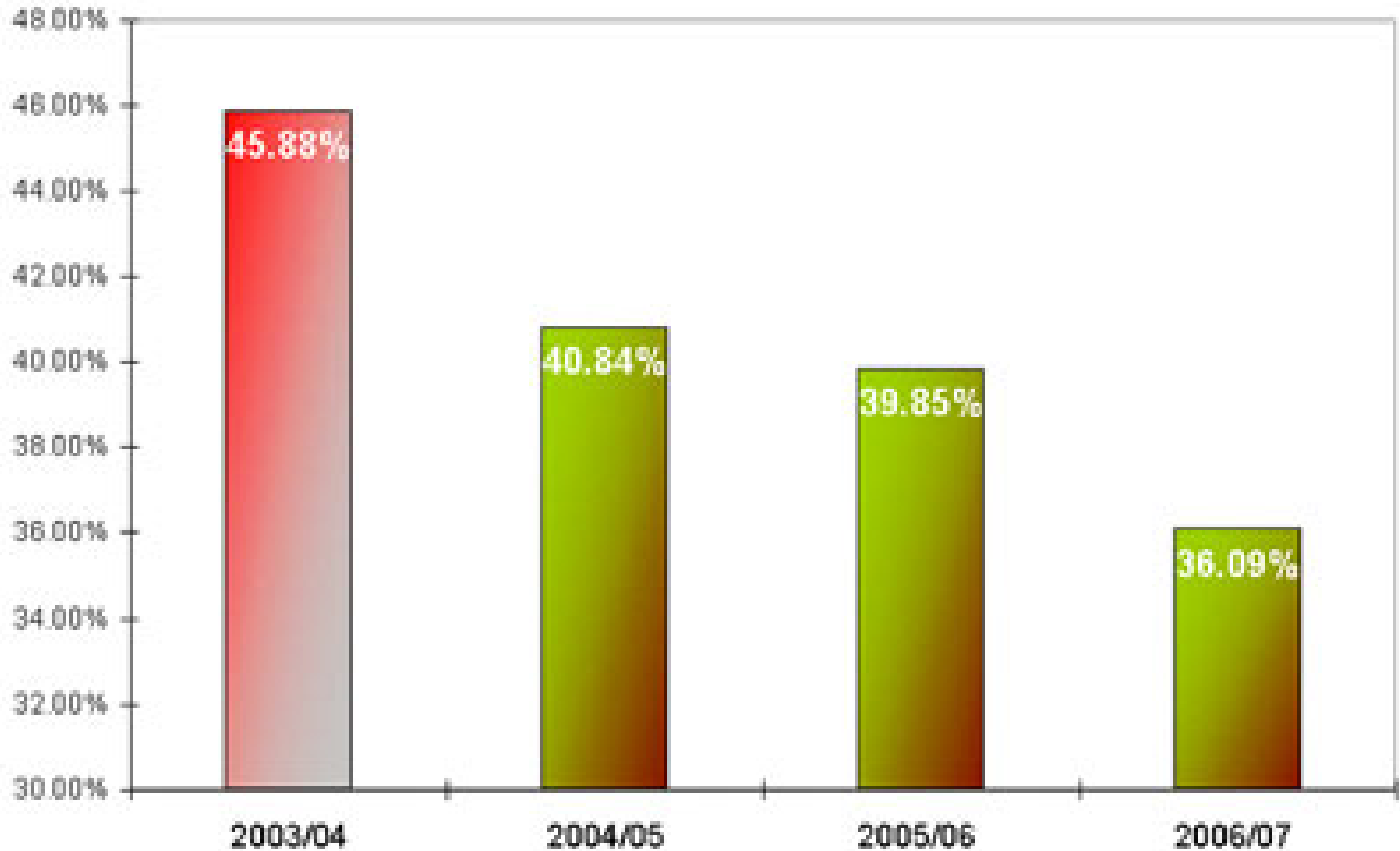
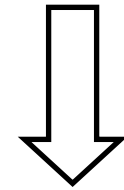
- 🏠 A range of performance indicators
- 🏠 Challenging but achievable
- 🏠 Significant improvements



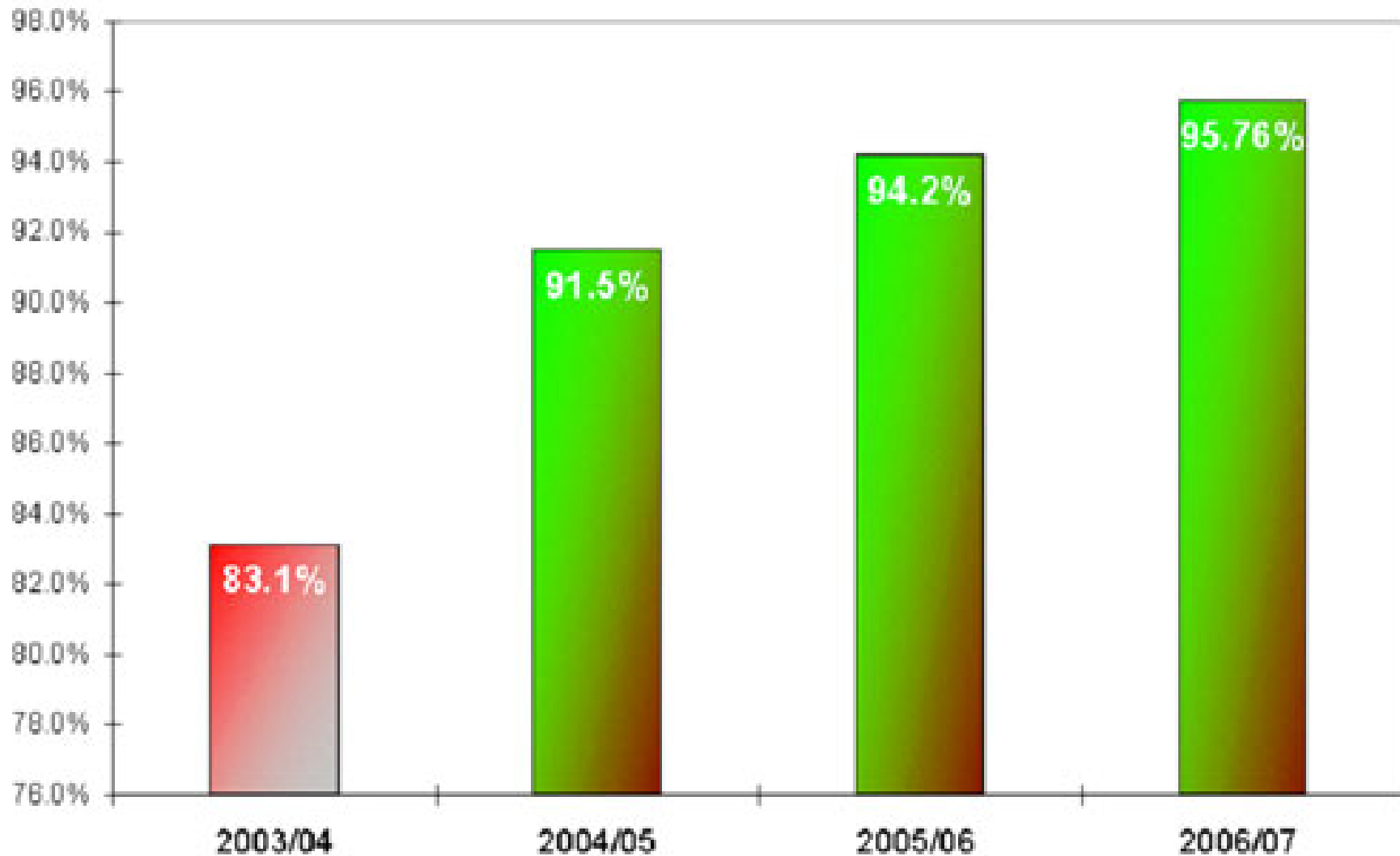
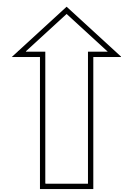
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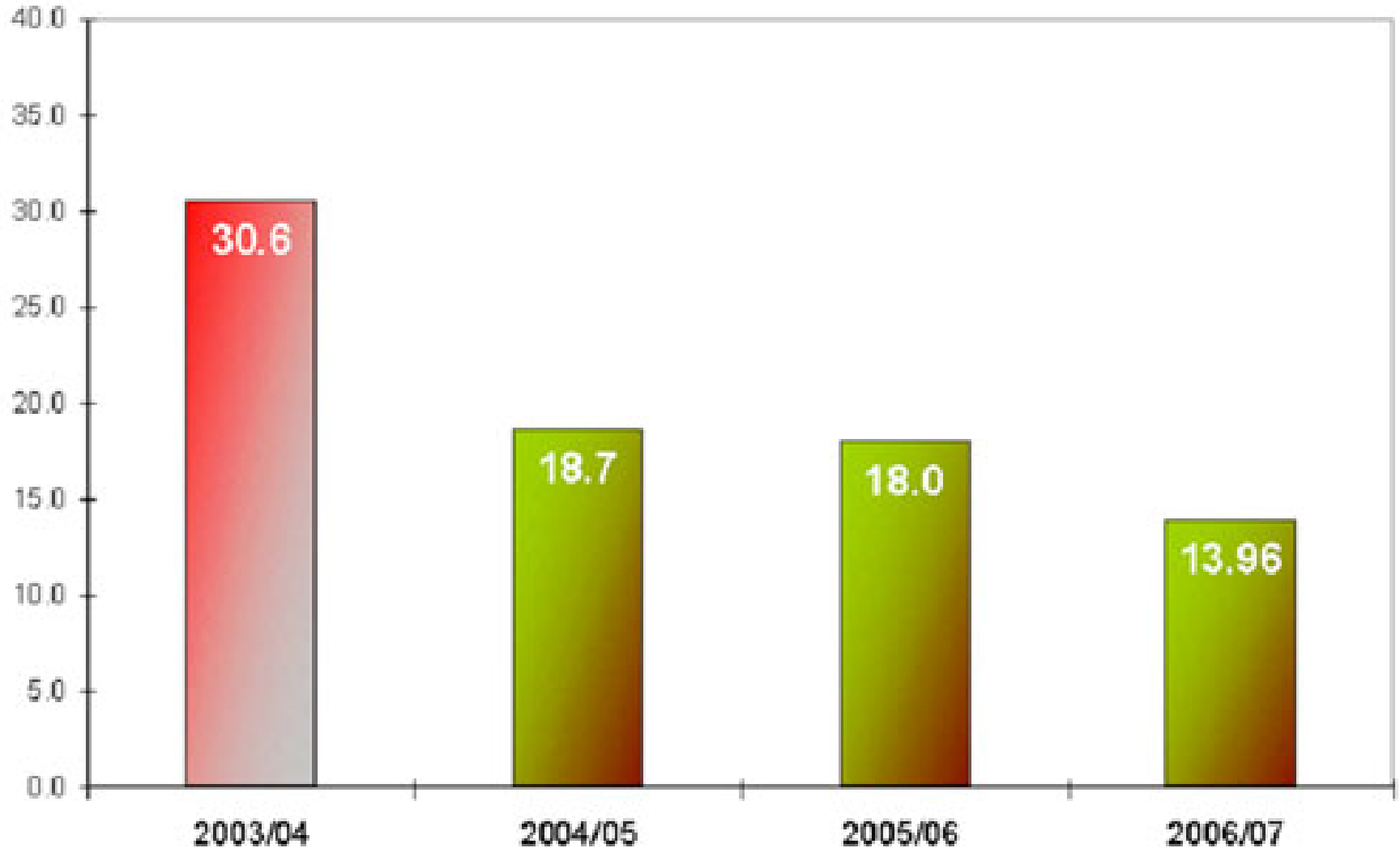
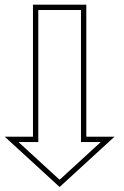
% of properties failing the 'decency standard'



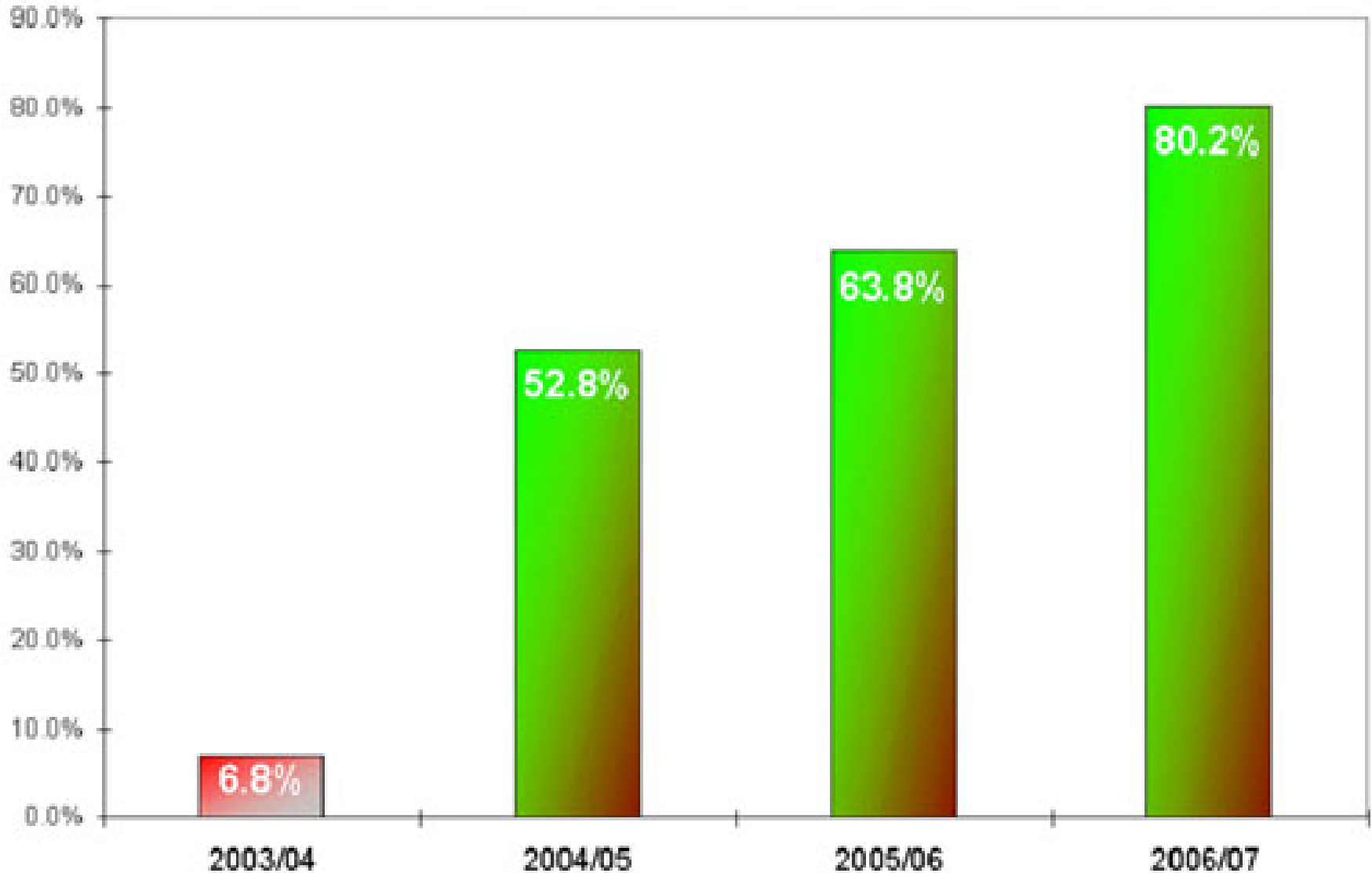
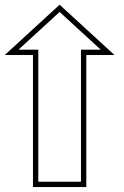
% of urgent repairs completed in govt timescales



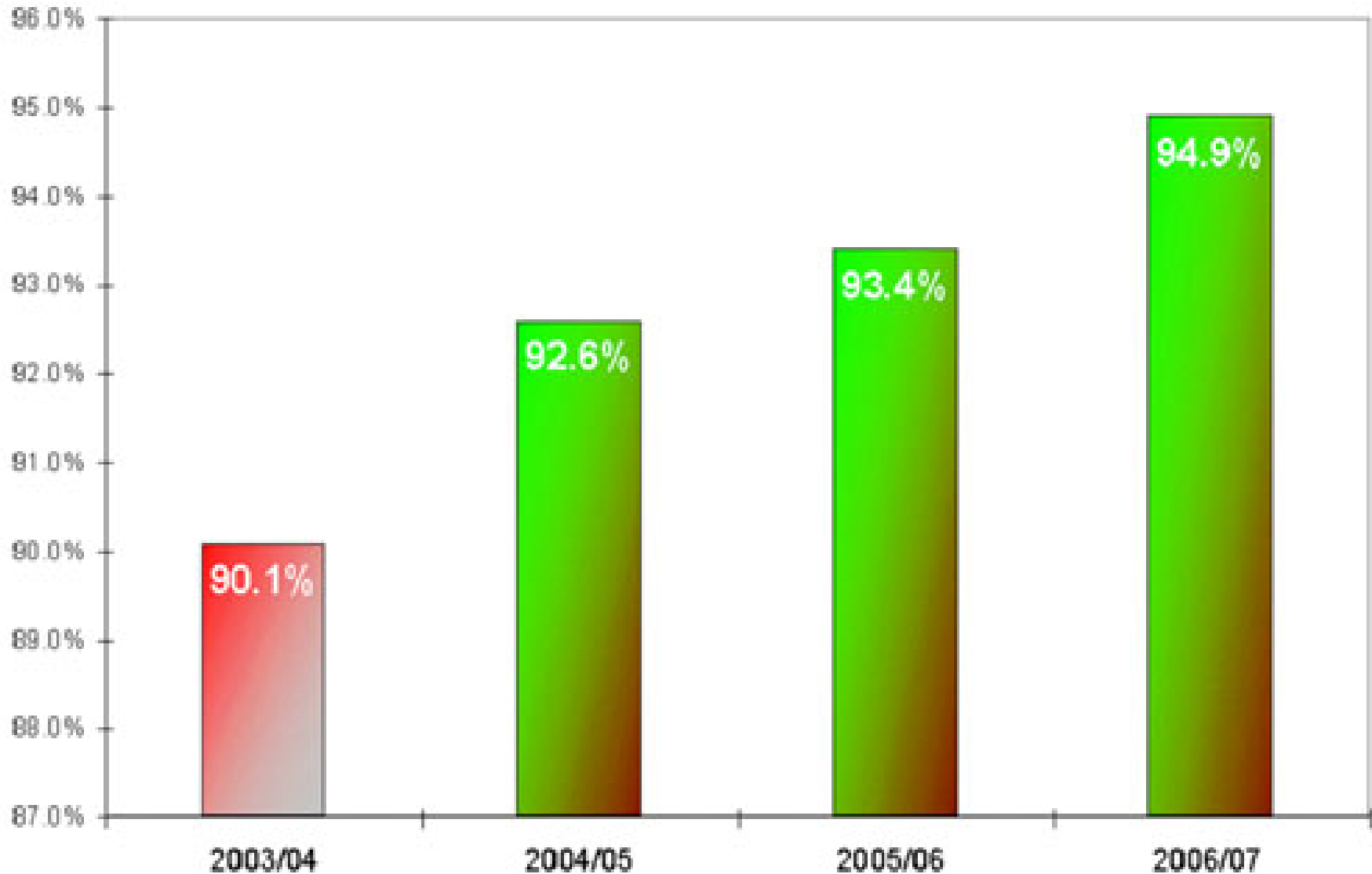
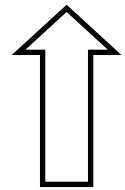
Average number of days to carry out non-urgent repairs



% of repair appointments made and kept



Satisfaction with repairs service



From transition to transformation

Innovation

- ♥ Strategic partnerships
- ♥ Delivery of the repairs service
 - Previously Council DLO delivered
 - Morrison Facilities Services now deliver repairs across the borough
 - Egan Principles
 - Impact on performance
 - Significant saving
- ♥ Partnering alliance for investment works
 - FHM/Morrison/LES
 - Long term relationship
 - Target costs
 - Supply chain



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From transition to transformation

- 🏠 Significant change in culture
- 🏠 Significant improvements in performance
- 🏠 Ground breaking partnering alliance
- 🏠 Improvements in customer satisfaction



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The Importance of Partnership

With the Council

- ♥ View of the Housing Inspectorate
 - Relationship is healthy
 - Allows company to operate in the way Government envisaged
 - Company is a key partner in
 - Neighbourhood management
 - Community safety
 - Community strategy
 - Appropriate monitoring
 - Council ambitious for the ALMO
- ♥ The bottom line
 - Without the partnership we wouldn't have unlocked £232m



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The Importance of Partnership

With Strategic Partners

Partnering Contracts:-

Repairs and Maintenance - £20m per annum

- Start December 2005
- Break clause 2007
- End 31 March 2010

Decent Homes

- **Frank Haslam Milan (Fhm) - £17m per annum**

- Start 2005
- Anticipated completion 2010 but can run over until decent homes work complete



The Importance of Partnership

With strategic partners

Partnering Contracts:-

Decent Homes

- **Local Environmental Services (Council) - £23m per annum**
 - Start 2005
 - Anticipated completion 2010 but can run over until decent homes work complete
- **Morrison Facilities Services (MFS) - £13m per annum**
 - Start 2005
 - Anticipated completion 2010 but can run over until decent homes work complete



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Importance of Partnership

Customer Involvement

- ♥ Key to our success
- ♥ Greater involvement in shaping services
- ♥ Mystery shopping
- ♥ Better information
- ♥ Improved satisfaction



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The Importance of Partnership

Other

- ♥ Partnerships have attracted additional funding
 - £1 million pa from Housing Market Renewal Pathfinder
 - £7.1 million from Warmzone over 5 years
 - Community Fund - contribution from strategic partners



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www.gateshead.gov.uk

Link up
In Gateshead



MORRISON 

Progress and Impact

- 🏠 More repairs done on time
- 🏠 Satisfaction with repairs service increasing
- 🏠 More appointments made and kept
- 🏠 More homes modernised



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Impact

Decent Homes

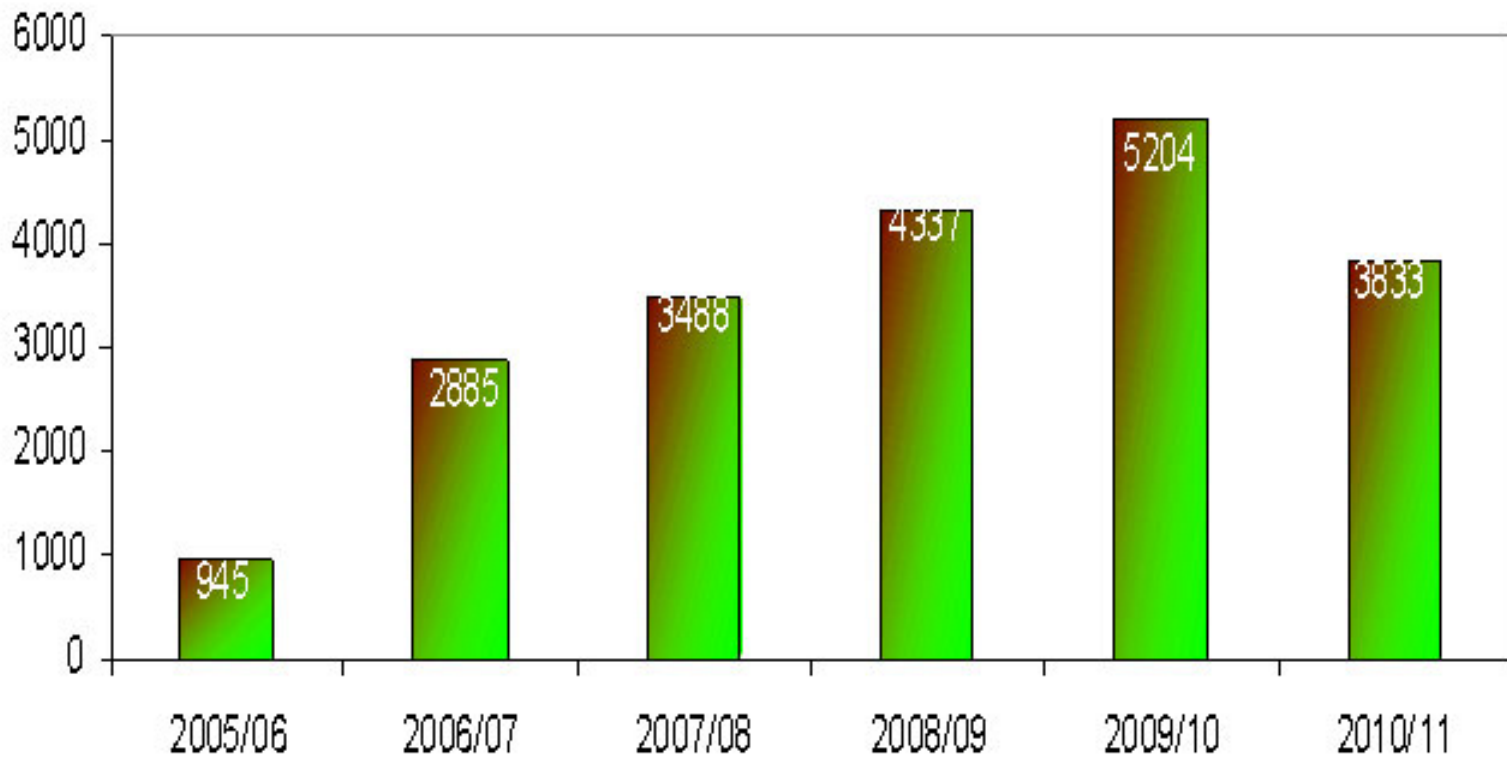
- 🏠 Won over £230 million additional funding
- 🏠 Over £1 million per week investment in the housing stock up to 2010
- 🏠 Developed ground breaking alliances with partners
- 🏠 Performance continues to improve



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Properties benefitting from investment



Impact

- ♥ Over 3700 homes now up to the Gateshead Standard (year end result)
- ♥ Over 300 jobs in construction industry have been secured
- ♥ Over £5million invested in security and environmental works
- ♥ Over £1million invested in the council stock every week



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**Every hour of every working day one house
is made decent**



Impact





- ♥ 4300 tonnes of CO₂
- ♥ Reduction in household bills £250 per annum
- ♥ 55,900 adult men or volume of 25,800 double decker buses



Impact

Customer satisfaction

January 2007

-  92% satisfied with overall service
-  88% satisfied with neighbourhood
-  85% satisfied with their home
-  89% feel rent represents value for money



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£800,000



£20m



£46m



£70m



Altogether

£137 million



£ 23 2M



The Future

- ♥ Continuous improvement
- ♥ Existing stock
- ♥ New Build
- ♥ The Hills Review
- ♥ A developing partnership



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"The first rule of any team wanting to be the best is to always want to improve"



Joe Harvey on the day Newcastle United won the FA Cup 1951

The Hills Review

- ♥ Employment
- ♥ Health
- ♥ Satisfaction
- ♥ Not just about
Housing management



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No 1 Priority

🏠 For ALMOs

🏠 Its management, not development

- 50,000-60,000 new homes a year at most nationally
- = 1-2% if 4m existing homes
- In 2050, 70% of stock will be stock that exists now

🏠 Investment needs post 2010

- Decency passes almost immediately

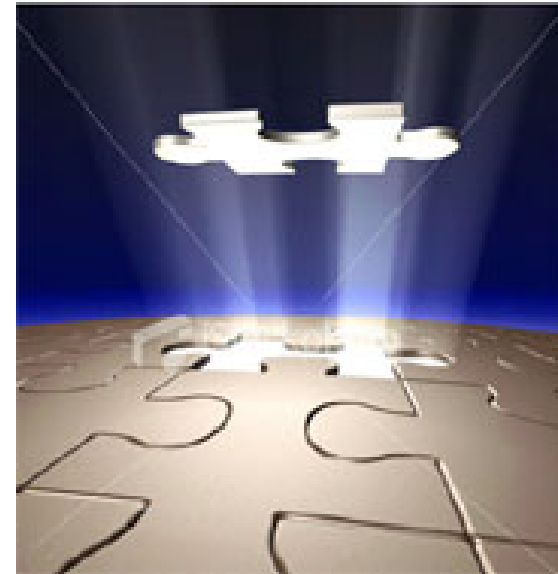


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The Future: New Build Where we fit?

- 🏠 ALMOs key 'landlord'
in many areas
- 🏠 LA Land
- 🏠 Best Use of Assets
- 🏠 Not who we are, all
about what we offer



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Our role in Affordable Housing Programme

- ♥ Investment programme is now open to unregistered bodies
- ♥ ALMOs have assets and skills that needed:
 - Land assets
 - Critical mass in particular areas
 - Estate transformation
 - Turnaround
- ♥ Practical difficulties can be overcome
- ♥ Opportunity to prove ourselves as new partners



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To conclude...

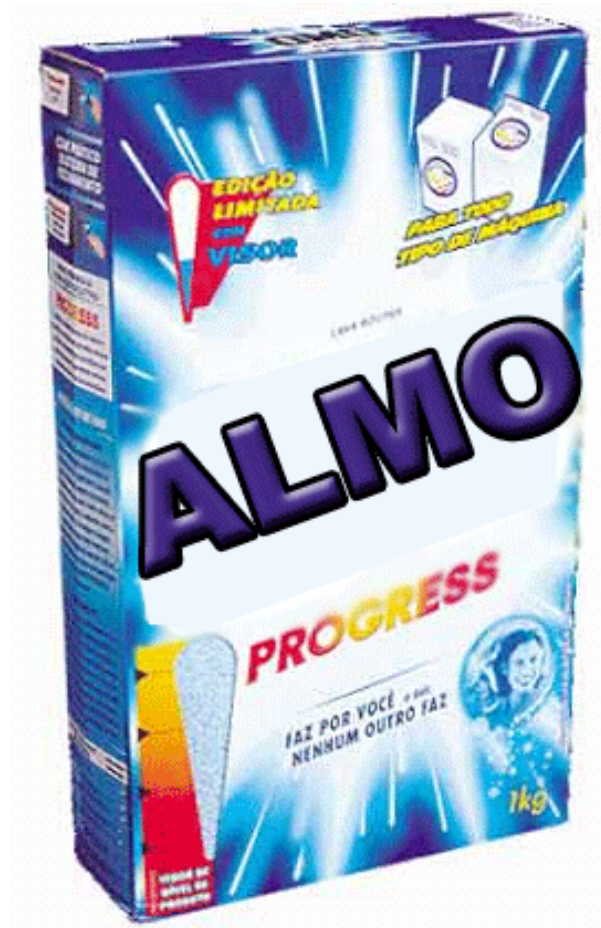
- ♥ ALMOs have proved their worth
- ♥ Housing services improved faster
- ♥ Real tenant involvement
- ♥ A key role in developing decent communities



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The Futures Bright the Future's





Thank you



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