

Foreword

I am pleased at the publication of this financial guide for arms length management organisations (ALMOs). It provides essential guidance for finance staff working within ALMOs and fills what has been recognised by CIPFA's Local Authority Housing Panel as a gap in the publications provided to support staff working within housing.

The sector is currently in a period of substantial change as the coalition government puts in place its policies for social housing. ALMOs have proved to be deliverers of high quality social housing services to over a million tenants. They continue to be recognised as providers of landlord services within social housing, both now and in the future, and their evolution into other areas continues. The latest announcements made by the coalition government in respect of regulation and a self-financing Housing Revenue Account are included in this publication, ensuring that it is as up to date as possible.

ALMOs are subject to different financial and reporting arrangements and this guide covers these but also explains the interplay between the finances of the ALMO and those of the local authority. It details the regulatory requirements – financial and statutory – within which ALMOs operate, and the compliance needs. Taxation and accounting matters require different treatment for an ALMO and these are a central feature of this publication.

There are substantial pressures within the public sector to deliver efficiencies. ALMOs are not immune to the need to cut costs and demonstrate value for money for their tenants and their parent local authorities. The delivery of effective high quality financial management and governance, as defined in this guide, will be more of a requirement when working to these new agendas and constraints.

This guide is, therefore, of prime use for a multitude of potential readers – councillors, whose interest may be as a director of an ALMO; the ALMO company secretary; and ALMO finance specialists. Under the modernised local authority structure it will be of most interest to those who have a portfolio that encompasses housing or partnership working and to those charged with scrutinising housing policy and service performance. It will be relevant to officers with similar briefs who require an understanding of the financial relationship between the two organisations.

This publication is a key working and reference guide for all those who have responsibility for ALMOs and their finances, whether within ALMOs or their parent authorities.

I know that CIPFA would welcome any comments on the scope and coverage of this guide. These should be sent to lesley.lodge@cipfa.org.uk



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