

Guest Blog: ALMOs above and beyond?



It would scarcely be new to predict the demise of the ALMO sector. It would also be wrong. True, the sector now comprises just half the number of organisations it once did. But those that remain are engaging in a greater range of service delivery than ever before. And in the broader context of council-owned companies, there is a significant set of future roles that arm's length organisations are well placed to deliver on behalf of their parent authorities.

There was always going to be a tipping point for ALMOs, once they had completed the Decent Homes programmes that most were set up to deliver. This was especially so for those councils that only established ALMOs to access government funding, and with no strong interest in the potential that a focused, efficient arm's length body could offer. Others though have recognised this potential, and where ALMOs have proven their worth in improving services and demonstrating value for money, and shown they are committed to advancing their councils' agendas, and capable of delivering more, many have been given the chance. Across the country now, we find ALMOs providing services ranging from social care to street cleansing, in addition to their housing management role. A growing number are building homes on behalf of their councils.

While there are particular elements of the housing ALMO that sets it apart from other forms of local authority trading companies – such as the nature of resident involvement - I would argue that the ALMO sector should sit alongside the broader LATC sector. After all, many councils are desperate to do more, especially in meeting housing need (a significant number are establishing development companies) and in raising revenue.

I would highlight five key messages for ALMOs in planning their future:

- (a) There is nothing magical about any one structure, though the inbuilt nature of ALMOs' customer involvement and focus is a key strength;
- (b) Whatever the precise delivery model, the council remains the single shareholder – a successful ALMO will stay close to its council's agenda;
- (c) The greater the diversification that an ALMO undertakes, the more that the 'new' risks need to be understood and managed;
- (d) The greater the diversification, the more the ALMO Board needs the skills to understand the business streams and provide appropriate challenge to its Executive and the Council;
- (e) Any institution that fails to challenge itself, adapt, innovate and reinvent periodically, will eventually be condemned to obsolescence.

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Guest Blog prepared to support NFA Annual Conference 27-28 April 2017