



DEMOCRATIC ACCOUNTABILITY

The ALMO advantage

DEMOCRATIC ACCOUNTABILITY is one of six briefs that assemble learnings from the ALMO model and its potential for delivery of high quality, compliant and value-for-money local authority housing through a specialist council-owned organisation. Drawing on 20 years of operational experience, these findings will also be useful to other council housing management models, including housing advisory boards and direct in-house service delivery.

Assuring democratic accountability

Residents' perceptions of ALMOs vary. Some tenants think first of the local authority as their landlord while others think first of the ALMO – and, indeed, one of the original aims of this form of council housing management was to give customers a clear sense that they had a dedicated housing service to turn to. Meanwhile, from the democratic perspective, the best ALMOs operate in close tandem with the council that created and owns them. They -

- *preserve the public ownership of stock for the communities that invested in them; and*
- *deliver specialist management; and*
- *are still able to shape services in line with an elected council's wider strategic goals.*

And, at the same time, they perform better, both on value for money and tenant satisfaction, than direct management from within the council. Crucially, they deliver this better performance at no extra cost – and often at a slightly lower cost than direct management.

Learnings from the ALMO sector

ALMOs ARE WHOLLY OWNED BY THEIR PARENT LOCAL AUTHORITIES

They demonstrate that it is possible to create a structure for excellent and highly focused housing management services without any loss of democratic accountability to elected councillors, voters or tenants.

UNLIKE OUTSOURCING OR STOCK TRANSFER, ALMOs ALWAYS KEEP HOUSING MANAGEMENT LOCAL

This means housing management decisions are informed by first-hand understanding of specific local needs. The majority of ALMOs also deliver services through their own direct labour organisations to have better control of capacity and repairs response, and avoid the risk-driven higher pricing of sub-contractors.

ALMOs PUT COMMUNITY BENEFIT FIRST

ALMO expenditure and employment opportunities largely benefit the local economy and labour force – and, indeed, ALMOs often leverage this to offer employability improvement programmes and apprenticeships to their tenants and communities.

THE ALMO MODEL IS BOTH DEMOCRATIC AND FLEXIBLE

Each local authority can structure its ALMO to support its own priorities and outcomes, and decide which services to delegate informed by local context and need. Most – but not all – councils choose to put councillors or the housing portfolio holder on their ALMO board to strengthen the strategic link.

ALMOs ARE PART OF THE LOCAL AUTHORITY FAMILY AND YET DISTINCT FROM IT, STRENGTHENING VERIFIABLE DEMOCRATIC OVERSIGHT

Robust board structure, clear assurance mechanisms and well-tested company reporting structures make it possible for councils to check ALMO performance across every housing duty for which local authority landlords are responsible. Boundaries with other services are not blurred and KPIs are easy to isolate, and this is a key reason for the model's better performance.

TENANTS RIGHTLY EXPECT TO HAVE THEIR SHARE OF DEMOCRATIC ACCOUNTABILITY

They get their turn at the ballot box, of course, but the ALMO model's focus on strong tenant engagement and scrutiny processes creates an additional layer of democratic accountability at the customer level.

Over the last two decades, councils have used the ALMO framework to transform delivery of housing services while keeping democratic control; and many, like the two featured here, have extended the concept to other areas of local authority service delivery. All these council companies have independent boards on which sit councillors, skilled independents, finance and other sector experts; and, in council housing management companies, tenants. All report back to and liaise closely with their parent councils.



Blackpool Council has created and fully owns seven companies that deliver services such as airport and waste management and tourism. Its ALMO, managing its council homes, is Blackpool Coastal Housing; its work is supplemented by My Blackpool Home which is regeneration-focused and aims to convert former holiday accommodation to quality and affordable residential lets. Three councillors sit on each of these boards alongside independents and tenants.



The approach at Stockport Council is slightly different; here four council-owned companies make up a housing services-focussed umbrella group, one of which is the ALMO Stockport Homes. Socially responsible and interdependent, they are designed to put entrepreneurship into the service of social impact. All profit from the group's array of wellbeing, architect and marketing services is reinvested to support the core housing service.

ALMOs are:

- 100 per cent owned by and accountable to their local authority;
- expertise-led housing managers embedded in their communities;
- flexible and outcomes-focused organisations, ready to learn, develop and innovate;
- subject to strategic independent board oversight that involves tenants and external experts;
- tenant-focused, making sure residents' views are heard and acted upon;
- high-performing and value for money.