



Championing better homes and communities

Florence Eshalomi, MP
Chair of the Housing, Communities and
Local Government Select Committee
House of Commons
London
SW1A 0AA

12 October 2024

Dear Ms Eshalomi,

Local authority housing ALMO model ensures high-quality social housing

On behalf of the National Federation of ALMOs (NFA) we would like to congratulate you on your appointment as the Chair of the Housing, Communities and Local Government Select Committee and reintroduce ourselves.

The NFA is the membership body for ALMOs across England, and our members manage nearly 200,000 local authority-owned homes, playing a vital role in effectively managing high-quality social housing. ALMOs place tenant voices at the core of their operations by having tenant board-level representation and tenant presence on advisory and scrutiny panels.

Over 20 years since they were first established, the evidence suggests that the ALMO model still works and can deliver better outcomes for tenants. Independent research conducted by sector experts Housemark in July 2024 has shown that ALMOs outperformed direct council management in terms of service delivery and in all 12 perception-based Tenant Satisfaction Measures (TSMs) in 2023/24:

- On average, ALMOs achieve a **median overall satisfaction score of 74%**, compared to 64% for local authority direct managed homes.
- ALMO tenant **satisfaction with repairs** is at 75%, which compares with 67% for directly managed council housing.
- ALMOs also respond to **stage one (96%) and stage two (94%) complaints** within the Housing Ombudsman's target timescales, much faster than directly managed council housing (69% and 68%).
- Moreover, ALMOs **compare favourably when looking at the management information** measures focused on service delivery, with an average of less than 1% of ALMO managed homes not meeting the Decent Homes Standard (DHS), compared with 3.6% of directly managed local authority homes.

Value for money analysis undertaken in December 2023 also shows that ALMOs achieve this performance at an **average lower cost per property** than stock-retaining local authorities. ALMOs achieve this by combining a strong tenant voice with a focus and expertise on housing management, whilst not losing the council oversight, democratic accountability, and council ownership of the homes.

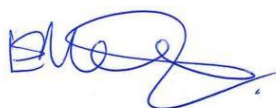
The NFA very much welcomes the work that the new Government is doing in relation to building new homes, improving the quality of existing homes, and reforming the private rented sector. However, to ensure ALMOs can continue to provide high-quality services, contribute to increasing the stock of homes for social rent and improve the standards of existing homes, the new Government needs to address several key challenges facing the sector, particularly around the financial sustainability of Housing Revenue Accounts (please see our [evidence to the previous Committee on the finances and sustainability of social housing](#), May 2023) .

Our main asks for the Government are:

- Explore the potential and opportunities for a new wave of ALMOs to improve local authority housing delivery and outcomes for tenants.
- Develop a comprehensive, sustainable Financial Framework for the local authority sector which includes sustainable long-term rent increases to support net growth; addressing upfront investment needs through rent funding and/or debt write-down; and providing subsidies to facilitate the development of a new generation of local authority homes.
- Reform the Right to Buy scheme to protect newly built homes and those that have received substantial local authority investment.
- Invest in the decarbonisation and safety of existing homes.
- Tackle the rise in claims harvesting by curbing unethical practices and restoring legal aid for housing disrepair cases.
- Support tenants in managing the cost-of-living crisis by making necessary adjustments to Universal Credit and other benefits.

We would be very happy to arrange a meeting to discuss this further. Please contact Lisa Birchall, Head of Policy, at lisa.birchall@almos.org.uk to arrange.

Yours sincerely,



Eamon McGoldrick
Managing Director
National Federation of ALMOs