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Championing better homes and communities

24 November 2025

Sent via email

To: Steve Reed, Secretary of State for Housing, Communities and Local Government

CC: Matthew Pennycook, Housing Minister

Dear Steve Reed,

We are writing as the national membership body for local authority housing management companies (ALMOs). We represent ALMOs across England which together manage over 172,000 council homes. Since the establishment of ALMOs in the last Labour government over twenty years ago, we have argued strongly that this model is an effective way for councils to deliver good quality housing management services while retaining democratic oversight.

The recent evidence shows that the ALMO sector is significantly out-performing in-house managed local authority housing services.

According to results from the Regulator of Social Housing's regime (as at 24 November 2025):

- **Four out of seven** of the C1 rated local authorities deliver their housing services through an ALMO, out of over 60 local authority gradings (Barnsley, Barnet, Sutton and North East Derbyshire). This is despite the fact there are only 16 ALMOs left. It also includes local authorities that are under significant financial pressures in both their General Fund and Housing Revenue Account; for example the London Borough of Barnet.
- **Three out of 10** of the top local authorities for overall tenant satisfaction deliver their housing services through an ALMO.

According to independent analysis of Tenant Satisfaction Measures by Housemark[1]:

- Of the 26 Tenant Satisfaction Measures, ALMOs out-perform direct-managed services on **23 measures**; as well as reporting better year-on-year improvement.
- Average overall satisfaction for ALMOs stands at **75 per cent**, compared with 67 per cent for direct-managed services.
- ALMOs deliver these better outcomes **more efficiently than both direct-managed local authorities and housing associations**, with a lower cost-per-home-managed.
- On average, **less than 1 per cent** of ALMO-managed homes do not meet the Decent Homes Standard, compared with 4 per cent of direct managed homes.

[1] Attached separately as Appendix 1 – Housemark analysis for the 2024/2025 TSM data - unpublished

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- Where ALMOs go back in house, overall performance on responsive repairs, voids and the customer experience usually worsens, at least in the short-term, strongly suggesting that it is the ALMO model itself which is driving the good results.

Housebuilding: ALMOs have traditionally been very good house builders, maximising their expertise and flexibility to contribute significant numbers of new build homes to the council housing sector. They have also been very good at maximising the smaller sites and complex new build schemes (such as garage regenerations). Between 2008 and 2022, we estimate ALMOs built around 15,000 homes (despite decreasing numbers of ALMOs).

It is undeniable that the local authority housing sector is under significant financial pressure, with Housing Revenue Accounts having faced a perfect storm of cuts and increasing requirements over the last 15 years[2]. It is also true that if the local authority sector is to achieve the government's ambitions around existing and new homes, then there will need to be an injection of funding into the sector, particularly in the short to medium term.

However, this is not just about funding. We think that government needs to tie together the threads of regulation, performance and funding, learning from the first Decent Homes Programme and the ALMO movement[3]. Currently there is no way for local authorities to unlock funding as they improve their performance or demonstrate excellence; something which was a key factor in the success of the first Decent Homes Programme.

In that first programme, an estimated 1.4m local authority homes received work. In 2010, 58 out of nearly 70 ALMOs were rated as 2-star or above by the Audit Commission (on a three star system).

Fundamentally, ALMOs exist to improve the services that council housing tenants receive. They are doing this more cost-effectively on average than any other social housing model, while maintaining democratic oversight. Considering the huge amount of regulatory change underway in the council housing sector, along with local government reform, we urgently need to develop a roadmap to support local authorities to improve. An updated ALMO model should be a core part of this.

We would be keen to meet with you to further discuss this. Please contact Lisa Birchall, Head of Policy, to arrange: lisa.birchall@almos.org.uk.

Thank you

Eamon McGoldrick, NFA Managing Director

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[2] See evidence from Savills on the national Housing Revenue Account position: https://www.almos.org.uk/policy/consultations/rent-consultation-update-convergence-update/

[3] As set out in the National Audit Office report on the Decent Homes Programme in 2010: https://www.nao.org.uk/wp-content/uploads/2010/01/0910212.pdf