



PRESS RELEASE

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ALMOs need to reinvent themselves to survive

A new report by DouglasWood and HouseMark has revealed that despite ten years of success and many local authorities acknowledging that ALMOs have generally delivered or are on track to deliver their decent homes programmes, some local authorities are nevertheless considering not renewing their contracts when current management agreements end. However, the report warns local authorities 'not to throw the baby out with the bathwater'.

The study, entitled "Whose stock is it anyway?", draws on the views of Heads of Housing in a number of major local authorities across the UK plus senior figures from the Homes and Community Agency and leaders from within the ALMO sector.

The report also contains case studies from Gloucester City Council, Oldham Metropolitan Borough Council, the London Borough of Hillingdon and Salford City Council - looking at the approach taken by each local authority when deciding on future arrangements for the landlord function.

Despite the acknowledgement that ALMOs have significantly improved housing management services, resident satisfaction and engagement levels; as well as delivering year on year efficiencies some local authorities are looking to cancel or fundamentally review the management arrangements - in some instances bringing the arrangements back in house when current contracts end.

"In talking to local authorities for this report, we gained invaluable insight into how ALMOs are perceived and how they should evolve to have the best possible chance of an extended life with their parent local authority," said the report's author Steve Douglas.

According to the study, key survival lessons for ALMOs are:

- To clearly set out the nature of any offer to local authorities – to be much more of a contractor plus or partnership offer, than just its managing agent
- ALMOs must think more widely than just Decent Homes and demonstrate how they can help the local authority deliver on wider housing and non housing strategies
- Develop a business model which is aligned with the local authority's strategic housing needs
- Demonstrating improved value for money is paramount, particularly as there is even more pressure on local authority budgets. For example, eliminating duplicated costs and high management and overhead charges as well as identifying new efficiency savings
- Demonstrate a commitment to being accountable to their local authority and set out how this will be made apparent

The DouglasWood/HouseMark report also reveals priorities for local authorities considering their next move and warns that while seeking reform of the status quo is understandable, housing chiefs should be careful not to throw the baby out with the ALMO bathwater.

According to the findings of the study, local authorities should be mindful of the following points when determining their future approach to stock investment and the role that ALMOs might play:

- Think through the implications of the forthcoming announcement on Housing Revenue Reform for the future management of homes, before making any final decisions on the future approach to stock investment and management arrangements
- Consider the potential wider role that an ALMO might fulfil beyond Decent Homes delivery
- Investigate fully any possible benefits of arm's length commissioning, including how this could lead to gains in resident engagement, increased tenant satisfaction and improved service delivery
- Think whether cost savings and efficiencies can be achieved by sharing services with ALMOs
- And finally, if the local authority does decide to cut the umbilical cord with its ALMO, it must remember to consult as widely with tenants about ending the ALMO as it did when it was created, including its offer to tenants in any proposed new arrangements.

Said Steve Douglas 'Local Authorities will now be carrying out options appraisals on their future approach to stock investment. In doing so, while they are of course aware that the stock is theirs, they should ensure that tenants interests are at the heart of their decision making and think through what option will give them the best chance of delivering for their tenants and residents'.

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Notes to Editors

“Whose stock is it anyway?” was prepared by DouglasWood, the housing regeneration and development consultancy and HouseMark.

HouseMark is the leading provider of performance improvement and value for money solutions to the social housing sector and is jointly owned by the Chartered Institute of Housing and the National Housing Federation’ two not-for-profit organisations which reinvest their surpluses in the social housing sector.

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