



# THE ALMO SECTOR IN ENGLAND

Dublin City Council

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# Order of Presentation

- ALMO's – the beginning
- Explain the ALMO model and operational characteristics
- Outline set up process
- Describe today's ALMO world
- Summarise benefits and drawbacks

# ALMO's – the beginning

- Decent Homes Programme – funding options
  - Stock Transfer
  - Private Finance Initiatives (PFI)
  - ALMO Model
- Arms Length Management Organisations not a new concept
- First Housing ALMO's all about incentives, improvement and rewards!

# ALMO's – the beginning

- Government gave additional borrowing powers to ALMO's who could demonstrate good service delivery
- Service judged by Audit Commission
- Borrowing released incrementally
- Added benefit – tenants and residents involved in shaping and delivering services

# Governance

- ALMO is a Council Owned Company
- Council delegates housing management and maintenance functions to ALMO
- Management Agreement outlines responsibilities for both parties including budgets and performance targets.
- ALMO publishes Service Delivery Plan

# ALMO Boards

- Original ALMO Boards one third residents, Council nominees and independents
- Some now appointing staff members
- All registered Company Directors
- New Board Directors selected or elected
- Variety of sub –committees to deal with risk, scrutiny etc

# Set Up Process

- Hard work but very rewarding!
- Workstreams include
  - Scoping functions
  - Establishing a Shadow Board
  - Management Agreement negotiations
  - Consultation and Communication
  - HR / TUPE Transfer
- Set aside staff resources and start up budget

# ALMO Achievements/ Benefits

## ■ Service improvement

- 24 ALMO's achieved Excellent ratings
- significant improvements in tenants satisfaction

## ■ Value for Money

- total focus on costs, productivity, wastage
- significant financial savings
- new income streams



# Achievements/ benefits

## ■ Staff

- new opportunities
- culture change
- award and reward

## ■ Residents

- real involvement
- at the heart of decision making
- transparency and openness

# Achievements / Benefits

## ■ Councils

- still own the assets
- can focus on strategic role
- better services for less
- happier customers!
- flexible vehicle to deliver other services

# Drawbacks

- Some additional set up and day to day running costs that need to be recovered or offset
  
- Won't bring in large sums for capital investment

# Modern ALMO's

- 42 managing 600,000 homes ( 4 - 30,000)
- Budget responsibilities varied
- Long term Agreements now common
- Diversifying

Homeless services

Housing Strategy/ Business Planning

Private Rented Sector

Building new homes

Non Housing services

# Non Housing services

- Same principles – improve services and save money!

South Tyneside Homes – Highways

Stockport Homes – Schools maintenance

Colchester BH – Facilities Management

Barnet – Adult Social Care

Eastbourne Homes – Regeneration lead

Nottingham City – Trading subsidiary

# Building new homes

- Being done using variety of resource streams
  - Council land
  - Reserves / borrowing on HRA
  - Prudential Borrowing
  - Cross subsidy developments
  - HCA Grant
  - Efficiency savings on Management Fee
  - Right to Buy receipts

# Summary

- ALMO model a simple concept
- Very flexible
- Evolving / diversifying
- Perfect for Council's who want to retain some control but improve services, involve residents more and get away from a traditional public sector culture

# Thank You For Listening

NATIONAL FEDERATION OF ALMOs

Website: [www.almos.org.uk](http://www.almos.org.uk)

Email: [info@almos.org.uk](mailto:info@almos.org.uk)

Twitter: @almos\_nfa