



Championing better homes and communities

The ALMO model: first results from the Tenant Satisfaction Measures

An NFA briefing for policymakers, practitioners and stakeholders

January 2024

FROM April 2024, all social landlords will be required by the Regulator for Social Housing (RSH) to submit their survey results for the new [Tenant Satisfaction Measures](#) (TSMs) which assess landlord performance against five categories, including the quality of homes and repairs and complaints response. A range of survey methods can be used but questioning must follow strict guidelines laid down by the Regulator so that the results are comparable across the sector.

The National Federation of ALMOs (NFA) commissioned independent data and insight specialists [Housemark](#) to carry out a review of members' performance against the TSMs, using data collected during the first six months of surveys from April to September 2023. Comparisons were made with results for the same period from councils that directly deliver their housing services. Data was provided by 19 ALMOs and comparisons made from data provided by 53 local authorities. All data used in this study is anonymised; the TSM definitions and calculations used are consistent with those set by the RSH. The full report is available exclusively to NFA members.

Housemark was also asked to compare front-line resourcing, delivery costs and performance outcomes between ALMOs and local authorities using data from the 2022/23 Housemark benchmarking submission.

The analysis shows that at the median point ALMOs outperformed local authorities on all TSMs and housing management metrics analysed.

They also do this at better value for money, with an average overall cost per property of £2537; this is £81 lower than the direct local authority management average.¹

A detailed summary of the findings follows overleaf

¹ Cost per property refers to both staff and non-pay costs related to the delivery of front-line services, divided by the number of relevant units in management. This output allows comparisons to be made between landlords with different stock numbers. It includes expenditure for responsive repairs and void works, major works and cyclical maintenance, housing management, and estate services.

About ALMOs

ALMOs are:

- 100 per cent owned by the local authority, managing council-owned homes with secure tenancies;
- a tool for expertise-led housing management without the loss of democratic accountability or control;
- governed with strategic oversight from an independent board made up of tenants, councillors and independent board members;
- tenant-focused, offering residents a range of channels and levels of involvement to make sure their views are heard and acted upon;
- embedded in their communities, with a deep understanding of local issues;
- able to demonstrate to their parent councils and the Regulator of Social Housing that their services are compliant, high quality and value for money.

Key findings of this study

The headline finding is that on average the **better performance and higher tenant satisfaction delivered by an ALMO costs no more than direct delivery of housing services by a local authority**. In many areas, in fact, the ALMO model costs less and is better value for money. The TSM data so far show that:

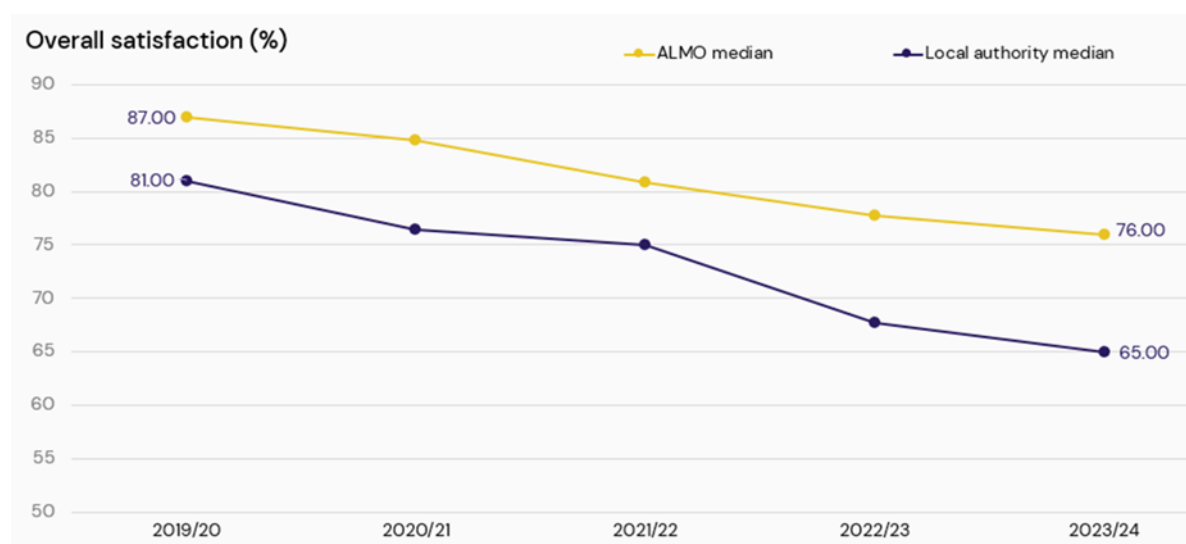
- **76 per cent of ALMO tenants are satisfied with their landlord's services overall, compared to the local authority median of 65 per cent.**
- **At the median point, ALMOs outperform local authorities across all satisfaction measures.**
- **They also outperform local authorities across all housing management metrics analysed in this study.**
- **Effective management of repairs is a key priority for tenants. ALMOs perform well in this area in the TSMs. On average, they complete a higher proportion of non-emergency repairs within target timescale at 91 per cent, compared to a local authority median of 85 per cent; and a higher percentage of emergency repairs within target timescale (99 per cent versus 95 per cent). Satisfaction with repairs is 12 percentage points higher.**
- **The management of complaints by the ALMO group is good; 88 per cent of stage one complaints and 97 per cent of stage two complaints are completed within the Ombudsman's target timescales on average, higher levels than achieved by direct local authority management (74 per cent and 70 per cent). Average satisfaction with ALMOs' complaints handling is also 13 percentage points higher.**
- **ALMOs deliver better value for money across housing management, responsive repairs, void works, and major works services.**
- **The average cost per property for ALMO services is £2,537 compared to £2,618 for local authorities.**

TSM half-year results – detailed summary

ALMOs are wholly owned by their parent council but deliver housing services independently of other council services. They outperform directly delivered council housing services across all satisfaction measures at the median. ALMOs also compare favourably on the measures that look at service delivery – Decent Homes compliance, repairs, and complaints.

Overall satisfaction is the 'headline' TSM and has been part of Housemark's STAR framework for many years. This means that there is significant historical data on this across the sector. **Over the past five years, overall satisfaction among ALMO tenants has been consistently higher** – between six and 11 percentage points – compared to local authorities.

Figure 1: Overall tenant satisfaction 2019/20–2023, April-September (%)



It should be noted that overall satisfaction is declining for all types of landlords – but it has declined less for ALMOs than for local authorities. For all landlords, increased staff turnover, skills shortages, an increase of more than 20 per cent in labour and materials costs, increasing rent arrears and similar factors are feeding into performance pressures such as increased call waiting times, squeezed budgets, declining repairs volumes and increased complaints volumes.

Keeping properties in good repair

At the median point, **ALMOs complete 91 per cent of non-emergency repairs within the target timescale**, compared to 85 per cent of local authorities. They also complete a higher percentage of emergency repairs within target timescales. There is no evidence to suggest variables such as location and landlord size have an impact on achieving target timescales.

Three TSMs address the 'keeping properties in good repair' theme. The table below shows ALMOs outperform local authorities across all three satisfaction measures.

Figure 2: First half-year survey results for repairs TSMs (median)

	ALMO managed	Directly managed by LA
TPO2 – Satisfaction with repairs (%)	79.00	67.30
TPO3 – Satisfaction with time taken to complete most recent repair (%)	75.74	63.35
TPO4 – Satisfaction that the home is well maintained (%)	76.30	65.80

The ALMO sector has a significantly lower percentage of homes that do not meet the Decent Homes Standard (less than one per cent) compared with nearly six per cent in the local authority sector. This reflects both the funding that local authorities with ALMOs received to bring properties up to decency, and that they have maintained a proactive approach to property management over the last 20 years.

Respectful and helpful engagement

Communication, effective engagement and treating tenants fairly and with respect are integral to all of the RSH's proposed Consumer Standards, out for consultation at the time this study was being conducted. **ALMOs achieve a higher level of satisfaction across all three TSMs in the tenant engagement category.**

Figure 3: First half-year survey results for tenant engagement TSMs (median)

	Almo managed	Directly managed by LA
TPO6 – Satisfaction that the landlord listens to views and acts on them (%)	61.00	53.00
TPO7 – Satisfaction that the landlord keeps tenants informed about things that matter to them (%)	74.00	65.30
TPO8 – Agreement that the landlord treats tenants fairly and with respect (%)	78.90	72.00

Effective handling of complaints

The Housing Ombudsman's Complaint Handling Code, updated in April 2022, aims to make definitions and response timescales consistent across the sector.

On responding within target times, ALMOs respond to 88 per cent of stage one complaints and 97 per cent of stage two requests for further action within target

times. This is considerably better than the local authority medians of 74 per cent and 70 per cent respectively. All ALMOs had a higher complaints handling satisfaction score than the local authority median.

Figure 4: First half-year survey results for complaints handling TSMs (median)

	ALMO managed	Directly managed by LA
CHO1 (1) – Stage One complaints per 1,000 properties	19.57	22.00
CHO1 (2) – Stage Two complaints per 1,000 properties	1.60	3.00
CHO2 (1) – Stage One complaints responded to within target time (%)	88.18	73.99
CHO2 (2) – Stage Two complaints responded to within target time (%)	96.88	70.00

Housemark has collected transactional satisfaction data on complaints handling for many years, and it is worth noting that satisfaction results for this are notably lower for all landlords. Across the sector, this measure received the lowest average satisfaction results in the half-year TSM data.

Responsible neighbourhood management

The 'responsible neighbourhood management' TSM theme focuses on communal areas, ASB and a landlord's overall contribution to the areas in which they have stock. **ALMOs score almost eight percentage points higher** on making 'a positive contribution to the neighbourhood' than local authorities. They score **11 percentage points higher** for satisfaction with the landlord's approach to handling anti-social behaviour. They also score slightly higher for satisfaction that the landlord keeps communal areas clean and well-maintained (67 per cent versus 63 per cent).

Value for money findings

Better performance costs less

Housemark was asked to compare front-line resourcing, delivery costs and performance outcomes between ALMOs and local authorities. Using data from the 2022/23 Housemark benchmarking submission to which 15 ALMOs contributed, this study concludes that **ALMOs deliver value for money** on costs for responsive repairs and void works, major works and cyclical maintenance and housing management; and outperform local authorities on most operational metrics.

Figure 5: Value for money metrics

Output measure	ALMO median	National LA median
Overall direct CPP (inclusive of capital spend)	£2,537	£2,618
Direct CPP of responsive repairs service provision	£534	£606
Average cost per responsive repair	£195	£213
Average cost per void	£3,684	£4,277
Repairs completed at first visit (%)	90.13	85.89
Non-decent dwellings (%)	0.48	5.62
Direct CPP of housing management	£293	£302
Direct CPP of resident involvement	£25	£33
Current tenant arrears (%)	3.00	3.53
Direct CPP of rent arrears and collection	£92	£86

Repairs and voids

Rising costs have made the current operational climate extremely challenging for all landlords. Over the last five years, for instance, the cost of repairs and voids (preparing empty homes for new tenants) has increased by 32 per cent for the ALMO group, and 30 per cent for local authorities.

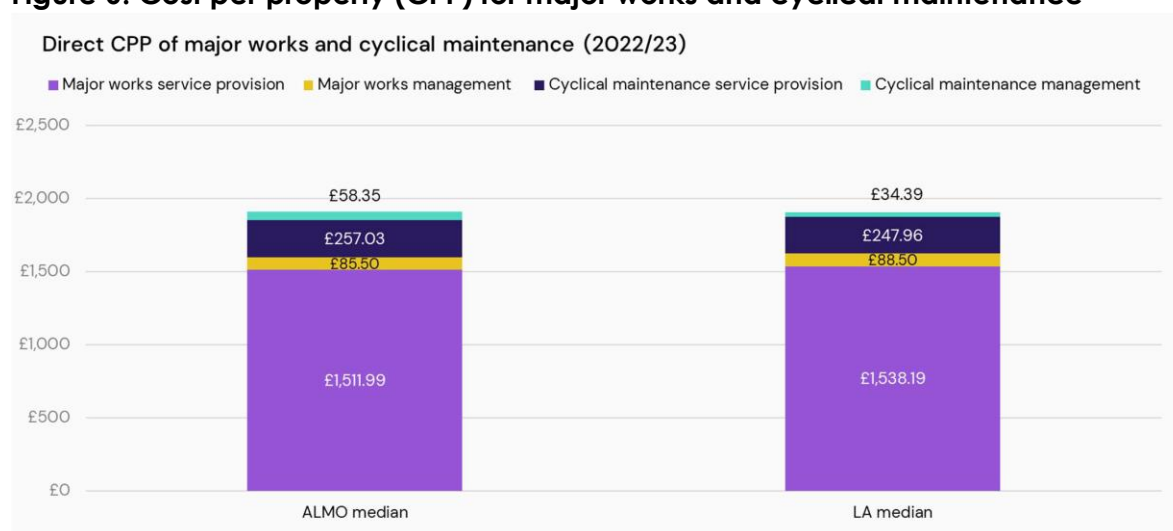
However, **ALMOs are still able to deliver these services at the same or lower cost.** The median direct cost per property (CPP) of repairs and voids services is £861 among ALMOs, against more than £1,000 in directly managed council housing. These figures can be broken down further.

Responsive repairs service provision CPP in the ALMO sector stands at £534 against £606 in directly managed council housing. The average cost per repair comes out at £195 for the ALMO group, and £213 for local authorities. ALMOs complete a higher percentage of repairs at the first visit, which helps deliver this outcome.

The data analysis suggests that these differences are partly because most ALMOs included in the review have their own repairs teams, compared to just under half of local authorities who outsource to contractors. Factors such as volatile materials costs mean contractors may have to price in a higher level of risk when tendering, particularly if information about stock condition is patchy or not up to date.

ALMOs were set up in part to deliver the Decent Homes Standard so, unsurprisingly, **the ALMO non-decency level is five percentage points lower than the local authority figure of 5.62 per cent** - and it is likely that landlords with higher levels of non-decency will be doing more significant repairs and more repairs overall.

Figure 6: Cost per property (CPP) for major works and cyclical maintenance



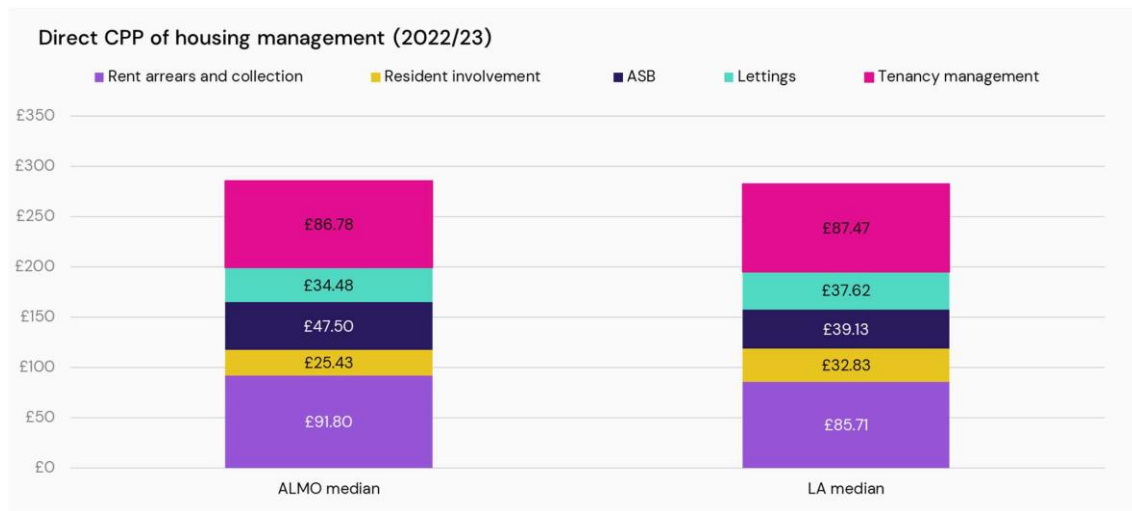
ALMO costs are very much in line with local authority costs for both major works service provision (£1,512 vs. £1,538) and for major works management (£86 vs. £89). ALMOs pay slightly more on average for cyclical maintenance provision (£257 vs. £248). It is important to note that costs for this service depend on stock profile and that, in the long term, more consistent maintenance should mean fewer reactive repairs.

Housing management

Housing management covers rent arrears and collection, resident involvement, anti-social behaviour, tenancy management and lettings. The ALMO model provides dedicated housing management expertise, so it is not surprising that ALMOs achieve higher satisfaction for less.

At the median point, the direct CPP of housing management for the ALMO group has increased by 14 per cent over the last five years to £293. This compares favourably to a local authority median of £302, an increase of 22 per cent over the same period.

Figure 7: Cost per property (CPP) for housing management



Participants

- Barnet Homes
- Berneslai Homes
- Blackpool Coastal Housing
- Cheltenham Borough Homes
- Colchester Borough Homes
- Cornwall Housing Ltd
- Derby Homes
- Eastbourne Homes
- Homes in Sedgemoor
- Northampton Partnership Homes
- Shropshire Towns and Rural Housing (STAR)
- Solihull Community Housing
- South Essex Homes
- South Tyneside Homes
- St Leger Homes of Doncaster
- Stockport Homes
- Sutton Housing Partnership
- Wolverhampton Homes
- Your Homes Newcastle