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Consultation response – Housing Ombudsman Business Plan 2026/27 – from Councils with ALMOs Group

26th March 2026

Councils with ALMOs Group (CWAG) represents stock owning local authorities where council housing is managed by arms-length management organisations (ALMOs). CWAG is a Special Interest Group of the Local Government Association. There are currently 15 ALMOs managing around 165,000 council properties.

The planned Housing Ombudsman fee increase outlined in the Business Plan 2026/27 is significant and of concern to member councils whose budgets were agreed back in January / February for the 2026/27 financial year.

The Business Plan assumes a per property increase in fees from the current level of £8.08 to £10.56, which represents a 30.69% increase. This is significantly above the rate of inflation and permissible rent increases on social housing which are limited to CPI plus 1% (namely 4.8%) and will come at the expense of resources to build and maintain homes.

We are concerned that this is not a genuine consultation on fee levels as the consultation closes on Thursday 26th March 2026 (6 days before the new fees become payable).

It seems anomalous that the Housing Ombudsman should have charges that are higher than those charged by the Regulator of Social Housing. When these two charges are combined, they represent a significant cost within landlord business plans.

The Business Plan highlights an ever-expanding caseload and increasing numbers of complaints to justify this increase in fees. According to the budget included in the Business Planning document, £1.51 or 60.9% of the increase is for increased caseworker resources. The argument underpinning the proposed increase is that the HOS must expand to meet demand. However, the HOS may itself be a factor in fuelling this increase in casework.

The Business Plan 2026/ 27 document highlights that ‘In our current caseload, 10 landlords represent 30% of our investigative work’ this is a worrying statistic as it indicates that those landlord that are running an efficient service and generating fewer complaints to the Ombudsman are effectively being penalised and their tenants and business plans having to bear the cost of the failures in a small number of landlords.

Whilst we are aware that the Ombudsman has previously consulted on different funding options including a basic fee for all with additional fees charged to landlords depending

on the casework burden they generate. At the time of this earlier consultation, the stark cost rises and implications for business plans were not known. In our view it is now time to review the charging structure on the principle that those with the most casework related costs should pay more. One suggestion could be to charge a penalty for mal-administrations and severe mal-administrations which would not only help fund the service but incentivise landlords to deliver better services.

We would also be keen to see evidence of the measures in place to control cost and allow scrutiny and feedback to hold the organisation to account – a fees panel similar to that operated by the Regulator of Social housing would be a good start.

Geoff Beales

Chair – Councils with ALMOs Group