

Government review secures positive future for ALMOs

Council tenants across England to benefit as NFA proposals for self financing accepted by government

Press release

2 July 2009

The National Federation of ALMOs (NFA) is celebrating a major victory for its lobbying campaign to introduce sweeping changes to how the country's council housing is financed.

The dismantling of the current Housing Revenue Account (HRA) subsidy system, announced by Housing Minister John Healey yesterday, will enable councils to have much greater control over their budgets and for rent collected locally to be spent locally.

Included in the announcement is a commitment to safeguard the long-term future of the country's 69 ALMOs (Arms Length management Organisations) – proven to be one of the most effective forms of social housing management – which together oversee more than one million council properties.

The decision is the result of a four year lobbying campaign from the NFA which has called for an end to the unfair HRA subsidy system which saw local authority rent distributed centrally on an annual basis.

The idea of self financing was first put forward by the NFA in a joint report with the Chartered Institute of Housing and Housemark in 2005. The report '*ALMOs – a new future for council housing*', paved the way for self financing pilot studies which led to the government's latest announcement.

Alison Inman, Chair of the NFA said:

"This is the most important development in council housing for 30 years which will secure a positive and lasting future for millions of tenants and is the result of sustained four year lobbying campaign from the NFA. We warmly welcome the move towards self financing which will give ALMOs a much greater role in long term planning for their local communities.

"By freeing councils from the annual funding decisions in the current system, they will be able to plan long-term and to improve the management of their homes, secure greater efficiencies and improve the quality of service".

In a statement to the House of Commons yesterday, Mr Healey said:

“We see a strong future role for ALMOs which are valued by their tenants. We would expect ALMOs to continue to develop their housing management capacity and to look for opportunities to extend the range of services they offer.”

“My intention is to dismantle the housing revenue account subsidy system and replace it with a devolved system of responsibility and funding. I want to increase local responsibility and accountability for long-term planning, asset management, and for meeting the housing needs of local people.”

The National Federation of ALMOs represents and promotes the ALMO option in council housing management. There are 69 live ALMOs managing over one million council homes across England, more than half of the total stock.

ALMOs have attracted support from all three main political parties for their success in increasing tenant involvement, improving homes and communities and enhancing the quality of life for those living on some of the most challenging estates in the country.

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For further information, please contact Acceleris Marketing Communications on 0845 4567 251

Notes to Editors

ALMOs have a remarkable record of improving services and involving tenants in key decision making and by May 2009, 30 ALMOs had achieved the Audit Commission’s two-star rating while a further 21 have been awarded the maximum three-star rating; a track record of service unsurpassed by the housing association or traditional local authority sectors.