

LET'S GET BUILDING TO DRIVE GROWTH

NFA Calls For Investment Ahead of Spending Review

Press release

Date: June 2013

The National Federation of ALMOs (NFA) has called on the Chancellor to allow its members to invest up to £7billion to build 60,000 new social homes and stimulate economic growth ahead of this year's spending review. In addition it has requested a further £400m investment to complete the Decent Homes programme.

The NFA recommends the government unlocks the potential to invest in council housing by lifting the HRA borrowing caps and relying instead on prudential borrowing rules to ensure that investment is sustainable. Earlier this year, the NFA published a report entitled Let's Get Building outlining the economic benefits of building new homes and the importance of lifting the restrictions on capital borrowing. Building the 60,000 new homes called for in the 'Let's Get Building' report could boost GDP by 0.6%, a significant addition to the country's recent low growth rates.

In return for allow this investment, ALMOs have pledged to work with their parent local authorities to use their land and assets effectively to drive local growth, build new homes and regenerate neighbourhoods. As well as supporting local business, ALMOs are committed to providing employment and training opportunities.

Most ALMOs have now completed their Decent Homes programme with over 790,000 properties having been modernised as of April 2012. Funding has been approved up to 2015 for those ALMOs still completing their programmes with all due to be completed by March 2016, provided the funding is made available. The NFA is urging the chancellor to meet his earlier pledge of funding to complete the final Decent Homes improvements which will benefit some of the poorest and most vulnerable areas of the country. Economically, investment in housing through the Decent Homes programme provides a significant return to the economy through the work provided to local construction and maintenance firms. Research undertaken by Nottingham Trent University has also shown that the improvements to the physical condition of the property have led to improved outcomes for tenants in terms

of their security, health and comfort, as well as wider impacts on the community such as carbon reduction, employment opportunities and neighbourhood improvement.

Sue Roberts MBE, Chair of the National Federation of ALMOs (NFA), said: "Whilst the NFA remains conscious of the tight fiscal environment in which the current spending review takes place, the Decent Homes programme has brought significant economic and social benefits to thousands of families across the county."

"At a time when the Chancellor should be focussing on growing the economy, we are confident that our recommendations on new build and Decent Homes will bring both economic growth and wider benefits to social housing tenants and their communities."

The NFA's members manage around 700,000 council properties across the country. The ALMO Decent Homes programme has been a key driver in service improvement and tenant empowerment as well as achieving a number of other key impacts including providing local jobs and apprenticeships, improving energy efficiency and reduced carbon emissions and facilitating community cohesion and empowerment.

Chancellor George Osborne will announce his spending review on 26 June setting departmental budgets for 2015/16 and longer term plans for some areas of capital spending.

-ENDS-

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Notes to Editors

- Arm's length management organisations (ALMOs) have led a revolution in the management of council housing since they were first established in 2002. There are currently 50 ALMOs which manage more than 700,000 council homes across 50 local authorities. For more information about ALMOs visit www.almos.org.