

Borrowing Rules Stifling Supply of New Council Homes

Press release

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Across England Arm's Length Management Organisations (ALMOs) have built more than 500 new homes in the last year but say they could build many more if restrictions on public borrowing were eased.

The findings have been revealed in a new survey of all 47 ALMO members carried out by the National Federation of ALMOs (NFA), entitled 'Today's ALMO World' which is published today.

The survey has found that although ALMOs built 542 new homes in 2014 which represents a 20% increase on 2013, ALMOs are not able to build homes in sufficient quantities to help meet the national demand for new social housing. According to the latest government figures there are more than 1.3m households* on local authority waiting lists across England.

Only 12 ALMOs are now registered providers compared to 17 in 2013, which may reflect the changes to the HCA funding regime for ALMOs. Over the next five years, ALMOs expect to be able to build 2,000 new homes. However the survey also found that of the 542 new homes built; only 34 were owned by the ALMO themselves with the majority owned by local councils.

The NFA has led a coalition of housing organisations to campaign for the local authority borrowing cap to be raised to enable further investment in new social housing and the NFA believes this survey is further evidence to support this proposal.

NFA Managing Director, Eamon McGoldrick, said:

"In the current funding environment delivering over 500 new homes is a significant achievement and I applaud our members for their hard work and dedication. However this survey clearly illustrates how changes to the finance available for new build is preventing ALMOs from getting anywhere near the number of homes we need to build if we are to ease the chronic housing shortage. Once again we call

on the government to consider increasing the local authority borrowing cap to help kick-start the delivery of badly needed social and affordable housing.”

Published annually, ‘Today’s ALMO World’ provides a snapshot of all 47 Arm’s Length Management Organisations across England. The report includes an update on numbers and condition of stock managed by ALMOs as well as a review of services provided by ALMOs, governance arrangements and management contracts.

As of 1 December 2014 ALMOs managed 650,746 properties across England in 50 local authorities. For a full copy of the report: ‘Today’s ALMO World’, visit the NFA website www.almos.org.uk

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Notes to Editors

- There are 47 ALMOs (arm’s length management organisations) across England managing more than 654,000 council homes across 50 local authorities.
- **DCLG Figures, table 600: numbers of households on local authorities’ housing waiting lists, by district: England 1997 to 2014, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-rents-lettings-and-tenancies>*