

## From Statutory Provider to Housing Delivery Enabler

Comment by Chloe Fletcher, NFA Policy Director

Coming back from a site visit at Nottingham City Homes yesterday to see their great new ALMO homes in Lenton, I was really pleased to see the report from Natalie Elphicke and Keith House on the role of local authorities in housing supply launched last night and I, obviously, particularly welcome the mention of so many of our members in the report. It reminded me just how many ALMOs across the country have been innovative in finding ways to deliver and have really helped lead the way in getting new homes built in their communities through a variety of models.

However, I am also really pleased to see the recommendations on the strengthening of the Local Authority strategic housing role and wholeheartedly support the core recommendation that **“Councils have primary responsibility to assess and meet the housing needs of their local population as Housing Delivery Enablers.”** At the NFA we can see the positive impact of a strong strategic housing role within the council that works closely, in partnership, with its ALMO and enables it to go out and deliver the new homes the community needs. The report highlights Barnsley Council and its ALMO Berneslai Homes as a great example of this.

In fact I believe that the ALMO model is uniquely suited to helping to deliver this recommendation, as it allows a local authority to focus on its housing strategic role and lets the ALMO and its board focus on delivering new build and managing the existing stock just as they did for Decent Homes. It gives the council a close partnership with a wholly owned company, providing both the necessary flexibility and business-like approach to get things done but also the control and influence to ensure what is done meets the council’s objectives.

The report highlights a number of great examples of the innovative approaches being taken by ALMOs and their councils including the Gateshead local asset based vehicle which came out of the ALMO model originally, the community led housing development in Derby which both the ALMO, Derby Homes and the council have helped to set up and been very supportive of and both Berneslai Homes and Wolverhampton Homes for helping to support micro-builders.

Although the report majors on the delivery options available to councils outside of the HRA and urges those councils who aren’t already using the HRA borrowing powers that they already have, to do so, it does also make the recommendation that **“Government considers within its overall current spending plans flexibilities in any possible further HRA borrowing programme to enable councils to use both additional borrowing and 1:1 receipts to enable councils to deliver replacement units for Right to Buy stock.”**

I welcome this but urge this government and the next to go further and put in place a proper long term framework to enable councils and ALMOs to make the best use of their assets and their future rental income stream to invest in the homes we need right now. It is time to acknowledge that housing is a long term asset that needs to be planned and built over a decent timescale in a business-like way; we need the self-financing reforms to be properly completed

and the government to lift the arbitrary debt caps and putting in place, for councils, something more akin to rules and regulations around borrowing that Housing Associations have.

Our report *Let's get building* set out how ALMOs and councils could build at least 60,000 more homes over the next 5 years if they were allowed to make the most of their assets and business plans and borrow prudently, paying the debt back through rental income – not taxation.

47 councils across the country already have a ready-made housing delivery vehicle in their ALMO. The ALMO board provides governance structures for the housing business which include tenants, independent experts and councillors, allowing them to focus on running the business, assessing the risk and taking opportunities in their local communities. We would like to urge all of those councils to continue to make the most of their ALMOs and share the good practice within the sector as well as encouraging other councils to look at the ALMO model again, just as Northampton Council has recently done, and consider setting one up to help deliver the homes that are desperately needed.

**Download the report 'From Statutory Provider to Housing Delivery Enabler** by Natalie Elphicke and Keith House (DCLG) [here](#)

The NFA's original submission to the review can also be downloaded [here](#).