

## **NATIONAL FEDERATION OF ALMOs' SUBMISSION TO THE LABOUR PARTY HOUSING COMMISSION: HOW WE CAN INCREASE THE NUMBER OF AFFORDABLE HOMES TO RENT AND BUY**

### **Introduction**

- The National Federation of ALMOs (NFA) ([www.almos.org.uk](http://www.almos.org.uk)) is the trade body which represents all housing Arms' Length Management Organisations (ALMOs) across England.
- The NFA represents all 38 ALMOs, which manage 510,308 council homes across 41 local authorities. The NFA represents the interests of ALMOs at the national level and provides advice and training for members.
- ALMOs were first established in 2002 to manage council housing through not for profit companies set up and wholly owned by the local authority.
- ALMOs were originally established to provide an option to Councils to separate the housing operational role from the strategic role of the local authority and to focus on improving services and delivering investment in council owned stock without having to pass the ownership of it out of council control. 'Decent Homes' funding was made available to those ALMOs that were able to demonstrate a high level of performance and sound financial management, which eventually was all of them. When housing management organisations were being audited, ALMOs generally achieved higher inspection ratings than local authority managed housing or housing associations.
- The establishment of ALMOs along with the performance regime which supported the movement was arguably the most effective public service reform in housing made by any government over the last 50 years and led to a significant improvement in housing management services, housing conditions and a new positive working culture within council housing organisations.
- A defining feature of all ALMOs is that tenants have a significant say in how their estates are managed. At least one-third of all ALMO Board members are tenants with the remaining positions filled by councillors and independents often with business and housing experience.
- Over the last 4 years ALMOs have built 2,000 new homes and were scheduled to deliver a further 9,000 for their parent councils over the next five years prior to changes to housing finance.

## ***Labour's Record in Government***

*What are the best achievements of Labour in government on housing that the party should draw on when thinking about fresh ideas for the future?*

### Improving standards and satisfaction in social rented homes.

- Prior to the start of the Decent Homes programme in 1997, there were 1.9 million homes that were owned by local authorities that didn't meet the basic standard of providing a warm, weatherproof home with reasonably modern facilities.
- In 2002 ALMOs were established by the Labour Government to deliver much needed investment in council owned stock and drive up standards in council housing management services.
- Between 2002 and 2009 ALMOs helped to meet decent homes standards in 684,161 homes.
- ALMOs successfully contributed to the energy efficiency of council housing stock, improving from a SAP (Standard Assessment Procedure<sup>1</sup>) rating of 47.5% in 1996 to 60.8% in 2010.
- Of the 57 ALMOs inspected by the Audit Commission by January 2009 49, or 90% had been classified as excellent (18 3 star) or good (31 2 star) on performance and service delivery. No traditional local authority and only three housing associations had achieved three stars in the previous three years.
- ALMOs led the way in delivering better services for tenants and achieving two-star or three-star ratings from the Audit Commission. Performance in services for tenants, such as lettings and repairs, significantly improved. Tenant satisfaction levels were and still are running much higher than for council housing generally. Over time this has led to a general improvement in standards across the social housing sector.
- It was the combination of the Labour Governments giving ALMOs much greater autonomy from direct local authority control, insisting on the involvement of tenants in management and only providing additional resources to organisations which had made significant improvements in service delivery to tenants (as assessed by the Audit Commission) that made the decent homes programme so successful. We believe this carrot and stick approach is a very useful model for public service reform.
- Separation from the council allows staff to focus purely on service delivery but the strong and close connection to the council is critical in ensuring the ALMO delivers on the council's priorities and is in tune with the needs of its local community. Day to day management is handed to Boards made up of tenants, councillors and independent members who reflect the communities they serve. Strong community leadership also allows ALMOs to get things done.
- The Labour Government also started the reform to the HRA subsidy system which was finally implemented by the Coalition Government in 2012. This significant reform to council housing finance gave each council local control over their housing revenue account and has the potential to drive a real revival in public investment in council housing if properly supported.

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<sup>1</sup> SAP ratings were the official way to measure the energy efficiency of buildings prior to the Home Energy Rating System.

### *What are the areas of housing where Labour in government should have done more?*

- Although the Labour Government did start to increase funding for new social rented homes towards the end of its tenure, and allow ALMOs to bid for social housing grant in 2008 and local authorities from 2009, it was unfortunately too little too late.
- The unnecessary delay in introducing self-financing for council housing meant that councils had only just started to deliver new homes for the first time in a generation when they are being slowed down again by a number of Government policy and financial changes.
- We believe the previous Labour Government was too reticent to develop the full potential of local authority investment in new housing in their areas. Possibly due to fears of replicating some of the errors of the past in mass volume council house building they did not allow councils and ALMOs to develop their business plans to support investment in new build. Councils and ALMOs have learnt the lessons of the past and are not aiming to be the volume builders of the future but have a lot to offer in terms of developing high quality, sustainable and affordable new affordable homes in their areas.

### ***Improving the Rental Sector***

#### *How could Labour ensure a greater supply of affordable social housing to rent?*

The NFA believes that ALMOs can play a key role in helping to deliver new affordable homes right across the country. Whilst we recognise that ALMOs will not be the volume builders of the future we believe that ALMOs and Councils could play a much more significant role in increasing affordable housing delivery and 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. The current housing crisis will not be solved by one route alone and we believe that every available route should be fully utilised in order to increase house building across all sectors.

In order to help bring about a step change in house building the NFA recommends the following solutions:

1. Unlock the potential to invest in council housing by removing the HRA borrowing caps and relying instead on prudential borrowing rules to enable councils to invest in new homes and pay the money back from their rental income.
2. Provide more bricks and mortar subsidies for social housing through grant rather than relying on more and more revenue subsidies through housing benefit.
3. Re-provide grant funding for social rented homes as part of a package of support from the HCA to help all social landlords develop new truly affordable homes.
4. Consider the longer-term case for a planned and transparent move to adopt internationally recognised rules to measure government borrowing, to bring Britain in line with our competitors which exclude housing investment debt.

## Borrowing controls

- The debt ceiling that the Government imposes on councils is preventing them from capitalising on the borrowing potential linked to their housing stock to fund new build.
- The caps place an upper limit on the borrowing that councils can make which can be supported by the income from their self-financed housing revenue accounts even if under the 'prudential rules' that apply across local government they could afford to borrow more. The caps are arbitrary in their effects; some councils have higher caps than they need, others have caps which are set far below what they could borrow prudentially.
- Borrowing to finance investment in new homes would be well within the levels sustainable from projected incomes from rents. Local authorities adhere to the Chartered Institute for Public Finance and Accountancy's (CIPFA) "Prudential Code for Capital Finance" which have enabled them to develop a record of responsible borrowing with virtually no defaults.
- In 2012 the NFA published a report called "Let's Get Building". Let's Get Building explored how local authorities and ALMOs could make a much bigger contribution to building new homes and stimulating local economies, and explained how this could be done within prudential borrowing rules. It argues that councils and ALMOs should be allowed to make the most of their assets and future rental income to invest £7bn to build 60,000 new homes over five years. A summary of the key points is made below:
  - The cap on borrowing at the initial level of redistributed debt goes against the spirit of self-financing and does not fit with a proper business plan model where there will be peaks and troughs of investment need.
  - Council housing has very low average debt levels, at just over £17,000 per house there is significant untapped borrowing potential based on future rental income that could be utilised now to help boost the economy.
  - Given the scale of both housing and economic need, it makes sense to use the capacity of councils and ALMOs to build homes in addition to using the capacity of Housing Associations and private developers.
  - The Prudential Code, the limits on rent increases and the HRA ring fence are all sufficient to ensure that local authorities do not increase borrowing at unsustainable levels.

## Council house building programme would be financed by welfare savings

- In June 2015, Capital Economics published a report on behalf of the NFA and the Campaign for Social Housing (SHOUT) titled: 'Building New Social Rent Homes.' The report found that the building of 100,000 new social homes a year would create a net surplus for the Exchequer by 2035. Savings would come from a burgeoning housing benefit bill which currently stands at £24.4 billion but is forecast to rise dramatically to £197.3bn by 2066 without action being taken to boost social housing supply. For every £1 invested in building new social housing, £2.84 of economic output would be stimulated, of which 56p would go straight to the Exchequer.
- Of the 100,000 new housing units for social rent, 24,500 would be built by local authorities or ALMOs, the remainder by housing associations. The modelling is based on 85,000 of these receiving a government grant of £59,000 per unit.

- In the policy's earliest years, the additional borrowing needed to fund the new homes will be greater than the welfare savings or the additional tax revenues from the construction activity. The net impact of the policy on public borrowing should peak in 2019-20 at 0.13% of GDP or £2.9 billion (nominal terms). Thereafter, its impact on net borrowing will decline sharply, and, with improvements to the welfare bill accumulating each year, by 2034-35, the policy is set to create an in-year surplus for the government.
- By 2030-31 public sector net debt will be only 0.5 percentage points of GDP higher than it would be under current policies. By 2040-41, the debt levels will be the same under either policy and, thereafter, the policy of 100,000 new social homes each year will start to pay down the debt with public sector net debt as a proportion of GDP 5.2 percentage points lower than it would be on current policies after 50 years.

### Improving the Private Rented Sector

The NFA believes that ALMOs could help improve the quality of homes and services within the private rented sector across the country. Individual ALMOs are already offering private sector landlords the opportunity to provide a local, high quality management and maintenance service to all of their tenants through social lettings agencies. More encouragement of this service could significantly help improve standards at the lower end of the sector and we urge the Labour Party to consider policies which would:

- Create financial incentives for private landlords who wish to place the management of their homes in the hands of organisations (including ALMOs) capable of delivering quality services over an extended period with a choice of longer term tenancies to tenants.
- Support a nationwide accreditation scheme that has to be obtained by private sector landlords to provide housing management and for which criteria is modelled on best practice in the social housing sector. Nationally recognised standards of quality of management would assure investors that their reputations would be safe in this area of business.
- Facilitate the development of this sector and new supply with institutional investors and promoting ALMO management as a route to managing new 'built to rent' stock in their areas.
- Increase the supply of reasonable rents within the sector by increasing supply overall and introducing some level of assurance for tenants that landlords wouldn't be able to hike rents unreasonably over a certain period. We support the development of appropriate frameworks, mechanisms and resources for local authorities to prevent unreasonable increases in private rent levels.
- Look at the developing solutions for the most common reasons why properties are left empty for more than 12 months in the private rented sector. From our members' experience this is often due to a sole owner occupier moving into care and lasting power of attorney has not been granted or has yet to be sorted out or because a sole owner occupier has died intestate and it takes months to sort out. Options could be developed to provide temporary solutions for those properties whilst legal issues are fully resolved and ALMOs could provide a management service to the families, letting them out to provide both a social benefit and some income to the family.
- Owners of empty homes within the lowest council tax band could be encouraged to lease their homes to an accredited landlord or an ALMO by making them eligible for a grant so the property achieves the local housing quality standard.

## Restoring Integrity of Self Financing

- Local authorities should be empowered to build more homes. As we have seen over the last few years, when they are given the freedom to do so, they we have built homes.
- Council house building starts in England were at a 23 year high and in 2012 the last government introduced a new regime of HRA self-financing which was supported by all political parties. Under this, councils were relieved of any future need to give to or receive from government any payments of housing subsidy. This was in exchange for a one-off debt settlement based on the net present value of its housing stock. In return, councils won the right to keep rent income in full and invest it.
- The self-financing settlement was based on a valuation of each council's housing stock that gave a total value of £29.2 billion to council housing in England. This valuation was based on the assumption that council rents would rise annually by 0.5% more than the Retail Price Index broadly in line with the expected long- term growth in tenants' incomes. It was also assumed that councils would be allowed to complete the convergence of individual rents to the target rents set in Government guidance through an additional increase of up to £2 a week where necessary.
- This good work by local authorities is however being reversed as a result of the Government's decision to cut rents by 1% and by the introduction of the requirement for councils to consider selling off their high value voids and make a payment to central government based upon what he government expect them to sell each year.
- Prior to this cut affecting the self-financing arrangements, plans were in place for ALMOs to collectively build at least 9,000 homes for their councils over the course of the next five years. Early indications suggest that these will now be cut to a handful of new starts.

## Switching short term subsidies to buy to long term subsidies for rent

- Affordable homes could be for rent or sale but subsidies should be given to encourage supply and not just fuel demand. A future Labour Government should abandon starter homes with discounts and Help to Buy and instead develop affordable home ownership products which are affordable in the long term and increase the supply of new homes across all tenures.
- A future government could do more to encourage councils to build directly for both affordable rent and sale and encourage mixed tenure developments with options to rent or buy each property or a combination or rent with the intent to buy. The aim being to rid the stigma of homes for one tenure or another. Private developers could be incentivised to do the same.
- The NFA would also like to see an exemption for Social Landlords Local Authorities from SDLT for sub market rented property purchases.
- A future Labour government should allow local authorities more flexibility to make maximum use of the receipts from RTB sales. The following specific changes would put local authorities on to a more even footing with housing associations, in terms of their ability to manage their assets effectively, and enable more homes to be replaced:
  - Giving authorities the freedom to use RTB receipts to meet more than 30% of the cost of building replacement homes, to combine RTB receipts with grant funding, other capital receipts held in the housing revenue account (HRA) or public land and to pass RTB receipts

to an arms' length management organisation (ALMO) or another council owned company (provided the money is still reinvested in new homes).

- Raising or removing local authority borrowing caps to give councils more freedom to supplement RTB receipts with additional borrowing.
- Extending the cost floor ceiling, which prevents new council homes from being sold at a loss, from 15 to 25 years.
- Extending the three year time limit within which RTB receipts must be committed to five years.
- The Treasury should agree to forego its share of receipts so that 100% of the revenue raised from sales is retained and reinvested locally.
- That the government grants individual local authorities freedoms to reduce discounts locally, where they are able to demonstrate that they will have insufficient receipts to enable them to replace homes sold.
- That the government continues to monitor progress in replacing homes sold under the RTB and commits to taking further action in the future, should the policy continue to deliver a net loss of affordable homes.

### Planning

- Developers with outstanding planning permissions where homes have not started within 2 years should be subject to "stick and carrot" policies. The "stick" could be that they are charged Council Tax at the highest rate for homes that could have been built. After a stall of 5 years CPO would be automatically started by LA. The "carrot" could be that Housing Associations and/or councils are funded to buy out of "unviable" sites at current market value.

### Downsizing

- A radical programme of new homes fit for 21st century seniors could incentivise downsizers and provide the housing we need as a society. Couple this with scrapping the bedroom tax, and offering tailored incentives to potential downsizers – portable RTB discounts/priority help for adaptations and practical downsizing help could really help make better use of our existing housing stock both in the social and private sector.
- As part of reaffirming council housing's 30 year business plans targeted at improving to local quality standards, a future Labour government could encourage councils to upgrade their offer to seniors by setting targets to rid country of bedsits and walk up flats by 2025. Could offer "new" homes bonus to converted bedsits and remodelled walk-ups.

### Changing Universal Credit Payments

In 2009 the last Labour Government decided that they would not press ahead with direct payments in the social housing sector as it would be a "major change" for tenants. The Coalition Government's decision to directly pay the housing element of Universal Credit to tenants has seen an overwhelming number struggle to pay their rent. Research that we conducted between October and November 2015 shows that 89% of our tenants who were in receipt of Universal Credit were in arrears. These statistics demonstrate that for the majority of our tenants Universal Credit is not working.

- Tenants should be given the option of having the housing element of Universal Credit paid directly to their landlord if they so wish. This is in effect no different than having a mortgage payment being taken every month. Tenants then know their housing is paid for and they are able to budget for how they

spend the rest of their income. This change and also the restoration of self-financing amongst local authorities, would drive down debt and make it easier for investment in new homes.

### *How can the party change perceptions around social housing?*

The NFA believes that the Labour Party can help change perceptions around social housing by valuing it and promoting the benefits it brings to both individual's lives as well as society as a whole. For example:

- By supporting our photography exhibition and other campaigns like it. We would like to exhibit our "Ordinary People, Extraordinary Lives" exhibition in the House of Commons and need to persuade the Housing Minister to support it.
- By promoting its advantages for individuals – safe, secure, affordable and of a decent standard
- By exploring different ways to help aspiring tenants move into homeownership without detriment to existing social housing.
- The principle of "lifetime" tenancies should be affirmed. Tenants live in homes and the culture of tenant's living in houses only as they need them should be thwarted.
- Landlords should be encouraged to assist tenants achieve their "housing" ambitions in any way they judge appropriate and be rewarded for "preventative" work like helping people into work or other actions which reduce public expenditure.
- By putting more emphasis on the community aspect of social housing and celebrating the contribution social housing providers make to the wider society that work in. ALMOs, Councils and many Housing Associations spend a considerable proportion of their time and efforts on supporting communities. This is not replicated in the private rental sector or in the owner occupied sector and is of significant wider benefit to society. For example many ALMOs have established schemes to address the challenges of low educational attainment and worklessness amongst their tenants, to create stronger communities by improving the skills and education of their tenants, guiding them into work and the security of a regular income. ALMOs also work hard to help all parts of the community integrate with each other, working with often excluded and marginalised groups to help bring diverse communities together as well as supporting resident led work such as parents developing play schemes in their areas or tenants starting self-help groups for people suffering from illness or disability.

### *How can more power be placed in the hands of tenants to ensure affordable properties are of a decent standard?*

- Landlords should be able to demonstrate independent accountability via a Board or local scrutiny arrangement involving tenants formally.
- Regulation should be formally reinstated for all social landlords. It should be commensurate with the risks they are taking.
- A future government keeping Decent Homes Standards up to date and relevant for example by requiring all social landlords to meet a revised Decent Homes Standard by 2020 with an average SAP rating of at least 70 for the social housing stock and no social housing with a SAP rating of less than 40 and providing a long term funding programme and framework post the current ECO programme to ensure stability in the market and cost effectiveness over time.
- A future Labour government could re-invigorate the ALMO programme and offer councils with ALMOs or other bone fide structures which really engage tenants the opportunity to lift their borrowing controls and invest in new homes and decent homes standards.

- ALMOs have a proven track record of delivering a high standard of housing. With all boards being composed of at least one third tenants they are accountable to their needs.
- Involving tenant representatives in decisions, not just as consultees, has proved to be a very effective way of ensuring that housing meets the requirements of tenants.
- Tenant involvement is fundamental to the success of ALMOs and sets them apart from council managed schemes. Tenants have an important role in decision-making to ensure that services directly meet the needs and aspirations of residents and the wider community.
- Councillors and tenants across the sector continue to support the great work achieved by their local ALMOs and councils across the country continue to consider the model as an effective way to harness tenant engagement to improve service delivery and generate efficiency savings in the housing management service. We have seen a number of new ALMOs set up since the demise of the Decent Homes Programme such as Cornwall Housing, East Kent Housing, Welwyn Hatfield Community Trust and Northampton Partnership Homes, showing that the model is still a respected way to improve service delivery and give tenants real power over their housing services.
- A number of existing members wanted to add their own personal testimonials to the benefits of the ALMO model:

**Berneslai Homes, Barnsley Council**

**Cllr Roy Miller, Cabinet Spoke Person – Place**

*In 2002, following a Tenant's Jury, Barnsley MBC established Berneslai Homes. Since that time Berneslai Homes have gone on to achieve much more than was ever envisaged by the Council at the start of this new management and maintenance delivery model known as an ALMO. In 2010 full decency was achieved and the ALMO now delivers an annual Barnsley Home standard programme ensuring investment continues in the stock providing a return on the Council's asset and meeting housing need for the borough.*

*The ALMO model has allowed Berneslai Homes to be focused and fleet of foot in generating efficiencies for the Housing Revenue Account. This has led to self-funded new build and acquisition schemes, to date 60 built and 110 acquired.*

*The Council recognise the importance of a strong tenants' voice and Berneslai Homes champions this through our Customer Involvement Agreement, through close working with the tenant and residents panel, and in particular by creating the #Proud Tenant campaign in 2015 to challenge the negative image of tenants which was adopted as the theme for UK Housing Day.*

*We always describe Berneslai Homes as high performing and low cost delivering value for money for the Council and putting Barnsley on the map with its nationally recognised reputation being frequently named in the Sunday Times Top 100 list and 24Housing Top Landlords of the Year list.*

**Derby Homes, Derby City Council**

**Cllr Fareed Hussain, Cabinet Member for Urban Renewal**

*The last Labour Government invested heavily in Council housing through the Decent Homes programme. As part of that, ALMOs were encouraged to be set up to deliver that programme efficiently and quickly. In Derby we are proud of setting up one of the first ALMOs – Derby Homes – and delivering Decent Homes to all our tenants four years ahead of target in 2006. That extra £97m of investment by the government substantially improved the condition of our homes.*

*Since then, Derby Homes has gone from strength to strength, and delivered new homes in partnership with the Council and local communities – notably the largest community backed scheme in the country, transforming a contaminated area to one which looks great and created 95 new homes, 40 of which were rented and the rest sold. We are now considering the future delivery of more Council owned homes and want to continue to help to transform areas and to set better management standards for the private sector to follow. I am proud to be a Member of the Board of Derby Homes, bringing the partnership of Council and ALMO closer together.*

**Wolverhampton Homes, Wolverhampton Council**  
**Cllr Peter Bilson, Deputy Leader and Lead Member for Housing**

*The City of Wolverhampton created an arms' length management organisation over 10 years ago primarily to gain access to decent homes funding for our stock of over 23,000 homes. We have since found, however, that Wolverhampton Homes has brought significant other benefits. In addition to the £300m improvement programme, WH has increased our rental income, put right our repairs service and ensured a quick turnaround on empty homes – winning themselves a new 15 year contract.*

*We have a strong and competent tenant-led board, ably chaired by Sue Roberts, MBE, overseeing the company. WH now runs a cross-tenure antisocial behaviour team, private sector leasing, has a highly effective fraud team and runs a million pound asbestos removal service. The company was ahead of the game in developing an award-winning "LEAP" programme aimed at unemployed tenants, offering 8 week job experience placements and 10 month apprenticeships. The company assumes every job that becomes available in WH or partner agencies is potentially suitable for a successful apprentice and many people previously rejected in the job market are now successful colleagues. More recently, we have recognised the benefits of sharing expertise and have invited the Chief Executive of Wolverhampton Homes to act as the Council's strategic director of housing whilst continuing in her WH role. WH are helping us with our new house building programme on small infill sites and we all feel that the partnership is stronger than ever and giving even more back to the City.*

**Sue Roberts MBE, Chair of Wolverhampton Homes and NFA Board Member**

*I have been a tenant Board member of Wolverhampton Homes since 2005 and became Chair in 2008. One of the benefits of the ALMO model, is that my home is still owned by Wolverhampton City Council and all my rights as a tenant are protected.*

*Another major benefit has been a significant improvement in tenant participation and empowerment in recent years. I have been an involved tenant for many years, but until Wolverhampton Homes was created, I never had a real opportunity to influence and shape the housing services that I receive from my landlord.*

*In my time on the Board, I have seen a positive improvement in service provision, coupled with an increased level of investment in the City's housing stock. Tenants were fully involved and consulted throughout that journey. There are challenging but also exciting times ahead with more homes to assist the Council to build. We also have the potential for us to run more services in partnership with the Council and the opportunity to assist tenants with employment and training.*

**Nottingham City Homes**

**Janet Storar MBE, Chair of Nottingham City Homes and co-opted Board Member of Efficiency East Midlands (EEM) and Member of East Midlands Tenant Participation Forum (EMTPF)**

*I have been a council tenant since 1976 paying my own rent all the time. In return for this I have had a home of my own, although not literally mine, the most precious place in the world to me. I joined the board of Nottingham City Homes in 2006 shortly after its formation and from this I*

*developed a passion for council housing. I am currently the Chair and have been for six years so I believe I can speak with knowledge on the work that the ALMO has done.*

*Since Nottingham City Homes took over the management I have seen investment in all the homes, bringing them up to decent standard. There has also been a step change in how good the repairs service is. They have also been able to build much needed new council homes and provide jobs for local people. Best of all however, is a real sense of partnership with the tenants; as I know from experience, we are listened to and our views count. Tenants really are at the heart of how Nottingham City Homes operates.*

### **South Tyneside Homes**

#### **Paul Mains, Group Managing Director**

*In South Tyneside we have seen our ALMO as a positive vehicle to not only effectively manage our housing stock through the delivery of decent homes but also improving the services that customers receive. We have transferred some traditional Council services, such as street cleansing, community safety, welfare rights and homelessness into the ALMO model, with positive results for the community, through more efficient service delivery models and a greater customer focus.*

*We have also explored how our ALMO can lead on the provision of much needed affordable housing for rent and properties for sale as well as the impact that the ALMO can bring to the Private Sector Rented market. We currently have a build programme set out. However, due to the, sale of higher value voids, 1% cut in social rents, caps to LHA and withdrawal of grant after the Affordable Homes Programme 2, development of affordable rented accommodation will become more challenging and difficult to deliver. We are currently turning our attention to deliver homes for sale within the borough, but feel that this should be supported with the provision of more affordable and social housing which could be developed and managed through our ALMO.*

- The NFA would also like to see the Labour Party build on the successes of the ALMO model and explore further the idea of enabling the creation of Local Housing Trusts for all Council Homes with independent company status, long term leases from their Council and governing bodies which follow the 3 way split approach – tenants/independents and Council representatives. This could build on work the NFA carried out in 2011 on a community and council-owned organisation (CoCo) – see report attached.
- A rearrangement of the debt would be required, enabling the Council to pay its charges and the new company to be able pay its way and achieve its business plan and quality standard.
- Tenants would be guaranteed a 30 year business plan with quality standard, “fair” rents and a direct role in their homes management.
- The aim of this would be to preserve affordable rented homes in remaining localities for the long term use of communities which are independent of government control and separate from but tied in some way to their local councils.

**For further information, please contact Chloe Fletcher at [chloe.fletcher@almos.org.uk](mailto:chloe.fletcher@almos.org.uk)**

**or on**

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#### **Enclosed for further information:**

Let's Get Building (2012), Let's Get Building – The View from the City (2012), Building New Social Rent Homes (2015), Building on the potential of ALMOs to invest in local communities (2011)

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