

12 March 2020

The 2020 Budget: Response from the National Federation of ALMOs

The NFA welcomes the announcements on funding for social housing in this budget, in particular the lowering of the PWLB interest rate for HRA borrowing, which is something we have lobbied for with our colleagues at ARCH and the LGA for some time.

We also welcome the increase to the Affordable Homes programme (AHP) but will continue to lobby Government for an extension of the lower borrowing rate for housing investment from the General Fund through ALMOs or development companies. The NFA and its members also hope to ensure a significant proportion of the AHP funding is directed towards social rented homes across the country.

Chloe Fletcher, Policy Director of the NFA, said:

‘The reduced interest rate on HRA borrowing is hugely welcome. Our members have told us of many housing construction and regeneration schemes that have had to be halted because they simply weren’t financially viable, and this will put some of these projects back on track.

‘We very much welcome the promised consultation with the government around how councils invest in property, and we’ll be arguing strongly for measures that turn that type of investment towards local housing, particularly for rent.

‘It’s good to see the rising numbers of homeless people directly targeted by this budget. However, homelessness is complex and has its roots in a range of systemic and social problems. Our members and their parent councils are the agencies which inevitably have to deal with the costly consequences when people find themselves without a roof over their heads.

‘So while the NFA is pleased to see new investment in measures to help the homeless, there are long-term and intractable issues that must be addressed and will demand long-term strategy and investment. We hope to work with the government towards those aims.’

Note to editors: The National Federation of ALMOs Ltd (NFA) represents England’s 31 arms-length management organisations (ALMOs). ALMOs are not-for-profit council-owned housing companies that **manage nearly 420,000 council homes across 34 local authorities.**

First established in 2002 as part of the Government’s Decent Homes programme, ALMO companies now work with their parent councils to deliver diverse housing services. These range from new-build development to support for residents’ employability, financial resilience and health and well-being.

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