Championing better homes and communities

# From the brink of catastrophe

## Creating a sustainable future for the UK housing market, council housing and local authorities' housing responsibilities.

NFA Asks for a new government.


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# NFA election asks

ALMOs (Arm's Length Management Organisations) are still leading the way two decades after they were first introduced to improve council sector housing management services and tackle poor quality homes. They are now proving themselves ideally suited to help their councils meet the demands of the new regulatory environment for social housing.

This is largely because they have tenant voices at their heart. Tenants of ALMO managed homes are able to influence all aspects of service delivery and improvement through a governance structure that offers them board-level representation and places on advisory and tenant scrutiny panels whose roles are clearly defined and whose recommendations must be acted upon.

Evidence that tenants are heard is a key demand of the Charter for Social Housing Residents White Paper; the ALMO model demands this too.

ALMOs are:

- 100% owned by the local authority, managing council-owned homes with secure tenancies;
- a tool for expertise-led housing management without the loss of democratic accountability or control;
- governed with strategic oversight from an independent board made up of tenants, councillors and independent board members;
- tenant-focused, offering residents a range of channels and levels of involvement to make sure their views are heard and acted upon;
- embedded in their communities, with a deep understanding of local issues;
- well-placed to give assurance to their parent councils and the Regulator of Social Housing that their services are compliant, high quality and value for money.

This is why, ahead of the next general election, we are calling for:

- **Support for the ALMO model**
- **Investment in existing homes**
- **Funding for new council housing**

The NFA also supports wider sector calls for:

- **A review of the social security system**
- **A long-term housing strategy for the whole housing market**


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# Support the ALMO model

Extremely hard-pressed local authority budgets – many have halved since 2010 – have prompted some councils to close their ALMOs in search of savings. Yet there is no independent data to confirm the perception that in-house management of stock is cheaper or better.

In fact, the evidence shows that the ALMO model does deliver value for money when compared with local authorities; and, on average, also delivers better performance. The most recent data – from an analysis of half yearly Tenant Satisfaction Measures (TSMs) by independent consultant HouseMark – shows ALMO scores are more favourable than local authorities against all 22 TSMs. Overall tenant satisfaction is 11 percentage points higher. The data also shows repairs performance is better and that a higher proportion of ALMO homes are classed as 'decent'. Both indicators reflect the model's operational efficiency.  This is achieved for a lower cost per property on average than by local authorities which manage their stock directly.

# Invest in existing homes

Councils do not sufficient resources to properly fund their housing responsibilities (Savills, 2023). They have to fund management and maintenance services and find investment capital to keep homes up to a decent standard and meet new building safety standards. For the sake of both tenants' fuel bills and national net zero carbon targets, they are also expected to design and deliver energy efficient homes.

Since the 2012 self-financing settlement with central government, local authority housing finances have been depleted by government-imposed cuts in rental income, changes in Right to Buy discounts and eligibility, significant cost increases in the supply chain, and the demands of new housing standards.

A full review of council housing finances and the sustainability of the Housing Revenue Account is now urgently needed. Without it, councils cannot continue to deliver quality housing services and decent homes over the next 30 years.

We are calling for:

- **Full financial support** from government for essential building safety work post-Grenfell.
- **A review of the Social Housing Decarbonisation Fund** to commit more funding over a longer-term framework, reduce the need to match fund and allow social landlords to bid in for additional funding if costs have risen.
- **Right to Buy reform** (including reducing the discount and introducing more regional variation) to help incentivise major investment in net carbon zero projects as well as regeneration.
- **Long term certainty over rental income** for social landlords. The scope for rent rises should continue to be CPI+1% from 2024 for five years, and a longer term review of rent setting should be undertaken by Government to place the sector on a more secure financial footing.
- Affordable Housing Programme grant funding post-2025 should be made available for **replacement housing on regeneration sites**.

# Increase funding for new social rented homes

With a chronic housing shortage now putting unbearable pressure on the private rented sector and on local authority temporary accommodation budgets, our country desperately needs more social rented housing. This calls for an increase in the overall funding for social rented homes and, with construction costs rising significantly, higher individual grant rates.

Wider long-term policy support is also vital.


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The NFA is calling for:

- **Exemption for new council homes from Right to Buy for 30 years.**
- **Reform of the Right to Buy** with lower regional discounts and tighter eligibility criteria that will guarantee one-for-one replacement.
- **An equitable and sustainable home ownership offer** for council tenants into the future.

# Improve welfare policy & review the social security system

Along with many sector partners, through initiatives such as the Joseph Rowntree Foundation [Guarantee our Essentials campaign](), the NFA has been calling for a review of our social security system and improvements to the welfare system. [NFA research]() has shown the impact of the cost-of-living crisis on families living in council housing; for example, a huge increase in the use of food banks as households struggle to make ends meet.

We are calling for:

- An **increase to the basic element of Universal Credit** to cover the essentials.
- **Removal of the five-week wait** for Universal Credit.
- **Scrapping the two-child limit and benefit cap.**
- **Abolition of the under-occupancy charge.**
- Consultation on **a social tariff for energy.**
- Setting **a minimum income** below which Universal Credit payments must not drop, ending deductions that push households towards destitution.
- **The same benefits for under-25s** as over-25s.
- **Better Universal Credit support for those in short-term, fluctuating employment.**
- Setting a **Local Housing Allowance** that covers the true cost of private rents.
- Committing to **a future that works** – specifically: ending employment poverty within five years; delivering genuinely local employment support; and working with local leaders, business and social housing providers to make sure any investment in local support matches local need.

Blackpool Coastal Housing


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# Make the housing market work well for everyone

Ultimately, we need to ensure that the housing market works well for all.

This demands:

- **a long-term housing strategy for all tenures;**
- **the creation of a tenure-neutral home ownership support package** through review of Right to Buy and all other affordable home ownership subsidies, with the aim of supporting affordable and sustainable home ownership while also supporting the building of more social housing;
- **a Local Housing Allowance that covers the true cost of renting privately** in each area;
- **specific, secure funding to end rough sleeping and reduce homelessness** by the end of the next parliament;
- **investment in other tenures to reduce the use of temporary accommodation.**


Barnet Homes


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