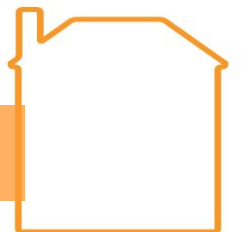

ALMOs and self financing

LGA conference Feb 2011
Mike Owen



Issues to cover in workshop

- What's in self financing for ALMOs?
 - What can ALMOs bring to the party?
 - What do we need to do as a sector?
 - What are the lobbying issues?
 - Is there a private financed future after the offer?
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Background

- Implementing self financed published in Feb 2011
- Final offer Jan 2012
- Go live April 2012



CARRICK HOUSING **CARRICK COUNCIL** **DEVON COUNTY COUNCIL**

FINANCING CARRICK COUNCIL HOUSING

This newsletter is our consultation on the future of financing for council housing in Carrick.

We are letting you know about a possible Government Scheme for Carrick which involves coming out of our present financial arrangement with them and use your rents to deliver your landlord service. In short, we will be able to do all that we do now, plus we will have the freedom to build our own council houses.

Under our present arrangement with the Government we do not have complete control of how much rent we can spend as landlord on your services. We propose to apply to the Government for complete control.

We are seeking your views so please read this newsletter.

We want to hear from you

- by phone on 0800 138 5552, ask for "Future Finances"
- by e-mail info@carrickhousing.org.uk
- in person
Falmouth 25th January 6.30pm Marlborough School
Truro 29th January 6.30pm Council Chamber

After a presentation by the Executive Director, staff and the Independent Tenant Adviser (employed by the District Forum of Tenants) will be on hand to answer questions and hear your opinions.

Also make your views known or ask questions to tenant representatives at the following rural surgeries:

Location	Date	Time
Cannon Downs Village Hall	6th February	4pm-6pm
Perranporth Memorial Hall	7th February	4pm-6pm
St Mawes Memorial Hall	8th February	4pm-6pm
St Agnes Scout Hut	13th February	4pm-6pm
Tresillian Village Hall	14th February	4pm-6pm
Penryn College, Poltisko Road	15th February	4.30pm-7pm

At: www.carrickhousing.org.uk you can also get more detailed information

after 5 years we at last have the line in sight

Before self financing starts

- Consulting tenants (Section 105 and Compacts)
 - Preparing the business plan and asset management strategy
 - Sorting out governance issues
 - Revisiting the Management Agreement
 - Work with Treasurers on debt management
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Current position of ALMO authorities

- Deal seems to be much worse in the north
 - Improved offer down in Cornwall on the March 2010 offer
 - How much does the cap affect decent homes delivery?
 - How much backlog is out there?
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What do ALMOs offer

- Tenant involvement
 - Capital programme management
 - New build experience
 - P and L account management
 - Strong governance
 - Strong organisations to defend the HRA
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Issues

- How do we show support for the general fund? *A 17% increase for the HRA in Cornwall and a 12% decrease for the general fund.*
 - How do we manage the efficiency/externalisations agenda in the light of greater resources in HRA?
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The ALMO sector

- Create a new relationship between debt, assets, and M and Ms
 - Design new model Management Agreements that include asset freedoms and debt repayment responsibilities
 - Develop new assets plans to generate general fund new build wins at lower than 80% market rents
 - Develop trickle transfer of voids model as part of asset plans
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Cornwall Council

- Review of delivery model – the ALMO is preferred option for active tenants and the Council
 - Discussions with Treasury Managers on a fixed debt recharge to be agreed as part of the management Fee
 - Management Fee to be based on all income (rents, service charges, disposals) and agreement to repay the fixed debt repayment. The ALMO then manage all the available income/expenditure to deliver all council objectives
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NFA lobbying position

- Stronger HRA ring fence
 - Default position should be that all capital receipts should be retained by the Council
 - That the Community Right to Challenge should be available to tenants and staff of ALMOs as it is to local authority housing staff and tenants.
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Private finance and other models

- Where do we go on co ownership models?
- Is a housing style corporation under EU accounting rules a better lobby position?