



House calls

APSE's event at the House of Commons provided a platform for councils to tell ministers what is stopping them building new homes – and how such obstacles might be overcome. Nicola Carroll reports

Councils are keen to build new homes and Prime Minister Gordon Brown has pledged to remove barriers that are standing in their way. So what are those barriers? And how can they be overcome?

APSE joined together with the Association of Retained Council Housing (ARCH) – for which it provides policy and lobbying, research, communications and secretariat services – to organise a high-profile event to set out what the barriers are and ways of overcoming them.

More than 60 elected members and senior housing and finance officers

came to the House of Commons on 26th March for a panel debate and audience discussion entitled *'Financing council newbuild: from words into action'*.

APSE chief executive, Paul O'Brien, who chaired the debate, commented: *'Ministers have talked about significant levels of council building for the first time in generations and this is an immediate way of addressing housing shortages while boosting the construction industry. Councils have land ready for development, good credit ratings, are democratically accountable and ideally placed to link building with wider social, economic and environmental goals.'*

The enthusiasm among local authorities present to build new homes was evident. But they expressed frustration at obstacles that are currently standing in their way. Sheila Watson, housing minister Margaret Beckett's special advisor, heard a 'wishlist' from councils hoping to make building a reality (see box).

The panellists were; Nick Palmer, MP for Broxtowe, Cllr Gary Porter, housing portfolio holder on the LGA Environment Board and leader of South Holland DC; Sukvinder Kalsi, assistant director finance, Birmingham City Council; and Ken Florey, head of service finance, Wandsworth London Borough Council and advisor to ARCH.

Cllr Porter said: *'I have not met a single local authority leader of any political colour who is not wanting to build new stock.'* He added, however, that the review of the Housing Revenue Account, which is currently under way, needs to come up with some *'positive messages'* to enable councils to invest in new-build.

Ken Florey said: *'The emphasis has been on Registered Social Landlords (RSLs) building and I am worried that things are still constrained.'* He pointed out that proposals for changes to revenue and capital regulations, put forward by the housing minister, need to be broader in scope as they currently only apply to a limited number of properties. Extra resources are also crucial to enabling councils to build. *'Local authorities need equal access to social housing grant with RSLs,'* he said.

Sukvinder Kalsi was upbeat about the future for council housing and his

authority is looking at significant plans. *'Local authorities can do this. They have accountability and could deliver value for money. But they need freedoms and flexibilities and a level playing field...Pump-priming with small amounts of grant would help us get moving. It doesn't need any more funding than is currently given to the private sector and RSLs.'*

Jim Smith of Bolsover added: *'Right to Buy is a stumbling block. It is no use to us building council houses if we have to let people buy them up in three years and don't have funds to invest in replacing them.'*

Delegates were certain that speed is of the essence. As Cllr John Kerr-Brown of Warrington put it: *'Social housing building needs to be in the Budget to stimulate construction. The skills are there among tradespeople who have been laid off, but if we don't get building now the skills will be lost.'*



Local government's new-build wish list

Councils at the event called upon Government to:

- Secure receipts from Right to Buy sales for investment in new homes
- Enable borrowing against future rental income to take place outside of the Public Sector Borrowing Requirement in line with other European countries
- Apply a broader scope, less bureaucracy and greater freedoms to current proposals for changes to revenue and capital rules
- Provide pump-priming resources from the Homes and Communities Agency
- Provide a level playing field with other social landlords in terms of access to Social Housing Grant
- Reform the Housing Revenue Account, which is currently under review, to enable council building to take place
- Allow historic debts – which have been repaid several times over – to be kept separate from new debts incurred to build new homes
- Enable councils to own and manage developments directly rather than having to use complex special purpose vehicles

Contact: Nicola Carroll is a consultant to APSE and ARCH. For more information on ARCH visit: www.arch-housing.org.uk

Pictured left: Broxtowe Council's new build.

Pictured below: Nicola Carroll

