



research and campaigns

APSE looks forward to better deal on council housing

The Association for Public Service Excellence (APSE) has welcomed housing minister Grant Shapps' commitment to replacing the housing finance system with a new deal that should allow councils to keep rental income and have more power to meet local housing needs. APSE has long campaigned against the current Housing Revenue Account regime, which requires local authorities to pay rents and receipts from sales of land or properties into a national pot and limits their ability to plan budgets.

Details of the new system are to be announced as part of the Spending Review on 20 October and introduced as part of the Localism Bill due this autumn.

Chief executive, Paul O'Brien, said: 'We look forward to hearing full details of a new housing finance system as we anxiously await what will inevitably be a tough settlement. In this difficult context, we hope future financial arrangements really will offer a better way forward for councils struggling to meet local housing need. We hope it ends, once and for all, the unfair and unclear system that sees rents and receipts from sales disappearing into national coffers while communities suffer from lack of adequate housing.'

While some councils will be required to take on additional housing debt in return for greater local control, Mr O'Brien said the minister's assurance that no council will take on a level of debt that is not sustainable for the long term was welcomed. Councils' responses to proposals for reform of HRA have been based on income and debt levels assumed as a result of figures previously provided and changes to these figures might not be sustainable.

When he took up office, the housing minister made a commitment to continuing the reform of housing finance – begun under the previous administration in response to pressure from bodies including APSE – and the process will be taken forward in the forthcoming spending announcements and legislation.

Notes to editors

APSE is the Association for Public Service Excellence and is a not for profit body working with over 250 councils throughout the UK

APSE is a long standing campaigner for investment in social housing and has developed research publications on social housing policy

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