



Dawn of a new era for council housing

The Association for Public Service Excellence (APSE) has welcomed the dismantling of an unfair housing finance system it has campaigned vigorously to overturn and the opportunity for councils to build ten thousand new homes a year.

Responding to announcements by housing minister, John Healey, that the Housing Revenue Account subsidy regime is to be replaced with a self-financing system and councils will be able to build up to ten thousand new homes a year, APSE's chief executive, Paul O'Brien said: 'This marks the dawn of a positive new era for council housing. While we await full details of the new settlement and what it will mean for individual authorities, the Government's commitment to scrap a system that is excessively complex and utterly unfair and replace it with local control is warmly welcomed. APSE has campaigned for many years for a more equitable system and for councils to be able to build new homes. We are delighted that this now looks possible.

'We are pleased that the Government has made a commitment to allowing councils to keep rents and receipts from sales. The proposed debt allocation and the uplift levels on Management and Maintenance Allowance and Major Repairs Allowance appear reasonable. All of this ought to create sufficient local control, long-term predictability and room for manoeuvre in councils' business plans to enable existing properties to be maintained to the standards tenants deserve and new homes to be built to address massive waiting lists.'

He added: 'These announcements coincide with publication of *Under One Roof* our research in partnership with the Association of Retained Council Housing, which demonstrates clearly the vital role council housing plays at the heart of local communities. A self-financing system will allow councils to maximise the benefits of providing affordable homes and building a new generation of sustainable properties - and give local economies a boost in the process.'

Mr O'Brien cautioned that elements of the new deal are subject to Comprehensive Spending Review confirmation and individual APSE member authorities have yet to calculate what the new regime will mean to them. While the new settlement appears positive in terms of a realistic debt allocation level and revenue streams, capital investment will be restricted.

APSE will continue its long-standing lobbying for council housing to be taken outside of the Public Sector Borrowing which would give local authorities the same freedom as housing associations to borrow against their assets and bring the UK in line with other European countries.

For further information and commentary

Contact: Paul O'Brien on email: po'brien@apse.org.uk
tel: 0161 772 1810 mob: 07769 726612

Notes for editors

- 1) Association for Public Service Excellence (APSE) is a not-for-profit local government body working with over 300 councils throughout the UK promoting excellence in public services including housing.
- 2) The DCLG news release and full details of the housing minister's announcements on 25th March are available at:
www.communities.gov.uk/news/corporate/1519143 and
www.communities.gov.uk/consultations/selffinancingprospectus
- 3) The closing date for the consultation is 6th July.
APSE will be seeking views of its members and responding to this consultation.
- 4) APSE has campaigned for councils to have opportunities to build new homes and produced an influential report for Unison A New Generation of Council Housing in November 2009 which set out the benefits of council house-building. Copies are available for free download on the APSE website. Visit: www.apse.org.uk
- 5) APSE's latest research publication *Under One Roof: The holistic benefits of retained council housing* was published on 25th March in partnership with the Association of Retained Council Housing (ARCH). The research demonstrates the way in which direct control of housing stock can help fulfil wider economic, social and environmental goals and enable local services to be delivered in a more joined-up manner.
For copies contact: mbaines@apse.org.uk