

## **Cutting council house-building doesn't add up, says APSE**

Commenting on cuts to the Local Authority New Build programme (LANB) programme, the Association for Public Service Excellence (APSE) has argued that going back on plans to build new council homes does not make economic sense.

APSE's comments followed announcements that, as a result of £450m cuts to the Homes and Communities Agency (HCA) budget, 91 schemes that had been approved but not contracted under the previous government's programme will be subject to a review. This will determine which, if any, go forward.

Chief executive, Paul O'Brien, said: 'Cutting council house-building at the same time as regional planning targets are being abolished and housing benefit levels are capped, will only add to the immense burden on already massive council waiting lists and cause untold misery for families who are homeless or inadequately housed.

'But there is also a strong economic as well as a social argument here. Building by councils can be cost-effective as local authorities own land and their Triple A credit ratings mean they can borrow at low rates and over a long period. Investment in housing is more than recovered in the form of rents. Temporary bed and breakfast accommodation costs the nation several hundreds of millions of pounds a year. This is not to mention £2.5 billion spent on health and many more millions spent dealing with the impact of poor housing on crime and educational attainment.

Mr O'Brien continued: 'Cutting plans to build new council homes, in which local authorities have already invested substantial amounts to get to the tendering stage, is a huge blow to local economies. Our research shows that every £1 public spending

generates £1.64 in terms of local employment and supply chains. That sort of boost is just what the construction industry needs right now. Taking all these factors into account, cuts to council building simply do not add up.'

**Ends**

**Notes to editors:**

APSE (Association for Public Service Excellence) is a not for profit local government body working with over 300 councils throughout the UK. Promoting excellence in public services, APSE is the foremost specialist in local authority front line services, hosting a network for front line service providers in areas such as waste and refuse collection, transport, parks and environmental services, leisure, cleaning, housing and building maintenance.

For further information or to arrange an interview please contact Mo Baines on 0161 772 1810 or Mobile 07971 843515 or email Mo on [mbaines@apse.org.uk](mailto:mbaines@apse.org.uk)