

Let's turn Gordon Brown's words into bricks and mortar

A leading local government group representing council building, construction and housing services has welcomed Gordon Brown's commitment to sweep away restrictions on councils building new homes.

Responding to Prime Minister Gordon Brown's speech to the New Local Government Network Conference APSE Chief Executive, Paul O'Brien, said: **'On the face of it, this seems to be a welcome diversion from existing social housing policy which enhances the ability of councils to once again build new council homes, with secure tenancies on offer, to meet the national housing shortage'**

- APSE has campaigned for major reforms to council house funding. Financial restrictions have fettered local authorities from directly building homes.
- Prime Minister Brown's commitment to 'put aside' anything that stands in the way of councils building new council housing could signal the end to a dispute on housing policy that has consistently caused divisions within his own party.

Mr O'Brien added; **'We must now see the Prime Minister's words turned into bricks and mortar to restore the position of councils as major providers of affordable homes, with secure tenancies, helping to address the shortage of supply of new homes to rent and providing a much needed boost to the construction industry. I am confident that councils will be able to meet the challenges the Prime Minister has set them in delivering high quality and sustainable homes'**.

Notes to editors

APSE works with over 300 local authorities throughout the UK including those providing direct council housing and those who have transferred properties to registered social landlords or arms length management organisations.

A recent consultation paper launched by Margaret Beckett proposes changes to housing finance. The consultation paper, "Changes to the revenue and capital rules for new council housing; Consultation on excluding new council housing from Housing Revenue Account Subsidy and Pooling" can be found at:

<http://www.communities.gov.uk/documents/housing/pdf/capitalruleschanges.pdf>

At present, the council housing finance system redistributes the revenue (through Housing Revenue Account Subsidy (HRAS)) and capital returns (through pooling) from new and existing housing on the same basis. Neither pooling nor the HRAS distinguishes between homes which were built in the past with an element of central Government financial support and new homes which represent a largely local investment.

Extract from Gordon Brown's speech to the New Local Government Network Annual Conference 29 January 2009

'But today let me be clear: if local authorities can convince us that they can deliver quickly - and cost-effectively - more of the housing that Britain needs, and if local authorities can build social housing in sustainable communities that meets the aspirations of the British people in the 21st century, then we will be prepared to give them our full backing and put aside anything that stands in their way.

We will not allow old arguments and ideologies to stop us getting on with the job when there are families who need homes, when there are bricklayers, carpenters and electricians ready and willing to work, and when there are construction companies ready to build houses....

For if there are ways in which the government is unintentionally frustrating local authorities from responding appropriately, then I want to know about them.

And I pledge that we will act wherever and whenever we can to ensure for you and your authorities the necessary freedoms and flexibilities."

APSE is the association for public service excellent, a not for profit organisation working with over 300 local authorities throughout the UK

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