



ARCH PRESS RELEASE

1st July 2009

COUNCILS READY TO EMBRACE LOCALISED HOUSING FINANCE, SAYS ARCH

ARCH has welcomed the Government's commitment to replacing the defunct housing finance regime with a system that will give councils greater freedom to manage their own housing resources.

Yesterday's Written Ministerial Statement from housing minister, John Healey, set out the Government's intention to dismantle the Housing Revenue Subsidy System. This was in response to the review that has been carried out jointly with the Treasury, to which ARCH has been a key contributor. His department will publish a consultation document before the summer recess containing detailed proposals on reform of council housing finance.

Cllr Milan Radulovic, chair of ARCH and portfolio holder at Broxtowe Borough Council, said: 'ARCH made its case for the end to the current iniquitous system very clear in its submissions to the review. We have been campaigning for a fairer deal for council tenants.'

'We welcome the principles of greater transparency and a more localised approach set out in Mr Healey's announcements. Stock retainers will be happy to embrace increased local responsibility and accountability which devolution will entail. We await information on the distribution of debt and other key aspects of the reformed system however.'

He added: 'We are pleased that all new-build council housing will be excluded from the HRA system, which means councils will retain the rent and capital receipts from these homes. Coupled with previous announcements under the *Building Britain's Future* plans, this should give councils much greater scope to fulfill their potential to meet housing local needs, which is what we have lobbied for.'

Bob Livermore, Executive Manager of Housing at West Lancashire Borough Council and ARCH executive board member, added: 'The ability to have local control is welcomed. But how the debt is apportioned will be critical and we need to ensure that no tenants are adversely effected.'

Brian Reilly, deputy director of housing at the London Borough of Wandsworth, which holds the vice-chairship of ARCH, also added: 'What is missing from the announcement is any reference to underfunding of MMA and the MRA, recognised during the review. While the minister makes positive comments concerning delivering investment to sustain and maintain existing stock, we would need to see the detail of these proposals.'

EDITOR'S NOTES

1) The Association of Retained Council Housing (ARCH) represents councils whose tenants and residents have chosen for their local authority to be their landlord.

2) ARCH has been campaigning for the housing finance system, which it regards as unfair, opaque and unsustainable, to be replaced with a more equitable, sustainable system. ARCH has sat on a number of working parties contributing to the review of the Housing Revenue Account subsidy system and put forward its proposals to ministers.

3) The announcement on the future of council housing finance was made in a Written Ministerial Statement by Housing Minister John Healey and can be found at:

at: <http://www.communities.gov.uk/statements/corporate/reviewcouncilhousingfinance>.

For further information:

For further information on ARCH and its policy positions visit its website: www.arch-housing.org.uk

For further press information contact, Nicola Carroll on tel: 01422-842470
mob: 07929 656801