



ARCH PRESS RELEASE

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ARCH members keen to form a consensus on HRA

Association of Retained Council Housing (ARCH) members gave clear signals that they wish to work with central government to reach an agreement that will enable the existing housing finance system to be dismantled when they came together for a consultation event on Housing Revenue Account (HRA).

Some 75 councillors and senior housing and finance officers from local authorities of all political colours across England met in London on 5th October for the event. ARCH members debated their stance on HRA, which will feed into their formal response to the consultation, following a speech from the senior civil servant responsible for housing finance setting out his department's approach.

The event at Coin Street Neighbourhood Centre, organised in partnership with the Association for Public Service Excellence (APSE), followed a modelling exercise by ConsultCIH. This exercise allowed guesstimates of possible debt allocations to be calculated for 56 ARCH and APSE members according to various scenarios. The modelling found that, on the basis of proposals in the consultation paper, average debt of participating authorities might be around £14-15k per property, but there were large variations nationally.

Speaking at the event, Cllr Milan Radulovic, chair of ARCH and housing portfolio holder at Broxtowe BC, said: 'Housing has climbed the political agenda. This is an opportunity for much-needed reform of the HRA. ARCH is bringing councils of all political parties together to find a way forward.'

Brian Reilly, deputy director of housing, London Borough of Wandsworth and ARCH executive board member, said: 'This event showed that the retained sector is eager to develop a consensus that will allow self-financing models to be put into place that give councils the freedom and local control they have been lobbying for and gets rid of negative subsidy. We wait to see what emerges in terms of a debt settlement and details of a new formula, but hope agreement can be reached on rent convergence, interest rates, uplifted allowances and future capital expenditure – as otherwise this opportunity to reform the existing obsolete system could be lost or significantly delayed.'

ARCH will now draw the views of its members together to inform its formal response to the Government's consultation on HRA, which ends on 27th October.

NOTES FOR EDITORS

- 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 and opportunities for council to fulfill their potential to build new homes. For further information on ARCH visit: www.arch-housing.org.uk

FOR FURTHER INFORMATION;

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