



PRESS RELEASE

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ARCH statement on funding freeze for council new-build projects

Members of the Association of Retained Council Housing (ARCH) have expressed disappointment that promised funding for new council homes has been put on hold.

Councils whose building plans are under threat since the Homes and Communities Agency (HCA) has frozen Local Authority New Build (LANB) until after the 22nd June emergency budget are hoping that this is a temporary situation.

More than £58m to fund the construction of 912 council homes hangs in the balance due to wider public sector cuts of £6.2bn. Councils have gone to considerable expense and effort preparing for building on the basis of funds won during HCA bidding.

Steve Warran, head of housing at Exeter City Council and ARCH executive board member, commented: 'Whilst ARCH understands the Coalition Government's position in terms of reducing the national debt, we would question the wisdom of cutting the building of new homes which will clearly have an effect on the local economy and jeopardise jobs of many people employed in the building industry – and hence prospects for economic recovery. This will do nothing for those families on housing waiting lists and increase pressures on local authorities trying to reduce the number of families in temporary accommodation and its associated costs.'

Paul Price, head of housing services at Tendring and ARCH executive board member, added: 'Residents whose hopes were raised with the much-publicised building of new council homes now find those hopes dashed. Those councils who face having their funding cut have spent money developing their schemes and this could be wasted. We hope that when considering its emergency budget, the Government will understand that investment in new council building offers value for money for the public pound in terms of its impact on local economies and communities and that money is saved through lower spend on temporary accommodation and additional income gained in the form of rents.'

ARCH members whose programmes appear threatened by the HCA's

announcement that funding LANB second round winners has been put on hold due to cuts in government funding include: Bristol, Canterbury, Cornwall, Gravesham, North Kesteven, Norwich, Reading, Rugby, Stoke, Wandsworth and York. LANB first round projects in Bristol and West Lancashire with unsigned contracts have also been put on ice until the Chancellor's 50-day budget.

For further press information:

Contact Nicola Carroll on tel: 07929 656801 or email:
nicolajcarroll@btinternet.com

For further information ARCH:

The Association of Retained Council Housing (ARCH) is a cross party political body which was set up for councils whose tenants have chosen the local authority as their landlord.

Visit: www.arch-housing.org.uk Contact: email@arch-housing.org.uk