



Department for
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Local Government

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LOCAL GROWTH FUND: HOUSING REVENUE ACCOUNT BORROWING

The Government has announced today an increase of £60 million in additional Housing Revenue Account borrowing across fifteen local authorities to help increase the numbers of affordable new homes in England, and I am also announcing that we will be holding a second bidding round for new schemes in 2016/17 to the programme.

I am pleased that a significant number of authorities have come forward with proposals for new council housing. This Government is very supportive of councils building new homes for their local communities and has listened to the many requests made by councils for an increase in borrowing capacity. That is why we have made available £300 million additional borrowing specifically to support councils' housing ambitions. However, whilst we are still tackling the deficit, we do need to ensure that the impact on public sector net debt is as low as possible.

This scheme shows that there is potential for councils to do more to deliver new affordable homes for their communities. But I want to go further. Areas that have been successful today will be contacted by my officials to see if the number of homes can be increased. I also want to see more schemes in more council areas. Officials will, therefore, also be working with other bidders to see whether their schemes can be supported. This may be through greater partnership working, bringing forward unused council land, or cross-subsidising schemes including through the sale of high value vacant assets.

As mentioned above I am also announcing today that we will be holding a second bidding round for additional Housing Revenue Account borrowing for schemes in 2016/17. Further details will be made available shortly but I would like to encourage you now to consider whether you need additional borrowing to bring forward new affordable homes for your local community.

KRIS HOPKINS MP