

# PRESS RELEASE

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## New Charter warns of “greatest threat ever” to locally driven community schemes



Portrait picture of Ian Munro available

New Charter Housing Trust Group is backing a campaign to protect locally driven community work, run by housing associations, from interference by central government.

Group Chief Executive Ian Munro has written to local MPs warning of the dangers contained in the Housing Bill, currently going through Parliament. He believes the Bill represents the “greatest threat ever” to the ability of housing associations to ensure neighbourhood schemes are driven by local need, not central direction.

His fears arise from proposals in the Bill to give Ministers the right to regulate associations’ neighbourhood work paid for out of their own money. Various innovative local schemes, such as the ‘Dreamscheme’ which harnesses the energy of local young people, could be scrapped as associations inevitably feel compelled to work on the subject areas the Government says are priorities.

Ian Munro has also warned the Bill may hit the ability of Group members New Charter and Aksa to build as many affordable homes as currently expected by Gordon Brown.

During the past two decades, housing associations have raised more than £35bn of private finance to spend on new and existing homes, as well as the £30bn that ministers have invested in the sector.

However, this successful funding model is now at risk. The degree of central control in the Bill is so great that housing associations could be reclassified as public bodies by the Office for National Statistics, when it compiles the Government’s accounts.



**business for neighbourhoods**

This would mean they would no longer be able to lever in billions of pounds of private money to match public subsidy, as the borrowing would show up on the public debt. In turn, there would be less money to spend on building new affordable homes.

In a letter to local MPs, Ian Munro says: "While we support the Government's new emphasis on housing, we believe the Housing Bill contains some key threats that could lead to fewer homes being built and locally driven community work being scrapped.

"As it stands, the Bill sets out a big increase in government control of housing associations.

"Communities Secretary Hazel Blears would have unprecedented power to compel housing associations to carry out government policy unrelated to housing, through a new regulator. In addition, Ministers would be able to impose regulation on community services provided by housing associations themselves, paid for out of their own money."

New Charter is backing a national campaign run by the National Housing Federation to persuade the Government to amend the Bill before it is too late.

## NOTES FOR EDITORS

1. New Charter owns and manages almost 15,000 homes for rent, mainly in Tameside, Greater Manchester. With a turnover of £53million a year and a workforce of 800, New Charter is one of the North West's largest Registered Social Landlords, and incorporates Aksa Housing Association.
2. The National Housing Federation represents 1300 independent, not-for-profit housing associations in England and is the voice of affordable housing. Its members provide two million affordable homes for five million people. See [www.housing.org.uk](http://www.housing.org.uk)
3. **iN business for neighbourhoods** is a long-term project highlighting housing associations' performance. As social businesses, housing associations do not make profit. They offer homes for rent and sale at prices local people can afford. Housing associations provide more than homes - they help create places where people want to live. Wherever you see the **iN business for neighbourhoods** sign, something great is happening in the area. Housing Associations who display this logo are committed to their customers, the neighbourhoods they work in and strive for excellence in everything they do.

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