

Foreword

The move to self-financing represented both a huge change for local authority housing finance and a unique challenge.

The previous system for local authority housing – subsidy by central government – had been around since the early part of the last century, endured many changes, became more and more complex and, towards the end, meant that the vast majority of tenants saw an element of their rent going to central government rather than being reinvested in their homes.

The self-financing system, after considerable work and much consultation, was successfully introduced in 2012. The challenge now is to embed the new ways of thinking and working that the new, much longer-term business planning process enables. Housing staff in local authorities now have the opportunity with greater certainty to adopt a more strategic, longer-term approach to ensuring that housing needs are met, that housing stock is maintained and even, where possible, that more homes are provided.

I am delighted that this guide has been fully revised to assist practitioners as they go through the change process. There are sections on many of the challenges that we will all face to make local authority housing sustainable. The guide has two parts: the first gives detailed guidance on specifically self-financing topics, while the second covers more general local authority housing finance issues. We have aimed to make each chapter self-contained, for ease of reference – inevitably this means there is some slight repetition taking the guide as a whole.

I am grateful to all those who have been involved in bringing this change in housing funding about and have worked so hard to make it a reality. I would particularly like to thank the members of the CIPFA Housing Panel, who have championed this cause, and Hilary Vaughan, who led on producing the original guide and who has advised on its revision.

We have aimed to ensure that many of the accounting issues have been addressed and there will be further guidance published as issues are clarified, but if you feel we have missed or misstated anything then please do not hesitate to contact the panel's secretary, Lesley Lodge, at lesley.lodge@cipfa.org



Ken Lee
Chairman of CIPFA's Housing Panel

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