

Tenants' and Leaseholders' Consultative Forum **AGENDA**

DATE: Wednesday 5 January 2011

TIME: 7.30 pm

VENUE: Committee Rooms 1 & 2,
Harrow Civic Centre

MEMBERSHIP (Quorum 3 Council Members)

Chairman: Councillor Bob Currie

Councillors:

Mano Dharmarajah (VC)

Barry Macleod-Cullinane
Simon Williams

Representatives of Individual Housing Estate Tenants' and Residents' Associations

Reserve Members:

1. Victoria Silver
2. Ben Wealthy

1. Susan Hall
2. Mrs Camilla Bath

Contact: Mark Doherty, Acting Democratic Services Officer
Tel: 020 8416 8050 E-mail: mark.doherty@harrow.gov.uk

AGENDA - PART I

1. ATTENDANCE BY RESERVE MEMBERS

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

2. DECLARATIONS OF INTEREST

To receive declarations of personal or prejudicial interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Committee, Sub Committee, Panel or Forum;
- (b) all other Members present in any part of the room or chamber.

3. MINUTES (Pages 1 - 4)

That the minutes of the meeting held on 9 November 2010 be taken as read and signed as a correct record.

4. PUBLIC QUESTIONS

To receive questions (if any) from local residents or organisations under the provisions of Executive Procedure Rule 51 (Part 4D of the Constitution).

5. PETITIONS

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Executive Procedure Rule 49 (Part 4D of the Constitution).

6. DEPUTATIONS

To receive deputations (if any) under the provisions of Executive Procedure Rule 50 (Part 4D of the Constitution).

7. INFORMATION REPORT - HOUSING REVENUE ACCOUNT (HRA) FORECAST OUTTURN 2010-11 (Pages 5 - 12)

Report of the Corporate Director of Finance.

8. DRAFT HOUSING REVENUE ACCOUNT (HRA) BUDGET 2011/12 TO 2015/16 (Pages 13 - 38)

Report of the Corporate Director of Finance.

9. INFORMATION REPORT - ASSET MANAGEMENT PROGRESS REPORT
(Pages 39 - 46)

Report of the Divisional Director, Housing Services.

10. INFORMATION REPORT - RESIDENT SERVICES MANAGER'S REPORT
(Pages 47 - 50)

Report of the Divisional Director, Housing Services.

11. INFORMATION REPORT - LOCAL DECISION: A FAIRER FUTURE FOR SOCIAL HOUSING (Pages 51 - 68)

Report of the Divisional Director, Housing Services.

12. SUGGESTIONS FOR AGENDA ITEMS FOR NEXT MEETING

13. ANY OTHER URGENT BUSINESS

Which cannot otherwise be dealt with.

14. DATE OF NEXT MEETING

To note that the Forum is next due to meet on 24 February 2011.

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TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM MINUTES

9 NOVEMBER 2010

Chairman:	* Councillor Bob Currie	
Councillors:	* Mano Dharmarajah	* Simon Williams
	* Barry Macleod-Cullinane	
In attendance: (Councillors)	* Camilla Bath	Minute item 13
	* Susan Hall	Minute items 13 and 16

* Denotes Member present

Antoney's Close Tenants' and Residents' Association
Brookside Close Tenants' and Residents' Association
Cottesmore Tenants' and Residents' Association
Eastcote Lane Tenants' and Residents' Association
Elmgrove Tenants' and Residents' Association
Harrow Federation of Tenants' and Residents' Associations
Harrow Weald Tenants' and Residents' Association
Leaseholder Support Group
Pinner Hill Tenants' and Residents' Association
Weald Village Tenants' and Residents' Association
Woodlands Community Association

12. Attendance by Reserve Members

RESOLVED: To note that there were no Reserve Members in attendance at this meeting.

13. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Items: 7. Smart Water Presentation, 8. Climate Change Presentation, 9. Housing Ambition Plan (HAP) Progress Report, 10. INFORMATION REPORT - Resident Services Manager's Report, 11. INFORMATION REPORT - Asset Manager's Report, 12. INFORMATION REPORT - Review of the Terms of Reference for TLCF, 13. INFORMATION REPORT - Review of Resident Involvement Structure, 14. INFORMATION REPORT - Housing Revenue Account (HRA) Forecast Outturn 2010/11 15. INFORMATION REPORT - Housing Revenue Account (HRA) Budget and Medium Term Financial Strategy 2011/12 to 2015/16 16. INFORMATION REPORT - Community Centres, 17. INFORMATION REPORT - Garage Strategy, 18. INFORMATION REPORT - Parking Enforcement Proposals, 19. INFORMATION REPORT - Resident Involvement Activities, 20. Coalition Government Policies

Councillor Bob Currie declared personal interests on the above items in that he attended monthly meetings of the Eastcote Lane Tenants' and Residents' Association. He would remain in the room whilst the matters were considered and voted upon.

Councillor Mano Dharmarajah declared personal interests on the above items in that he attended monthly meetings of the Eastcote Lane Tenants' and Residents' Association. He would remain in the room whilst the matters were considered and voted upon.

Councillor Susan Hall declared personal interests on the above items in that she attended numerous Tenants' and Residents' Association meetings and police meetings. She would remain in the room whilst the matters were considered and voted upon.

Councillor Camilla Bath declared personal interests on the above items in that she attended numerous Tenants' and Residents' Association meetings. She would remain in the room whilst the matters were considered and voted upon.

14. Minutes

RESOLVED: That the minutes of the meeting held on 20 July 2010, be taken as read and signed as a correct record subject to the following amendments:

(i) Agenda Item 2. Declarations of Interest:

Councillor Simon declared a personal interest in all substantive items on the agenda in that his wife was a Community Psychiatric Nurse.

(ii) Representatives from the following Associations in attendance:

To remove Alexandra Tenants' and Residents' Association from those being marked as present.

15. Public Questions and Deputations

RESOLVED: To note that no public questions were put, or deputations received at this meeting.

16. Petitions

Councillor Susan Hall submitted a petition with 12 signatures on behalf of the residents of Milman Close, with the following terms of reference:

“We, the residents of Milman Close, hereby sign to oppose the Councils notice of intention to update the windows at Milman Close under the Decent Homes Windows Refurbishment Programme 2010/11, on the basis of exorbitant costs and unnecessary extra work.”

RESOLVED: That the petition be received and referred to the Divisional Director of Housing Services for consideration.

RESOLVED ITEM

17. Smart Water Presentation

At the request of the Chairman, an officer from the Metropolitan Police provided a verbal presentation on the benefits of utilising the SmartWater initiative.

He advised that:

- SmartWater was a substance that was only visible under ultraviolet light and could be used to mark personal property. The substance could help prosecute criminals and burglars in possession of stolen goods;
- there were 80,000 Smart water kits available on a first come first served basis. Approximately 10,000 kits had been delivered;
- the kits, worth between £60 and £70, were free to residents in Harrow as part of the initiative;

In response to questions, the Police Officer advised that SmartWater was quick and easy to use. Residents were now permitted to keep the bottle once it has been opened and used.

During the discussion on this item, a second petition was raised on the basis of the cost of work being undertaken at Shaftsbury Circle under the Decent Homes Programme. The second petition was rejected, as it had been raised under the incorrect agenda item. The Chairman agreed for the Divisional Director of Housing Services to receive the petition outside of the meeting.

RESOLVED: That (1) the verbal presentation be noted; (2) residents be encouraged to contact the Roxborne Safer Neighbourhood Team for further information regarding the SmartWater initiative.

(Note: the majority of Tenant and Resident Association Representatives present at the meeting left the room at the conclusion of this item.)

18. Quorum

Two Members of the Forum left the room at 7.55 pm making the meeting inquorate.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.02 pm).

(Signed) COUNCILLOR BOB CURRIE
Chairman

**REPORT FOR: TENANTS' &
LEASEHOLDERS'
CONSULTATIVE FORUM**

Date of Meeting:	5 January 2011
Subject:	Housing Revenue Account (HRA) Forecast Outturn 2010-11
Responsible Officer:	Myfanwy Barrett, Corporate Director of Finance
Exempt:	No
Enclosures:	Appendix 1 – HRA Forecast Outturn 2010-11

Section 1 – Summary

This report provides a projected outturn for the Council's Housing Revenue Account (HRA) for the financial year 2010-11 as at the close of September 2010 (Quarter 2).

To note the HRA position at the end of September 2010.

FOR INFORMATION

Section 2 – Report

HRA Forecast outturn 2010-11 (Revenue)
Context

1. The HRA had balances of £4,784k on 1st April 2010. The table below illustrates the anticipated position as at the end of March 2011. Appendix 1 provides further details.

Description	2010-11 Deficit /(Surplus) £'000
Balance brought forward	(4,784)
In year deficit	1,501
Balance carried forward	(3,283)

Table 1 Forecast Revenue position 2010-11

2. The original budget approved by Cabinet in February 2010 showed that expenditure would be greater than income by £677k. This position has been increased by £354k in respect of the Housing Ambition Plan (approved by Cabinet July 2010), followed by a further £495k to complete the external decorations programme (approved by Cabinet September 2010). Both adjustments were funded from HRA balances
3. Unless corrective action is taken to address increased expenditure not expected as part of the budget setting process, the HRA balances will reduce more quickly than assumed.
4. The Draft HRA Budget 2011-12 to 2015-16 (approved by Cabinet 15 December 2010), reported elsewhere on the agenda, reminds Tenants & Leaseholders of key assumptions and enables discussion of issues facing the HRA. The Budget will then be reported to Cabinet and Council in February 2011.

Income

5. HRA income levels are forecast to be £103k lower than expected when the budget was set. This is due primarily to higher than anticipated void loss originating from long term and routine voids in respect of dwellings and garages.
6. The position is, however, being minimised through improved routine void turnaround, which is now in line with the 28 days target.

Expenditure

7. Repairs expenditure on voids is expected to exceed the budget by £130k due to higher than anticipated unit costs compounded by the impact of asbestos works, not included in the budget.
8. This has been offset by lower than expected unit costs of response repairs, due partly, from implementation of the Council's "Lean" review which is aimed at identifying and exploiting cost efficiencies.
9. Income from section 20 notices associated with the external decorations programme is expected to generate additional income not previously included in the budget of £193k.

10. The HRA is regulated by the Government's Subsidy system and includes an estimate of £6,178k payable to the Government. A reduction in interest rates will mean the Council will have to increase the amount payable by £136k, although this is offset by lower borrowing costs of £187k.
11. Improvements in collection performance indicate a reduction in the bad debt provision requirement of £50k for 2010-11. This will be kept under review.
12. Review of other expenditure indicates pressures in respect of agency costs associated with the review of Leaseholder Service Charges, although it is expected that these costs can be recovered. The results of this review will be reported once completed.

HRA Forecast outturn 2010-11 (Capital)

Context

13. Capital expenditure originally approved for 2010-11 amounted to £7,610k. This has been increased by £1,891k and £972k for slippage and additional grant funded works to £10,473k.
14. The table below shows how the £10,473k is expected to spent in 2010-11 :

Description of Capital Scheme	2010-11 Budget £'000
Extensions	654
Aids & Adaptations	872
Housing Programme	8,629
Cavity Wall Insulation [Shesp]	318
Total Capital expenditure budgeted for 2010-11	10,473

Section 3 – Further Information

Risk Management Implications

15. The key risk is income and expenditure cannot be brought back into line, resulting in a deficit which will reduce the HRA balances, thereby further reducing the longer term future and flexibility within the HRA.

Equalities Implications

16. There are no equalities implications in this report

Section 4 – Financial Implications

All financial implications have been detailed in the report

Section 5 – Corporate Priorities

The HRA Forecast outturn contribute to the Council's Corporate priorities.

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 13 December 2010		

Section 6 - Contact Details and Background Papers

Contact: Milan Joshi, Housing Finance Manager, Tel: 020 8416 8662

Background Papers: 30 year HRA Business Plan, HRA Budget & Financial Strategy 2010-11 to 2012-13

Appendix 1 Housing Revenue Account (HRA)

Forecast Outturn (Quarter 2)

	Outturn variation 2009-10	Approved Budget 2010-11 £000	Forecast Outturn 2010-11 £000	Variation £000	Explanation of variation
Operating expenditure					
Employee Costs	(82)	1,498	1,578	80	Savings of £120k assumed in the budget to offset additional costs of Access Harrow are expected be realised through reduction bad debt provision (see below).
Supplies & Services	(41)	536	561	25	Higher than anticipated printing costs in respect of Asbestos awareness and legal fees form the majority of the forecast overspend.
Utility cost (Water & Gas)	(84)	186	186	0	Utility costs together with their recharge to tenants and leaseholders are under review and the position will be updated when the review has been completed.
Estate & Sheltered Services	221	2,378	2,577	199	The forecast overspend includes invest to save costs of £155k associated with the Leasehold review, together with £91k increased warden cost arising from backdated impact of job evaluations. These are offset by reduced electricity costs of £81k overaccrued in 2009-10.
Central Recharges	(20)	2,893	2,893	0	Central charges are assumed to equate to the budget
Total Operating Expenditure	(6)	7,491	7,794	303	
Repairs expenditure :					
Repairs - Voids	302	554	684	130	The budget is based on unit cost of £1,181 (excl Capitalisation & overheads and EPC/redecoration allowances) per void and a volume of 318. The forecast spend is based on a reduced volume of 300 but higher cost of £1,497 per void. Additional costs of £56k relating to asbestos works.
Repairs - Responsive	115	2,635	2,383	(252)	The budget is based on an average unit cost of £116.54 and a volume of 17,307 jobs in 2010-11. A review of unit cost data indicates a unit cost of £102 (period 05 £97.00). This has resulted in a forecast underspend. The risk exists of volumes increasing over the Winter months. This could result in significant additional expenditure.

Repairs - Other	(454)	2,092	1,857	(235)	External Decorations assumed to be fully spent, including increased programme funded by virement from balances. Underspend relates to estimated staff savings from the Asset Management Review. £190k Section 20 income relating to the external decorations programme has been assumed.
Total Repairs expenditure	(37)	5,281	4,924	(356)	
Other expenditure:					
Contingency - general	(484)	200	200	0	The General contingency is assumed to be expended.
	Outturn variation 2009-10	Approved Budget 2010-11 £000	Forecast Outturn 2010-11 £000	Variation £000	Explanation of variation
Charges for Capital	(896)	6,916	6,729	(187)	The variation represents a lower level of borrowing and reduction in interest rates. The capital programme is assumed to be fully delivered and spent in 2010-11. Section 20 income of some £900k is assumed to contribute to Capital Financing.
RCCO	0	500	500	0	Revenue Contributions to Capital Outlay (RCCO) have been assumed to be in line with budget
Bad or Doubtful Debts	(114)	250	200	(50)	Rent arrears stood at £1,432k as at 30 September 2010 (Current tenants £664k; Former tenants £768k), a decrease of £69k from the start of the financial year. Improvements in rent collection have been identified and a reduction in the provision has been recognised to partially offset the cost of Access Harrow (see above).
HRA Subsidy	633	6,178	6,314	136	The variation on the Subsidy largely offsets the related variation on Charges for Capital (see above for details) and reflects a reduction in interest rates and finalisation of the 2009/10 subsidy claim.
Total Other expenditure	(860)	14,044	13,944	(101)	
Total Expenditure	(904)	26,816	26,662	(154)	
Income					

Rent Income – Dwellings	190	22,425	22,322	103	Routine void volumes are estimated at 300 (budget assumed 318) with average turnaround of 28 days in line with targets. The adverse variation is attributable to non routine voids (mainly major works & long term voids) which were not assumed in the budget. The position is compounded by the impact of asbestos works.
Rent Income – Non Dwellings	44	841	803	38	This variation comprises and increased void rate on garages [£16k - 0.69% above budget assumptions], rent loss from the demolition of 14 garages [£10k] and lower level of commercial rent income reflecting vacant premises [£12k].
Service Charges - Tenants	14	1,164	1,170	(6)	
Service Charges - Leaseholders	(11)	518	518	0	Service charges are currently under review. Until finalised, a balance position is assumed.
Facility Charges (Water & Gas)	10	497	488	9	Based on current estimates, an under recovery against gross expenditure of some £11k is forecast. The position will be updated once the Lean review of Leaseholder charges has been completed.
Interest	9	6	6	0	
	Outturn variation 2009-10	Approved Budget 2010-11 £000	Forecast Outturn 2010-11 £000	Variation £000	Explanation of variation
Other Income	(49)	80	88	(8)	Outturn forecast include (£15k) projection for recovered court costs in relation to tenant related cases and (£66k) for insurance premiums recovered
Transfer from General Fund	0	163	163	0	The recharge from the General Fund for shared amenities are expected to be in line with budget. This will be confirmed as part of the Leaseholder review.
Total Income	207	25,694	25,559	136	
Housing Ambition Plan ("HAP")	0	354	290	(64)	The Housing Ambition Plan, approved 15 July 2010, is expected to be fully expended in 2010-11 with the exception of the Asset Management posts, the related expenditure for which is accounted for below.
Asset Management	0	51	108	57	In accordance with the Housing Ambition Plan, the new Asset Management function is expected to incur costs of some £57k, the budget for which is held in HAP above.

In Year Deficit / (Surplus)	-697	1,526	1,501	(25)	
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BALANCE brought forward		-4,784	-4,784		
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BALANCE carried forward		-3,258	-3,283		The original HRA Business Plan assumed a balance of £5,319k to be carried forward into 2011/12, which was in accordance with the 2006 Business Plan. The latest position indicates a shortfall of £2,036k. and whilst this is less than planned it represents a healthy balanced position. Housing proactively increasing income to bring income & expenditure into line thus increasing balances in the short term and protecting them in the long term.
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**REPORT FOR: TENANTS' &
LEASEHOLDERS'
CONSULTATIVE FORUM**

Date of Meeting:	5 January 2011
Subject:	Draft Housing Revenue Account Budget 2011/12 to 2015/16
Key Decision:	No
Responsible Officer:	Myfanwy Barrett, Corporate Director of Finance
Portfolio Holder:	Councillor Bob Currie, Portfolio Holder for Housing
Exempt:	No
Decision subject to Call-in:	No
Enclosures:	Appendix 1 - Report submitted to Cabinet: Draft Housing Revenue Account 2011-12 -2015-16

Section 1 – Summary and Recommendations

This report sets out the Draft Housing Revenue Account (“HRA”) Budget 2011-12 to 2015-16 as submitted to Cabinet on 15 December 2010. Reference is made to the income maximisation options available and, in particular, those relating to the rents.

Recommendations:

TLCF is requested to consider the budget including the income maximisation options, and make recommendations to Cabinet to enable the HRA Budget to

be considered following this consultation at Cabinet and Council in February.

Reason: (For recommendation)

To ensure consultation with tenants on the rent strategy and with tenants, leaseholders and freeholders on the income maximisation options.

Section 2 – Report

Overview

1. The Draft HRA Budget 2011-12 to 2015-16 was reported to Cabinet on 15 December 2010, and included assumptions in respect of income, expenditure and Government Subsidy. These assumptions will be reviewed as part of the finalisation of the budget, which will be reported to Cabinet on 10 February 2011 and Council on 17 February 2011.
2. The Cabinet report of 15 December 2010 is attached at Appendix 1. The key assumptions used are set out below for consideration and comment.

Income

- Dwelling rents are assumed to increase by 4.95% in 2011-12 and 2012-13, then 2% ongoing, resulting in an average rent of £95.89 in 2011-12. Void turnaround of 20 days is assumed to be achieved by 2015-16.
- Service charges to tenants are assumed to fall from £4.77 to £2.53 on average reflecting the results of the LEAN review. Further details are given below in the Income generation & maximisation section.

Expenditure

- Central charges have increased by 2% in general with an additional £245k being charged reflecting the removal of the cap on these charges
- Void and Response repair unit costs are assumed to cost £2,400 and £141 respectively from 2011-12 although given the historic pressures on repairs expenditure, these unit costs will be kept under review
- External Decorations and Cyclical expenditure are assumed to be £425k and £553k respectively, and include all contractor overheads.

These assume no carry over of uncompleted works from the current financial year

- A contingency of £200k remains for unforeseen expenditure
- The Capital programme, originally assumed to be £6.36m for 2011-12 and 2012-13, then £6.16m ongoing, is under review to ensure savings arising from the review of the Asset Management Structure can be best utilised
- Capital expenditure is financed from the national subsidy system, capital receipts, contributions from revenue and borrowing. The contributions from revenue have been reduced from £500k to £250k from 2011-12 to accommodate additional costs from the Asset Management Restructure
- Provision for bad debts has been reduced by £50k to £200k from 2011-12 reflecting the improved collection performance during 2010-11
- The results of the final subsidy determination have been included for 2011-12 with annual inflation of 3% assumed thereafter. Although the HRA Reforms have been approved by the Coalition Government, they have not been assumed to take effect until clarification on their timing and impact have been issued

Income generation & maximisation options

3. The above assumptions result in expenditure exceeding income by some £1.3m in 2011-12. This has the effect of reducing HRA balances from an estimated £3.3m at 1st April 2011 to £2.0m at 31st March 2012.

4. Unless action is taken to control expenditure and maximise income, it is expected expenditure will exceed income in future years. It is expected this situation will lead to HRA balances falling below the recommended minimum of £750k by the end of 2013-14.

5. As a result, a range of income generation and maximisation options have been put to Cabinet for consideration and these are set out below for comment.

Dwelling rents

6. Cabinet in February 2010 approved a three year rent strategy. The continuation of this rent strategy (referred to as Option 1) would result in an average rent charge of £95.89, an increase of £4.52 per dwelling per week or 4.95%. Future increase are estimated to be £4.75 per week on average for 2012-13, then £2.87 ongoing, equivalent to 4.95% then 2% ongoing.

7. Cabinet considered reviewing the rent strategy to determine whether it is possible to bring forward rent increases to offset the subsidy impact and to increase income to the account to reduce the in year deficit. There are three further options, referred to as Options 2 to 4 which are now being consulted with tenants.

8. Option 2 – follow Government Guidance by applying a broad percentage increase, the impact of which is limited by Government caps. This would result in an average rent of £96.86 for 2011-12, an increase of £5.49 per week or 6.04%. Future increases are estimated to be £3.78 per week on average from 2012-13, equivalent to 3.9%. If this option were to be approved, additional income in the region of £383k in 2011-12 would be generated when compared with option 1.

9. Option 3 – follow Government Guidance which permits the maximisation of rents, as opposed to a broad percentage increase limited by Government caps. This would result in an average rent of £98.16 for 2011-12, an increase of £6.79 per week or 7.46%. Future increases are estimated to be £3.53 per week on average from 2012-13, equivalent to 3.6%. If this option were to be approved, additional income in the region of £715k in 2011-12 would be generated when compared with option 1.

10. Option 4 – as option 3 except vacant dwellings are immediately re-let to a higher “target” rent. This would result in an average rent of £98.11 for 2011-12, an increase of £6.74 per week or 7.46%. The impact on the HRA, together with future increases, are in line with option 3.

Service charges

11. Prior to April 2007, charges for services were recovered as part of the overall rent charge and resulted in all tenants paying for services whether these were received or not.

12. From April 2007, rents were depooled. This meant that costs associated with services were charged separately to tenants as a service charge. Whilst separate charges were made, the review did not identify which tenants received services and therefore all tenants continued to pay for services, whether they received the service or not.

13. Following the lean review in 2010, service charges have been reviewed to enable a consistent ‘tenure blind’ approach for the charging of services to be developed from April 2011. For the first time, tenants will pay for services that they receive directly, and this will be consistent with charges to leaseholders. As a result of this review the average service charge for tenants will reduce from £4.77 to £2.53 per week.

14. Additional charges for the services received by sheltered tenants are not reflected in this charge and therefore all tenants are contributing towards these specific services as part of weekly rent charge. A further review is planned during 2011-12 for implementation in 2012-13, subject to further consultation.

Other Income options

15. An estimated £500k can be generated by charging former tenants who exercised their right to buy, whose freehold properties continue to benefit from services charged to the HRA.

16. The LEAN review of the Home Ownership Service identified better processes for managing major works that involved properties owned by

leaseholders. This work enables the Council to be better prepared to deliver the capital programme in a way that ensures that s20 notices can be issued at the appropriate time to enable the leaseholders' share of the costs to be recharged and collected.

17. As a result the income anticipated from this process has not previously been allowed for in the budget reports but it is expected that the income that will be collected from leaseholders through this process will help to resource the capital programme, which has not been possible in the past.

HRA Reforms

18. The new Coalition Government have confirmed the reform of the HRA will continue. The Draft HRA Budget assumes the Subsidy system will continue until further clarification relating to the debt settlement and timing are issued.

19. The impact of the final subsidy determination has been included in the draft budget together with an annual increase of 3% per annum assumed from 2012-13.

Summary

20. TLCF are requested to consider the key assumptions included in the HRA Budget 2011-12 to 2015-16 considered by Cabinet on 15 December 2010 and make recommendations to Cabinet to enable the budget to be finalised following consultation.

Section 3 - Statutory Officer Clearance

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 13 December 2010		
Name: Paresh Mehta	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 20 December 2010		

Section 4 - Contact Details and Background Papers

Contact: Milan Joshi, Housing Finance Manager, Tel : 020 8416 8662

Background Papers: 30 year HRA Business Plan, HRA Budget & Financial Strategy 2010-11 to 2012-13

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REPORT FOR: CABINET

Date of Meeting:	15 December 2010
Subject:	Draft Housing Revenue Account Budget 2011-12 to 2015-16
Key Decision:	Yes
Responsible Officer:	Myfanwy Barrett, Corporate Director of Finance Lynne Pennington, Divisional Director Housing
Portfolio Holder:	Councillor Bill Stephenson, Leader of the Council Councillor Bob Currie, Portfolio Holder for Housing
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix 1 – HRA Draft Budget 2011-12 to 2015-16 Appendix 2 – Rent Options 2011-12 Appendix 3 – Garages & Parking Space Charges Appendix 4 – Facility Charges Appendix 5 – Community Centre Charges Appendix 6 – HRA Capital Programme

Section 1 – Summary and Recommendations

This report sets out the Draft Housing Revenue Account (“HRA”) Budget for 2011-12 to 2015-16, subject to the annual HRA subsidy determination and agreement of income maximisation options.

Recommendations:

The Cabinet is requested to:

1. Note the Draft HRA Budget for 2011-12 to 2015-16 set out in Appendix

1, and refer the Draft HRA Budget to the Tenants & Leaseholders Consultative Forum in January 2011.

2. Agree to consult with Tenants on the options on the revised Rent Strategy.
3. Authorise officers to consider further options to maximise income to the HRA and report back to Cabinet in February 2011 to enable the 2011-12 rent increase to be approved, following consultation.
4. Agree to delete the Revenue Contribution to Capital Outlay [RCCO] and fund the programme by borrowing.

Reason: (For recommendation)

To publish the draft budget.

Section 2 – Report

Introductory paragraph

1. The Council is required to agree an annual HRA budget which in turn requires a number of assumptions to be made including rent setting. This report sets out the main assumptions used in constructing the Draft HRA Budget 2011-12 to 2015-16.
2. The Draft HRA Budget, as set out below, relies on latest assumptions and activity, updated where relevant to reflect changing operational needs and priorities. The Housing Ambition Plan [HAP] and the proposed HRA Reforms will significantly alter the longer term Business Plan and this will need to be updated in due course.
3. The cost of delivering services at current levels together with identified pressures and savings identified as part of Quarter 2 monitoring are taken into account. The reported position is subject to changes resulting from changes in Government policy and Housing priorities, together with the impact of the Housing Subsidy determination and impact of income generation and maximisation options.
4. In recent years, annual expenditure has been greater than the income received in the year, resulting in an annual reduction in HRA balances, and causing pressures around the longer term funding of the HRA. The budget process will need to consider how resources can be maximised to avoid HRA balances falling below the recommended level of £750k.

5. The Draft Housing Revenue Account for 2011-12 to 2015-16 is attached at Appendix 1. This draft excludes the impact of the income maximisation options, although reference to the likely additional income is provided to assess the impact of the options on the HRA balances. The key assumptions that underpin the strategy and the three year revenue budget summary are set out in the following sections.

Income - Assumptions

Dwelling rents

6. The Government intends that by close 2015-16 similar properties in the same area will have similar rents even if owned by different social landlords. The aim is to deliver fairer rents, and greater transparency and choice for tenants. This is generally referred to as rent convergence, however the introduction of intermediate rents in the comprehensive spending review may alter this position.
7. The rent strategy approved in February 2010 resulted in an average rent increase of 4.95% in 2011-12 (2.85% in 2010-11). This means an average rent charge of £90.88 per week per tenant (£86.60 in 2010-11) representing an average rent increase of £4.28 (£4.67 in 2010-11). This will achieve rent convergence for 99.9% of Council dwellings by the target date, although this needs review to update Government inflation assumptions which will reduce the percentage of dwellings achieving convergence by the intended date.
8. The strategy assumes a stock level of 4,969 at the start of April 2011 reducing marginally by an estimated three right to buy sales each year thereafter. A void turnaround of 20 days is estimated to be achieved by 2015-16. Options to reduce this further are considered to maximise income and are detailed in paragraph 38 below.

Service charges : Tenants & Leaseholders

9. In line with Government guidance, the Council separated service charge from dwelling rent in April 2007. The costs of delivering estate based communal services are recovered directly from tenants through the service charge. The estimated total cost of de-pooled services for 2011-12 is £3.2m. (£2.2m in 2010-11). All tenants will receive a service charge for estate based costs and a further 'Assisted Living Charge' is anticipated for tenants in Sheltered Accommodation to recover the specific costs of services from this group of tenants. In the longer term, this should result in a significant proportion of these costs being recovered.
10. A lean review of leaseholder service charges has taken place to enable consistent or 'tenure blind' approach to charging for services to be developed. This approach ensures that the methodology for the charges to tenants and leaseholders is the same so all charges are open and transparent and it is easier for residents to understand what each element of the charge is for.

11. As a result of this review, the average service charge for tenants will reduce from £4.77 to £2.53 per week. Additional service charges for the services received by sheltered tenants are not reflected in this charge, however, a further review of these charges is expected to be progressed during 2011-12 for implementation in 2012-13 subject to further consultation.
12. Leaseholders will no longer be charged an estimated service charge but will be invoiced annually by the end of September for the previous financial year, based on actual recovery of costs. Leaseholders will be required to settle these invoices within 30 days.

Other income

13. Other rental income from garages, car parking, commercial shops and facilities charges is recommended to increase by 2% in line with the Corporate Fees & Charges policy.
14. Income from these sources are under review (see income maximisation options below), the results of which will be used to update the HRA Budget and reported to Cabinet in February 2011.
15. Details of the proposed rents for garages and parking, facility charges and charges for community centres are set out in appendices 3, 4 and 5 respectively.

Expenditure - Assumptions

Employee Costs

16. The Draft HRA budgets are based on the staffing establishment, and assume no pay inflation in 2011-12 and 2012-13, 2% per annum assumed from 2013-14 ongoing.

Utility Costs

17. Gas, Electricity and Water charges have been assumed to attract no contractual inflation. Further work is underway to identify costs associated with facilities provided to tenants, and is likely to result in a review of the charges to reflect services received and to maximise the income.

Central Recharges

18. These costs total £3.3m in 2011-12 (£2.9m in 2010-11) and assume inflationary increases of 27% in respect of Desktop IT, 9.25% for External Audit and 2% for other services. An additional £245k relating to formerly 'capped' costs has also been included. The 27% increase in respect of Desktop IT are for 2011-12 only and reflect an infrastructure refresh intended to increase the flexibility and resilience of the Council's IT resources.

General Contingency

19. The strategy sets aside £200k to cover unforeseen expenditure that may arise in the management and maintenance of the housing stock.

Charges for Capital

20. The strategy reflects the HRA share of the Council debt redemption premium over the next five years. It also reflects discounts due to the HRA from the historic debt restructuring programme. In calculating the cost of borrowing to support the decent homes programme, detailed in paragraph 23 below, a consolidated rate of interest (CRI) of 4.59% is assumed. This rate reflects the estimated cost of borrowing based on a review of the Council's loan portfolio. This review indicated a significant proportion of long term borrowing to approximate to the estimated CRI.

Capital Investment and Prudential Borrowing

21. In accordance with the HAP, an Asset Management Restructure has been undertaken to better manage the Housing Capital Programme. Additional revenue costs of £198k are anticipated in 2011-12 as a result of the restructure in relation to the Data Management Team which cannot be capitalised, however, given the split between capital and revenue further savings are anticipated which could result in revenue reductions.
22. The original budget 2010-11 assumed a RCCO of £500k to the capital programme. This has been reduced to £250k to fund expenditure brought back to revenue and has assumed to be ongoing. To assist in bringing annual income in line with expenditure, the programme could be funded in full by borrowing rather than continuing the RCCO contribution. This would result in a reduction in the region of £238k per annum after allowing for the additional cost of borrowing.
23. The table below shows the HRA Capital programme (detailed analysis given in appendix 6) split between estimated salary costs and payments to contractors. It is likely that there may be savings arising from the Asset Management Restructure which will reduce the salary costs detailed below. Once the structure has been embedded and the extent of the potential savings quantified, Cabinet will be asked to agree how best to utilise the efficiencies.

Type of expenditure	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000
Estimated salary costs before Asset Management Restructure	1,141	1,141	1,141	1,141	1,141
Estimated payments to contractors	5,219	5,219	5,019	5,019	5,019
Original Capital programme	6,360	6,360	6,160	6,160	6,160

Type of expenditure	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000
Salary savings resulting from Asset Management Restructure	(569)	(564)	(558)	(552)	(546)
Estimated Capital expenditure assuming salary savings realised	5,791	5,796	5,602	5,608	5,614

24. Appendix 6 provides details of the original Capital programme which is under review.

25. Capital expenditure is funded from Major Reserve Allowances (MRA), capital receipts and a Revenue Contribution to Capital Outlay (RCCO). The balance is financed through borrowing. The table below shows the funding of the Capital Programme assuming salary savings resulting from the Asset Management Review are fully realised.

Financing of Capital Programme	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000
Major Repairs Allowance (MRA)	4,006	4,116	4,230	4,348	4,471
Capital receipts	250	250	250	250	250
RCCO	250	250	250	250	250
Grant funding for extensions	200	200	-	-	-
Section 20 contributions	-	-	-	-	-
Borrowing	1,085	980	872	760	643
Total funding assuming salary savings reduce total Capital Programme	5,791	5,796	5,602	5,608	5,614

26. Additional financing of the capital programme is anticipated from the Section 20 contributions from leaseholders, however resources from this process have not been included pending an assessment of the costs likely to be recovered and a further Cabinet decision around the use of these resources. These resources could be used to invest further in Council stock although it is recommended that as much of these contributions as possible are used to reduce the cost of borrowing.

Housing Ambition Plan

27. The HAP, approved by Cabinet 15 July 2010, anticipated net additional costs of £96k in 2011-12 followed by net savings of £24k from 2012-13 and ongoing.

28. The costs include additional staffing costs of some £258k and £156k for 2011-12 and 2012-13 respectively, of which £128k ongoing relate to the new Asset Management function.

29. These are offset by estimated additional income of £300k per annum in respect of the review of Leasehold service charges (see section on income maximisation).

Bad debt provision

30. Improved collection performance during 2010-11 indicates a likely reduction in the provision for Bad debts. This partly reflects the introduction of more flexible payment arrangements.

Repairs

31. Response repairs are estimated at £2.4m in 2011-12 (£2.6m 2010-11) based on an estimated unit cost of £105 (2010-11 £116.54). The reduction in the estimated unit cost is partly attributable to implementation of the Lean review on response repairs. Further reductions are anticipated with the recharging of costs back to tenants.

32. Void repairs are estimated at £619k in 2011-12 (£554k 2010-11) based on estimated unit cost of £2,400 and a volume of three hundred routine voids (in line with dwelling rent estimates). Expenditure assumed to be eligible for transfer to capital schemes is estimated at £101k, in line with 2010-11. These costs will be kept under review with the expectation that the costs reduce over time.

33. External Decorations and Cyclical repairs are estimated at £553k and £425k respectively in 2011-12. All costs are assumed to be increase by 4.5% per annum in line with contractual obligations, with the exception of contribution to contractor overheads, which are assumed to attract no inflation. Section 20 income will be recovered as appropriate in relation to these programmed works.

HRA subsidy

34. The Government issued its Draft HRA Determination on 5th November and further increases the amount of Subsidy payable to contribute to Housing nationally. The determination anticipates rent convergence by close 2015-16.

Comprehensive Spending Review

35. The Comprehensive Spending Review ("CSR") was released by the new Coalition Government on 20 October 2010. The main impacts on the HRA are as follows :

- HRA Reform will continue although the timing of implementation and finalisation of the debt settlement are yet to be clarified. The Draft HRA Budget assumes the current HRA Subsidy system continues until the Government issues clarification. The annual subsidy determination is complex and dependent upon Government assumptions, and can cause significant variations year on year. To avoid significant swings a 3% increase in the subsidy payment is estimated from 2012-13 onwards.
- The Supporting People Grant is expected to continue although the Draft HRA Budgets assume the grant will reduce by £75k in each of 2011-12

and 2012-13, and then by a further £50k in 2013-14 to recognise the move away from block grant payment.

- The CSR makes reference to resources for disabled adaptations. The Capital programme (appendix 6) includes £700k allocated to Adaptations although no HRA grant funding is assumed in the financing of the capital programme.

Income generation and maximisation options

36. Without income maximisation options, HRA balances are expected to be fall below the recommended £0.75m by 2013-14 and to be completely exhausted during 2014-15.

37. A number of options are currently being explored to redress these balances, which if agreed as part of the budget process will result in a healthier position with balances of £1.3m in 2015-16. A cautious assessment of each of the income maximisation options is then detailed further below.

Estimated HRA Balances	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000
Balance brought forward	3,283*	2,025	1,319	465	0
In year Deficit	1,258	706	854	940	1,051
Balance carried forward, assuming income maximisation options <u>not</u> incorporated (Appendix 1)	2,025	1,319	465	0	0
Cumulative impact of income maximisation options	596	1,146	1,700	2,259	2,827
Balance carried forward, once income maximisation incorporated	2,621	2,465	2,165	1,784	1,301

* Note : anticipated balances based on Qtr 02 2010-11

38. The income maximisation options referred to in the above table are detailed below. Pending further consideration and consultation, these will be incorporated into the final HRA Budget for approval by Cabinet in February 2011.

- A review of the rent strategy to determine whether it is possible to bring forward rent increases to offset the subsidy impact and to increase income to the account to reduce the in year deficit. Additional rent income of £790k is built into Appendix 1 assuming the current rent strategy is maintained. Appendix 2 explores a range of options which would generate additional income above that already assumed within the draft MTFS.

- A review of void assumptions; decreasing the turnaround period will result in additional rent being received. A reduction in routine void turnaround to 15 days by 2015-16 (as opposed to 20 days currently assumed) would result in additional income in the region £50k by the end of 2015-16.
- Freehold tenants who exercised the right to buy their home, benefit from services that are currently charged to the HRA. Additional income of approximately £500k [after allowing for collection costs and possible increase in bad debt provision] could be generated if these charges were passed onto freeholders [4,800 freeholders with an average charge of £140 per annum].
- Maximising revenue and capital receipts from the enforcement of section 20 notices which enable the recovery of repairs & maintenance costs from leaseholders. Depending on capital scheme approvals, it is estimated some £46k interest cost can be saved for each £1m received in respect of s20 capital works. Section 20 notices in the region of £1.1m are anticipated in 2010-11 in relation to capital schemes and planned external decoration works. Costs recovered from leaseholders in future years will be dependent on the scheme, number of leaseholders and scope of works. Consideration is being given to how the Council could spread the costs [perhaps over three years] of the major works to alleviate the financial burden on individual leaseholders as recently issued notices at Milman Close totalled approximately £14k per leaseholder.
- Reduction in the bad debt provision by a further £50k in 2011-12 from £200k to £150k would be a one off saving.
- Fully recovering the costs of facility charges to tenants and leaseholders.
- A review of the charging policy in respect of Garages, Community Halls and recharges to tenants is underway. An increase of 2% has been assumed across these services. The garage review will suggest potential charges and for community halls it is expected that the costs of running the Halls will be recovered from charging.

Summary

39. The Draft HRA Budget shown in Appendix 1 indicates in year deficits over the coming five years which will deplete balances below the recommended £0.75m by 2013-14.
40. It is estimated the income maximisation options referred to above would result in additional net income in the region of £2.8m over the next five years which would restore HRA balances to approximately £1.3m by the end of 2015-16. These options, together with the HRA self financing proposals, which have been approved by the new coalition Government, should further strengthen the HRA in the longer term.

Consultation

41. The recommended consultation with tenants on the options for the Rent Strategy and other income maximisation options will be undertaken at the January meeting of the Tenants and Leaseholders Consultative Forum, and responses fed back to Cabinet to assist in the setting of the 2011-12

rents and the approval of the HRA budget 2011-12 to 2015-16 by Council In February.

Financial Implications

42. Financial matters are integral to this report

Performance Implications

43. Detailed performance measures for the HRA will be built into the Service Improvement Plans for 2011-12 to 2015-16 and progress will be monitored by Improvement Boards and reported on a quarterly basis.
44. Given the reducing level of resources, without the impact of the income maximisation opportunities, it will be important to track the performance to ensure that any reductions in service levels are quickly reported and mitigating actions are put in place.
45. The Government's plans to change the National Indicator Set will mean that the Council has to review the performance indicators it uses to measure services. Much of this review has been completed by officers and enables measuring the impact of services on residents.

Risk Management Implications

46. As part of the budget process the budget risk register will be reviewed and updated, and included in the report to February cabinet. This helps to test the robustness of the budget.

Equalities Implications

47. The report has no equalities implications.

Environmental Impact

48. The draft HRA MTFs does not include provision to deliver the Council's Climate Change Strategy, pending further analysis of the financial impact and benefits associated with the Council's Housing stock.

Corporate Priorities

49. The report is in line with Corporate Priorities.

Section 3 - Statutory Officer Clearance

Name: ... Donna Edwards on behalf of the
Chief Financial Officer

Date: 9th December 2010.....

Name: ...Matthew Adams.....	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: ...8 th December 2010..		

Section 4 – Performance Officer Clearance

Name: ...Alex Dewsnap.....	<input checked="" type="checkbox"/>	Divisional Director Partnership, Development and Performance
Date: ... 10 th December 2010.....		

Section 5 – Environmental Impact Officer Clearance

Name: ...John Edwards.....	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: ... 10 th December 2010.....		

Section 6 - Contact Details and Background Papers

Contact:

Milan Joshi
Housing Finance Manager
Telephone : 020-8416-8662

Background Papers:

- 30year HRA Business Plan
- Report to Cabinet in February on the Medium Term Financial Strategy

Draft HRA Budget 2011-12 to 2015-16

Appendix 1

Assuming income maximisation options not implemented

	Budget 2011-12 £	Budget 2012-13 £	Budget 2013-14 £	Budget 2014-15 £	Budget 2015-16 £
Operating Expenditure:					
Employee Costs	1,454,300	1,467,770	1,545,140	1,558,880	1,572,700
Supplies & Services	535,800	535,800	535,800	535,800	535,800
Utility cost (Water & Gas)	186,000	186,000	186,000	186,000	186,000
Estate & Sheltered Services	3,176,040	3,270,740	3,271,590	3,290,700	3,309,980
Central Recharges	3,272,560	3,338,060	3,404,880	3,473,030	3,542,540
Operating Expenditure	8,624,700	8,798,370	8,943,410	9,044,410	9,147,020
Repairs Expenditure:					
Repairs - Voids	619,100	636,410	654,500	673,400	693,160
Repairs - Responsive	2,435,090	2,516,870	2,602,320	2,691,610	2,784,940
Repairs – Other	1,458,450	1,496,850	1,536,850	1,578,530	1,621,910
Total Repairs Expenditure	4,512,640	4,650,130	4,793,670	4,943,540	5,100,010
Other Expenditure:					
Contingency - General	200,000	200,000	200,000	200,000	200,000
Charges for Capital	6,801,900	6,885,900	7,026,410	7,144,760	7,283,560
RCCO	250,000	250,000	250,000	250,000	250,000
Bad or Doubtful Debts	200,000	200,000	200,000	200,000	200,000
HRA Subsidy	7,096,520	7,309,420	7,528,700	7,754,560	7,987,200
Housing Ambition Plan	-178,000	-181,960	-187,040	-192,230	-197,540
Asset Management	279,550	282,350	285,170	288,020	290,900
Total Other Expenditure	14,649,970	14,945,710	15,103,440	15,645,110	16,014,120
Total Expenditure	27,787,310	28,394,210	28,840,520	29,633,060	30,261,150
Income					
Rent Income – Dwellings	-23,212,730	-24,355,010	-24,834,950	-25,324,350	-25,823,380
Rent Income – Non Dwellings	-857,720	-874,870	-892,370	-910,220	-928,420
Service Charges - Tenants	-1,164,480	-1,164,480	-1,164,480	-1,164,480	-1,164,480

	Budget 2011-12 £	Budget 2012-13 £	Budget 2013-14 £	Budget 2014-15 £	Budget 2015-16 £
Service Charges – Leaseholders	-548,190	-548,190	-548,190	-548,190	-548,190
Facility Charges (Water & Gas)	-497,230	-497,230	-497,230	-497,230	-497,230
Interest	-6,120	-6,120	-6,120	-6,120	-6,120
Other Income	-79,550	-79,550	-79,550	-79,550	-79,550
Transfer from General Fund	-163,000	-163,000	-163,000	-163,000	-163,000
Total Income	-26,529,020	-27,688,450	-28,185,890	-28,693,140	-29,210,370
In Year Deficit / (Surplus)	1,258,290	705,760	854,630	939,920	1,050,780
BALANCE brought forward	-3,282,500*	-2,024,210	-1,318,450	-463,820	-
BALANCE carried forward	-2,024,210	-1,318,450	-463,820	-	-
BALANCE Business Plan	-5,319,000	-5,460,000	-4,539,000	-3,572,000	-2,899,000

* Note : Balances brought forward 01 April 2010 £4,783,836 less forecast outturn Qtr 02 £1,501,332 yields estimated balances at 31st March 2011 £3,282,504

Rent Options 2011-12

1 Introduction

The three year rent strategy approved February Council 2010 resulted in an average weekly charge of £91.37 from April 2010. [Rent £86.60 and tenant service charges £4.77 – an average rent increase of 2.85% and £2.76 per week on the April 2009 figure]. The rent increase anticipated from April 2011 as part of the approved strategy was 4.95% for both rent and service charges resulting in an average increase of £4.52 per week to £95.89 per week.

Assuming this rent strategy remains unchanged and other opportunities for income generation / maximisation fail (freeholder charging, garage income and improved voids performance) the Housing Revenue Account (HRA) balances would fall below the recommended £0.75m by the end of 2014-15.

2 Context

Whilst the detail of the HB reform is still to be confirmed, it is apparent that some of those changes are highly likely to present increased financial pressure on tenants to pay their rent and charges.

It seems timely therefore to review the rental strategy to ensure that it helps position Harrow to protect the HRA from a possible increase in debt, once housing benefit reform bites.

3. Comparator rents

Listed below are the average rents for neighbouring Authorities for 2010-11 listed in descending order.

<u>Council</u>	<u>Ave rent pwk</u>	<u>Administration</u>
Kingston	£90.00	Lib / Dem
Brent	£89.49	Labour
Hillingdon	£89.12	Conservative
Harrow	£86.60	Labour
Croydon	£85.12	Conservative
Haringey	£83.43	Labour
Barnet	£83.17	Conservative
Ealing	£82.04	Labour
Enfield	£81.26	Labour
Hounslow	£78.88	Labour

4. Issues to be considered in determining the preferred strategy

- To ensure the longer term viability of the HRA by maximising income – Tenants are reminded that currently annual expenditure exceeds income resulting in an annual reduction in balances
- To enable rent convergence with private sector rents – the Government intend this to be achieved by 31st March 2016.
- To minimise the impact of HRA subsidy payments to the Government in advance of HRA Reform
- To consider whether further investment in the Council stock is desirable

- To consider other income maximisation proposals – paragraph 38 in the main body of the report refers
- To be aware of the number of tenants not in receipt of Housing Benefit who may find it difficult to pay higher rents. Latest information indicates approximately 1,390 tenants (28%) do not receive any housing benefits. 3,582 tenants (72%) are on benefits - 53% on full benefit and 19% on partial benefits.
- To be aware that there will be a reduction in the average weekly service charge for tenants from £4.77 to £2.53 following the lean review of service charges and ensuring consistency in charges between tenants and leaseholders. Additional service charges for the services received by sheltered tenants are not reflected in this charge, however, a further review of these charges is expected to be progressed during 2011-12 for implementation in 2012-13 subject to further consultation.

5 Rent Options

The following options are being explored and all are calculated to avoid an increase in the Council's payment to the Government in respect of Council Housing nationally. The proposals are explained below and the financial impact detailed in the table below.

Option 1 No change - This follows the rent increase originally approved by Council in February 2010. Convergence was based on formula rents increasing by 1% inflation, resulting in an earlier convergence date. However, latest CLG advice suggests formula rents increase by 4.6% - this would require reworking and result in a longer period to convergence.

Option 2 - Follow rent restructuring guidance, basing rents on the prior year with increases capped at RPI + ½% + £2 pwk.

Option 3 - Follow Government guidance which encourages the maximisation of rental income by setting rents at an individual property level as opposed to a broader proportionate increase limited by caps (above).

Under this option 370 tenants would experience rent reductions [the majority of whom are in sheltered accommodation] and for 688 tenants increases of more than £10 per week [26 of which are over £15 per week with the maximum increase at £30.97]. Of these 26 tenants 9 are in receipt of full HB and 9 receive no benefits. A decision could be taken to cap the maximum increase at £15 per week which would reduce the additional income by approximately £22k.

Option 4 - As above, implement Government guidance enabling the maximisation of rental income whilst continuing to re-let vacant dwellings at the target rent. This has broadly the same impact as the option 2 above however, to avoid an increase in HRA subsidy the average increase has been reduced resulting in a slightly lower increase of £2.22 per week in excess of that originally approved.

The above include estimated additional Subsidy payments to the Government of approximately £290k per annum reflecting modifications in assumptions used by the Government.

The table below summarises the impacts of these options:

Rent options impact 2011-12	Option 1[Base]	Option 2	Option 3	Option 4
Average rent & service charge	£95.89	£96.86	£98.16	£98.11
Weekly Increase [above base option]	£0	£0.97	£2.27	£2.22
Weekly Average Increase £	£4.52	£5.49	£6.79	£6.74
Weekly Average Increase %	4.95%	6.04%	7.46%	7.46%
Weekly increase range £	-£5.67 to £15.60	£0.38 to £8.38	-£12.66 to £30.97	-£12.70 to £30.90
Additional annual income	£790k	£1,170k	£1,500k	£1,500k
In year deficit	£1,258,000	£875,000	£543,000	£556,000
Est balances 31st March 2012	£2.0m	£2.4m	£2.7m	£2.7m
Convergence	99% by April 2013	85% [4,207] by 2015-16	99% [4,910] by 2015-16	99% [4.908] by 2015-16
Future rent increases £	£4.75 2012-13 £2.87 ongoing	£3.78 2012-13 ongoing	£3.53 2012-13 ongoing	£3.53 2012-13 ongoing
Future rent increases %	4.95% 2012-13 2% ongoing	3.9% 2012-13 ongoing	3.6% 2012-13 ongoing	3.6% 2012-13 ongoing

6 Recommended Option

Option 4 is the preferred option as this enables HRA income to be maximised, assists the longer term viability of the HRA and will enable consideration to be given to the future investment in the stock.

Garages & parking space charges**Appendix 3**

	Current Weekly Rental	Proposed Weekly Rental
	2010/11	(assuming 2% increase) 2011/12
	£	£
Garages	13.80	14.10
Car Spaces	9.00	9.20

Facility Charges

Appendix 4

Sheltered Block	No of Properties	Current average facility charge (Heating)	Proposed average facility charge (Heating) Increase to be determined
		2010-11 £	2011-12 £
Cornell House	30	10.35	10.35
Meadfield	29	10.35	10.35
Harrow Weald Park	31	8.50	8.50
Watkins House	43	10.85	10.85
Boothman House	30	10.30	10.30
Durrant Court	28	10.50	10.50
Grahame White House	29	10.35	10.35
Harkett Court	31	10.50	10.50
Sinclair House	27	10.35	10.35
Tapley Court	26	10.30	10.30
Alma Court	30	10.35	10.35
Belmont Lodge	30	10.30	10.30
Edwin Ware Court	30	8.70	8.70
Goddard Court	31	10.50	10.50
Grange Court	31	8.80	8.80
John Lamb Court	32	10.85	10.85
Thomas Hewlett House	30	10.35	10.35
William Allen House	29	9.40	9.40
Resident Warden Accommodation	9	13.80	13.80
Other Non Sheltered	129	9.60	9.60

Community Centres

Appendix 5

	Current 2010-11 Charges per 3 hour letting (additional hourly charge)		Proposed 2011-12 Charges per 3 hour letting Assuming 2% increase (additional hourly charge)	
	Evening Rate £	Daytime Rate £	Evening Rate £	Daytime Rate £
Methuen Road Fully ILet to Flash Musicals				
Stonegrove Gardens Hall Fully let to Nursery				
Augustine Road [max 30]	38.45	18.90	39.20	19.30
Each Extra Hour	9.70	5.10	9.90	5.20
Marsh Road Hall [max 30]	38.45	18.90	39.20	19.30
Each Extra Hour	9.70	5.10	9.90	5.20
Brookside Hall [max 30]	38.45	18.90	39.20	19.30
Each Extra Hour	9.70	5.10	9.90	5.20
Woodlands Hall [max 60]	75.30	37.95	76.80	38.70
Each Extra Hour	14.30	7.45	14.60	7.60
Churchill Place Hall [max 100]	84.45	41.90	86.10	42.70
Each Extra Hour	14.30	7.45	14.60	7.60
Kenmore Park Hall [max 100]	84.45	41.90	86.10	42.70
Each Extra Hour	14.30	7.45	14.60	7.60
Pinner Hill Hall [max 100]	84.45	41.90	86.10	42.70
Each Extra Hour	14.30	7.45	14.60	7.60
Northolt Road Hall [max 100]	84.45	41.90	86.10	42.70
Each Extra Hour	14.30	7.45	14.60	7.60

HRA Capital Programme

Appendix 6

	2011-12 £'000	2012-13 £'000	2013-14 £'000	2014-15 £'000	2015-16 £'000
Decent Homes :					
Capitalised salaries	187	187	187	187	187
Fire damage contingency	100	100	100	100	100
Kitchen rewiring programme	1,250	1,250	1,000	1,000	1,000
Bathroom / heating programme	1,000	1,250	2,000	2,000	2,000
Roofs,doors,windows programme	900	1,500	2,000	2,000	2,000
Door entry renewal	200	100	100	100	100
Sheltered lifts	300	300	200	200	200
Sheltered door entry	280	-	-	-	-
Digital TV aerials	350	-	-	-	-
Electric heating	500	250	-	-	-
Environmental improvements	300	500	150	150	150
Security flat blocks	200	200	-	-	-
Water tank improvement	25	25	-	-	-
Stock condition survey	80	-	-	-	-
Sheltered Warden call	120	-	-	-	-
Asbestos database development	5	-	-	-	-
Structural issues / drainage	50	50	50	50	50
Response/void repairs – capitalised	150	150	150	150	150
Garages	30	30	-	-	-
Codeman Licence	20	20	20	20	20
Loft insulation	-	20	-	-	-
Decent Homes – sub total	6,047	5,932	5,957	5,957	5,957
Adaptations	700	700	700	700	700
HRA Capital Programme – Council Funded (including over programming)	6,747	6,632	6,657	6,657	6,657
Less over programming	587	472	497	497	497
HRA Capital Programme – Council Funded	6,160	6,160	6,160	6,160	6,160
Grant funded Extensions	200	200	-	-	-
Total HRA Capital Programme	6,360	6,360	6,160	6,160	6,160

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**REPORT FOR: TENANTS' AND
LEASEHOLDERS'
CONSULTATIVE FORUM**

Date of Meeting:	5 January 2011
Subject:	INFORMATION REPORT - Asset Management Progress Report
Responsible Officer:	Lynne Pennington, Divisional Director Housing Services
Exempt:	No
Enclosures:	Draft Housing Capital Programme 2011/12

Section 1 – Summary

This report gives a position statement on progress and issues arising in housing asset management, including responsive maintenance and planned investment.

FOR INFORMATION

Section 2 – Report

2.1 Asset Management Restructure

2.1.1 The Asset Management Section was formed with the transfer of Housing Major Works and Minor works at the beginning of October. On 9 October all Asset Management staff, including Kier were relocated to offices on the first floor of Civic 1.

All three members of the senior management team have since been appointed and these are:

Data and Planning Manager	Kulwinder Sing-Rai
Planned Investment Manager	Ramsay Hood
Responsive Maintenance manager	Subhash Patel

An assimilation exercise has taken place for existing permanent staff in accordance with HBC procedures and advertising will take place in January to complete the staffing of the new sections.

The Asset Management restructure has identified savings against capital schemes that have been included in the budget. This will be kept under review and the additional revenue costs incurred will be mitigated by a reduction in the RCCO.

2.1 Responsive Repairs

2.1.1 The responsive repairs budget is set at £2.63m for 2010-11. At this stage in the year, the early onset of winter weather indicates a potential higher than average demand for responsive repairs

As previously reported there is an unplanned increased expenditure this year on asbestos surveying and removal. There has been a significant increase in the number of boiler replacements from April to October 2010, higher than anticipated volume of orders compared with previous years (forecast an additional 1000 orders to year end March 2011) and the early deterioration in the weather will have an impact on expenditure. To the end of November there have been 13,436 repair requests, compared with 12,171 in the previous year.

These issues indicate a possible overspend at year end. Quarter 2 monitoring reported to December cabinet indicated an underspend of £250k on responsive due to a reduction in unit costs. However current indications are for an increase in unit costs along with an increase in the number of repair requests and this could result in an overspend. We are continuing to work with Kiers to secure efficiencies in cost to mitigate the implications of any increased demand. Relevant elements will be capitalised (as is usual). In addition it may prove necessary to hold back some non-urgent repairs should the pressure on budgets continue.

2.2 Voids

2.2.1 For the period ending 30th November 2010, 192 voids have been managed with an average cost of £2.45k per void and a maintenance

turnaround time of 9.25 days (target 10 days). It is predicted that the volume of voids to year end March 2011 will be 300.

Asbestos surveys and removals are contributing to keeping void costs high. In addition the cost of ex-tenant related damage and rubbish clearance (£40k to end of November) continues to keep costs high. Recharging out-going tenants will help to mitigate overspend related to these elements.

Current average expenditure per void indicates that there is a possible overspend of £195k and we will work with Kier to minimise this.

2.4 Capital Programme

2.4.1 Contractual Arrangements

The Council is currently contracted to Kier in a four year Framework Contract that is due to expire in June 2011. In order to ensure continuity of implementation of the capital programme Asset Management is currently exploring options for the replacement of this contract.

2.4.2 Summary of Housing Capital Programme

The budget for capital expenditure originally approved for 2010-11 amounted to £7,610k. This has been increased mainly by slippage from 2009/10 to £10,473k.

As reported previously the most significant project this year is Decent Homes. A summary of each of the main budget provisions is set out below.

Kier, the partnering contractor for Harrow Council's Housing maintenance, is carrying out the majority of the works. This includes the managing of the stock condition surveys being carried out by Consultants which extended during this half of the year to about 70% of the stock. The next phase will not start until 2011/12.

The new Asbestos Policy and Asbestos Management Plan are completed and in place. The affect of the new regulations that led to the drafting of these documents has been to delay works as well as adding costs to cover the survey work. Before the contractor is allowed to start works it is necessary to survey those elements of the properties that will be affected by the works to identify any asbestos and to allow for its safe removal or encapsulation before the works start. In order to comply with statutory obligations, an exercise is currently underway to purchase and install a web based asbestos database. The current plan indicates that this should be in place and being populated early in the new calendar year.

The deadline for achieving full Decent Homes Standard compliance is 2010 and Harrow planned for completion by the 31st December 2010. However the last phase of the works includes window and door replacements to properties in Francis Road. The major works necessary at Francis Road in order to renew the windows has delayed the project and the TSA has indicated its agreement to an extension of the deadline. Works on two blocks in Milman Close are also suspended due to requests from leaseholders to buy the freehold

For 2011/12 the programme will revert to the priorities indicated by both the stock condition surveys and the tenants priorities though it will also need to ensure that “decency” in line with the standard continues to be maintained. The 2011/12 programme will not include a DHS specific budget but will include an elemental approach to renewal and upgrading.

The draft capital programme for 2011/12 is appended and will be considered as part of the budget setting process for the HRA Medium Term Financial Strategy 2011-12 to 2015-16. Within this programme works to leasehold properties will be included and the procedure followed will be compliant with leasehold legislation. Thus there will be an income from leasehold recharges – this will be quantified when the detail of the programme is finalised.

2.4.3 Decent Homes

The budget for 2010/11 culminating in compliance with the standard in 2010 is £3m. The major part of this budget is allocated to the replacement of windows (approx. £2m), with the remainder covering minor works including:

- Internal works
- Water tank replacement
- Chimneys
- Wall finishes
- Spalling bricks

Delays to the implementation of this programme have resulted from the continuing affect of the change in asbestos regulations.

2.4.4 Estate Environmental Improvements

The programme continues in the year on five blocks including Augustine and Bancroft. Renewal of main entrance doors and screens in the Kingsfield Estate is carried over from last year to 2010/11. The new doors/screens will replace the existing components and will not require future planned maintenance/painting.

2.4.5 Aids and Adaptations

There is currently a review taking place of A & A and as part of this current arrangements are being replaced with a new Aids and Adaptations Panel and an Aids and Adaptations Executive Board.

The backlog of applications that has reflected in the performance indicators this year now forms part of a contract with Kier with the intention of completing at the end of this year. The budget for 2010/11 and beyond was increased to £700k for this purpose, but the affects of the extra investment will take time to work through the system. Early indications from the current level of applications indicates that whilst the budget is expected to be adequate for next year, there is a further need to complete works in this year and a virement of £100k is being sought from the Decent Homes programme to fund additional works in 10-11.

2.4.6 Digital TV Switchover

Consultation meetings took place in early December and any issues raised will be reported at the TLCF meeting. A budget is included in 2010/11 to start this process. As prices are confirmed for this years programme, an accurate assessment of the continuing budgetary requirement into 2011/12 can be determined. Completion of the work in 2012 is essential to cater for analogue switch-off.

2.4.7 Lifts

The programme for replacing lifts is continuing with installations at Tapley Court, Cornell House, Boothman House and Durrant Court. This programme will continue in future years to ensure that the lifts provided in sheltered blocks are both safe and reliable. Prices were submitted by Kier and vfm verified, with a start on site in January. Detailed consultation will take place with residents as the lifts will be out of action for the duration of the works.

2.5 Database and Stock Condition Surveys

2.5.1 Stock condition surveys are continuing using Consultants. The programme for 2011/12 is planned to start in April 2011 and on completion will have raised the surveyed stock to close to 100%. The final part of any stock condition survey includes those properties where there is access difficulty, so the full 100% is unlikely to be achieved at that time. Included in the Asset Data and Planning team is a post of stock condition surveyor. This surveyor will be responsible for:

1. Completing the survey to 100% including all with access problems
2. Surveying all non dwelling Housing assets (e.g. garages and community halls)

3. An on-going survey of dwellings to update older surveys on a rolling programme

2.6 Three Year Capital Programme

2.6.1 A draft 3 year programme, with 2010/11 added, is appended. The later years of the programme will be revised as improved data becomes available as a result of the stock condition survey. Consultation has started on the content of this draft which has been considered by the Asset Management Improvement Group.

Further information relating to the detail of this programme will be provided at the meeting.

Section 3 – Further Information

All relevant is detailed in the report.

Section 4 – Financial Implications

4.1 The quarter 2 position anticipated underspends in relation to revenue repairs, however the increased costs and volumes associated with the winter months would anticipate this being contained within existing budgetary provision. Assets Management have identified the risk of response repair volumes exceeding the 17,300 assumed in the budget. Unless mitigations are considered and implemented, the risk of a significant overspend on response repairs exists.

The Q2 position on the capital programme, anticipated a full spend. This is currently under review to ensure a robust outturn position is reported and is likely to result in slippage to 2011-12 for those schemes not finalised in 2010-11.

The appendix attached to this report identifies the programmes of work proposed to deliver improvements to council properties over the next 3 years. Tenants may recall that expenditure currently exceeds income, requiring an annual contribution from balances, which impacts the longer-term viability of the HRA if this continues. Any overspend in responsive repairs or void budgets would have to be met from contingency, capitalisation or balances to avoid the necessity for this officers are working with our partners Kier to drive down costs through efficiencies in processes and looking for increased income from recharges to tenants who are damaging our property or leaving their homes in poor condition.

4.2 The 3year HRA Medium Term Financial Strategy assumes a level of funding which will be revisited as part of the budget setting process. Funding for works costs in excess of these amounts will need to be identified before any programmes proceed and could be partly funded by the contributions anticipated from the s20 process.

Section 5 – Corporate Priorities

Name: Milan Joshi	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 17 December 2010		

Section 6 - Contact Details and Background Papers

Contact: Howard Beresford - Head of Asset Management – 020 8424 1011

Background Papers: None

DRAFT HOUSING CAPITAL PROGRAMME 2011/12		2010 / 11	2011 / 12	2012 / 13	2013 / 14	Comment
1	C/F from 2009/10 - (Cabinet 23rd June)	1,671,480	0	0	0	
2	Mid year re-phasing	400,000	0	0	0	
3	Capitalised by Housing - salaries	187,000	187,000	187,000	187,000	
4	Property Services Fees	700,000	0	0	0	Reduce 2010/11 by 50% due to restructure
5	Aids and Adaptations	700,000	700,000	700,000	700,000	Demand led
6	Contingency / Fire damage	100,000	100,000	100,000	100,000	
7	Decent Homes Standard	3,000,000	0	0	0	Revert to elemental programme after DHS deadline passed
8	Kitchen / Rewire programme	0	1,250,000	1,250,000	1,000,000	
9	Bathroom / Heating programme	0	1,000,000	1,250,000	2,000,000	
10	Roofs / Doors / Windows programme	0	900,000	1,500,000	2,000,000	
11	Door Entry - repair / upgrade	230,000	0	0	0	
12	Door Entry Renewal	0	200,000	100,000	100,000	
13	Sheltered Lifts	300,000	300,000	300,000	200,000	
14	Sheltered Door Entry	200,000	280,000	0	0	
15	Digital TV Aerials	700,000	350,000	0	0	Budget to be confirmed when prices received for 2010/11 prog.
16	Electric Heating	500,000	500,000	250,000	0	
17	Environmental Improvements	400,000	300,000	500,000	150,000	
18	Security Flat Blocks	200,000	200,000	200,000	0	
19	Water Tank Replacement	0	25,000	25,000	0	
20	Stock Condition Survey	80,000	80,000	0	0	
21	Sheltered Warden Call	200,000	120,000	0	0	
22	Work following Fire Risk Assessment	50,000	0	0	0	
23	Asbestos database - development	25,000	5,000	0	0	Housing setting up package alone
24	Structural Issues / drainage	450,000	50,000	50,000	50,000	Demand led
25	Loft Insulation	10,000	0	20,000	0	
26	Capitalised Responsive Works	150,000	150,000	150,000	150,000	
27	Garages	30,000	30,000	30,000	0	
28	Communal Asbestos Surveys	75,000	0	0	0	
29	Codeman Licence	20,000	20,000	20,000	20,000	To be paid from revenue in future years
Total Programmed Costs:		10,378,480	6,747,000	6,632,000	6,657,000	
Revised Budget:		9,681,480	6,160,000	6,160,000	6,160,000	
Over Programming:		697,000	587,000	472,000	497,000	

**REPORT FOR: TENANTS' AND
LEASEHOLDERS'
CONSULTATIVE FORUM**

Date of Meeting:	5 January 2011
Subject:	INFORMATION REPORT - Resident Services Manager's Report
Responsible Officer:	Lynne Pennington, Divisional Director of Housing Services
Exempt:	No
Enclosures:	None

Section 1 – Summary

This report sets out a range of information items that the Resident Services Manager would like to bring to the attention of the Tenants' and Leaseholders' Consultative Forum.

FOR INFORMATION

Section 2 – Report

The forum is asked to note the contents of this report.

Rent online Testing

- 2.1 The Corporate Customer Services Team is extending online services to allow housing tenants to access their rent accounts via the authenticated customer portal on the website.
- 2.2 As an additional resident consultation and involvement activity we invited a group of tenants to test this new initiative on 8 December 2010, before going live. Tenants attended two sessions where they were able to navigate around the test system and their own secured rent accounts.
- 2.3 The testing was successful and most tenants were positive about the new initiative. One tenant said "I will definitely use this and it will urge me to pay my rent on time". Another tenant said, "It will make my life easier".
- 2.4 Although this initiative will be launched soon we would like to extend an offer to visit Tenant and Resident Association meetings in the near future to show any interested tenants how the system will work and receive feedback from potential users. If any TRA would like us to demonstrate the system at their meetings please contact Karen Connell on 020 8416 8660. Any feedback received from tenants will help us ensure we get the system "right first time".

Estate Services Steering Group

Estate Inspections

- 2.5 A meeting of the group was held on 30th November. Concerns were raised by residents that estate inspections are not being updated and outstanding issues are not being carried forward. It was agreed that the latest estate inspection report would be the definitive document and will show all items still outstanding and/or escalated as required. We also agreed that inspection reports will in future give updates on any outstanding actions after 6 weeks have gone by, whether progress has been on the action or not. This change will ensure that monitoring of outstanding actions is consistent and more effective.

Grounds Maintenance SLA

- 2.6 At the December TLCF a question was asked about the delay in providing costs for the Grounds Maintenance SLA. The delay is due to a GIS update project being undertaken with the Streets and Grounds Maintenance Teams and Business Transformation. This project will allow us to have precise measurements of grass, hard standing and bedding areas on each of our estates. This additional work is linked to the work on identifying individual service charges for each estate that is reported elsewhere on the agenda.

- 2.6.1 It is prudent to wait for the completion of this project in order to fully appreciate each of our estates' grounds maintenance requirements. This project is scheduled to go live in June 2011; however, the information currently gathered will be used to ascertain the charges. We will therefore be able to complete the SLA by the end of this financial year. However in the meantime the improvements that have been made are being carried out within the original budgeted cost for 2010/11

Estates In Bloom

- 2.6.2 A discussion had taken place to review next year's competition as it is proving very costly and less people were taking part. It was agreed that we would still need to consult with the wider group before a final decision is made but in view of recent poor shows it was difficult to continue it in its present format.
- 2.6.3 TLCF members views on whether we should continue, and/or ideas on how we might make the competition more attractive to more residents next year are invited.

Harrow Sheltered Resident Forum

- 2.7 At it's meeting on 7th December this group that has been led by staff and chaired by Paddy Lyne over the last 18 months became a fully constituted TRA. I am delighted that despite being slightly daunted by the task that lies ahead representatives elected by tenants in the sheltered scheme stood for nomination as officers and were appointed as Chairman, Vice Chairman and Treasurer. Two of the sheltered housing tenants will share the role of secretary.
- 2.8 The appointment of officers follows a great deal of work by both officers in both Adults and Housing and the Chairman of HFTRA to establish the group and build their confidence to become a resident led group. This is excellent timing as progress with the modernisation of sheltered housing is being made and the new TRA will be fully involved in developing proposals. As they are now a constituted TRA the group will be entitled to send representatives to both HFTRA and TLCF meetings. This will of course ensure that the voices of sheltered housing tenants will be heard as part of the wider resident involvement structure. We look forward to welcoming the new representatives.

Section 3 – Further Information

- 3.1 This report contains a number of items of information which are important enough to bring to the attention of TLCF but do not warrant individual reports.

Section 4 – Financial Implications

- 4.1 There are no new financial implications resulting from the content of this report.

Section 5 – Corporate Priorities

- 5.1 All of the above initiatives contribute to the corporate priorities, in particular united and involved communities: a Council that listens and leads.

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 13 December 2010		

Section 6 - Contact Details and Background Papers

Contact:

Maggie Challoner, Resident Services Manager
Tel: 020 8424 2473
Email: Maggie.challoner@harrow.gov.uk

Background Papers: None

**REPORT FOR: TENANTS' AND
LEASEHOLDERS'
CONSULTATIVE FORUM**

Date of Meeting:	5 January 2011
Subject:	INFORMATION REPORT – Local Decision: a Fairer Future for Social Housing
Responsible Officer:	Lynne Pennington, Divisional Director of Housing Services
Exempt:	No
Enclosures:	Appendix 1: List of Consultation Questions, Appendix 2: CIH Briefing on Social housing Reform

Section 1 – Summary

The government issued a consultation paper in November setting out proposals for a fundamental reform of social housing. This report summarises the proposals that will affect tenants and provides the basis for a discussion at the meeting to inform the Council's response to the consultation which must be submitted by 17th January 2011.

FOR INFORMATION

Section 2 – Report

Background

2.1 The government has announced plans to reform social housing and published a consultation paper asking for views, particularly Council and housing association tenants' views, by 17 January 2011. The law will need to change to deliver some of these reforms and this will be achieved through the Localism Bill which was published on the 13th December 2010.

2.2 The government's intention in reforming social housing is to:

- Make the system fairer, striking a proper balance between the needs of new and existing tenants;
- Ensure that the support which social housing provides is focused on those who need it most for as long as they need it;
- Give local authorities and housing associations new powers so that they can make best use of their housing, in a way which best meets the needs of individual households and their local area.

The proposed reforms

Tenancies

- 2.3 They propose to create a new **optional flexible tenancy with a minimum fixed term of two years**. Both local authorities and housing associations will be able to introduce this tenancy alongside existing secure and assured tenancies and will only apply to **new** tenancies. Existing secure tenants will not be affected even if they move to a different Council property.
- 2.4 The flexible tenancy option would offer similar rights to the current secure tenancy eg the right to exchange, the right to at least one succession and the right to buy.
- 2.5 Tenants currently on an existing introductory tenancy, demoted or family intervention tenancy will also retain the right to a secure or assured tenancy providing they complete the probationary period successfully.
- 2.6 Landlords will be expected to serve a notice period of 6 months before the end of a flexible tenancy, giving the reasons for the decision not to renew, referring to their tenancy policy and giving tenants an opportunity to seek an internal review. The tenant could challenge the decision in the county court but only on the basis of an error in law or a material fact.
- 2.7 Landlords would also be required to give advice and assistance to find suitable alternative accommodation at the end of a tenancy.

- 2.8 A new “**Affordable Rent**” tenancy will be introduced for Housing Associations and they will be able to charge rents up to 80% of market rent (substantially higher than the current rents which are similar to Council rents). All new housing association homes receiving grant funding will be let on the “Affordable Rent” tenancy and a proportion of their empty stock from April 2011. These new rents will be eligible for Housing Benefit.
- 2.9 A **new tenancy standard** will be introduced and this will include a requirement that where flexible tenancies are not renewed, advice and assistance will be given to help the tenant find alternative accommodation.
- 2.10 There will be a **new duty on local authorities to publish a strategic policy on tenancies** and consult tenants, social landlords and local voluntary and community organisations in developing it. All social landlords will be required to publish a tenure policy which meets the requirements of the local strategic policy and sets out the type of tenancies they will offer, how they will be granted and the process by which flexible tenancies will be reviewed and reissued or terminated.

Allocations

- 2.11 Local authorities will have powers to manage their waiting lists locally and determine which categories of applicants should qualify to join the list. However, the government will continue to determine which groups have priority through the statutory reasonable preference requirements, for example the homeless, overcrowded or those with medical or welfare grounds. The existing reasonable preference groups may be amended.
- 2.12 The government also wants to make it easier for existing tenants to move by taking them out of the allocation framework so that they avoid competing with new applicants on the waiting list. The government considers this will make it easier to create greater mobility within existing social housing.

Mobility

- 2.13 The government plans to introduce an internet based nationwide social home swap programme. Existing secure or assured tenants who exchange will be granted an equivalent tenancy in their new home.

Regulation

- 2.14 The Tenant Services Authority (TSA) will be abolished and its functions transferred to an independent committee within the Homes and Communities Agency (HCA). The government will publish a new tenant

involvement standard requiring landlords to help tenants form Tenant Panels to be used to monitor service standards.

Housing Revenue Account (HRA)

- 2.15 The government is to proceed with the introduction of self financing through a one-off settlement payment between each local authority and the government. A policy document is to be published in January detailing the methodology and an updated data model for local authorities to calculate the impact on them. The new arrangements will be introduced in April 2012. Earlier modelling for Harrow has indicated that this will have a positive impact on our HRA finances.

Homelessness

- 2.16 Legislation is to be introduced to enable local authorities to fully discharge into the private rented sector without requiring the applicant's agreement. This means the Council will not automatically have to provide a Council or housing association tenancy to a household accepted as homeless.
- 2.17 Clarification is required on whether existing homeless applicants placed in temporary accommodation will be able to insist on being offered a secure or assured tenancy or whether they can be offered one of the new tenancy options or a private rented tenancy.
- 2.18 Private rented tenancies will be required to be on an Assured Shorthold basis for a minimum fixed term period of 12 months. Applicants who become homeless through no fault of their own within a period of 2 years from being housed in the private rented sector will continue to be owed a homelessness duty.

Overcrowding

- 2.19 The government are seeking views on the reforms needed to tackle overcrowding in particular with regard to overcrowding standards, the enforcement framework and separate statutory provisions which cover the operation of the Housing Health and Safety Rating System.

Responding to the Consultation proposals

- 2.20 The government has issued a set of consultation questions which are attached at Appendix 1.
- 2.21 At the time of writing this report, officers are in the process of putting together a draft consultation response responding to the questions in Appendix 1. There will be a presentation of the draft response at the meeting followed by a discussion to enable the views of TLCF to be incorporated in the final response to be made to the government.

2.22 A briefing note prepared by the Chartered Institute of Housing is attached at Appendix 2 providing comments and raising issues in relation to the consultation paper. This is attached for information to aid discussion at the meeting.

Section 3 – Further Information

Risk Management Implications

Risk included on Directorate risk register? Not applicable
Separate risk register in place? No

Section 4 - Financial Implications

There are no financial implications arising from this report. The implications of the HRA self financing settlement will be considered in a separate report when the details are available.

Name: Donna Edwards	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 14 December 2010		

Section 5 - Contact Details and Background Papers

Contact: Alison Pegg, Housing Partnerships and Strategy Manager, 020 8424 1933

Background Papers: The government consultation paper “Local Decisions: a fairer future for social housing”

Appendix 1: Summary of consultation questions for Local Decisions: a Fairer Future for Social Housing.

Question 1: As a landlord, do you anticipate making changes in light of the new tenancy flexibilities being proposed? If so, how would you expect to use these flexibilities? What sort of outcomes would you hope to achieve?

Question 2: When, as a landlord, might you begin to introduce changes?

Question 3: As a local authority, how would you expect to develop and publish a local strategic policy on tenancies? What costs would you expect to incur?

Question 4: Which other persons or bodies should local authorities consult in drawing up their strategic tenancy policy?

Question 5: Do you agree that the Tenancy Standard should focus on key principles? If so, what should these be?

Question 6: Do you have any concerns that these proposals could restrict current flexibilities enjoyed by landlords? If so, how can we best mitigate that risk?

Question 7: Should we seek to prescribe more closely the content of landlord policies on tenancies? If so, in what respects?

Question 8: What opportunities as a tenant would you expect to have to influence the landlord's policy?

Question 9: Is two years an appropriate minimum fixed term for a general needs social tenancy, or should the minimum fixed term be longer? If so, how long should it be? What is the basis for proposing a minimum fixed term of that length? Should a distinction be drawn between tenancies on social and affordable rents? If so, what should this be? Should the minimum fixed term include any probationary period?

Question 10: Should we require a longer minimum fixed term for some groups? If so, who should those groups be and what minimum fixed terms would be appropriate? What is the basis for proposing a minimum fixed term of that length? Should a distinction be drawn between tenancies on social and affordable rents? If so, what should this be?

Question 11: Do you think that older people and those with a long term illness or disability should continue to be provided with a guarantee of a social home for life through the Tenancy Standard?

Question 12: Are there other types of household where we should always require landlords to guarantee a social home for life?

Question 13: Do you agree that we should require landlords to offer existing secure and assured tenants who move to another social rent property a lifetime tenancy in their new home?

Question 14: Do you agree that landlords should have the freedom to decide whether new secure and assured tenants should continue to receive a lifetime tenancy when they move?

Question 15: Do you agree that we should require social landlords to provide advice and assistance to tenants prior to the expiry of the fixed term of a the tenancy?

Question 16: As a landlord, what are the factors you would take into account in deciding whether to reissue a tenancy at the end of the fixed term? How often would you expect a tenancy to be reissued?

Question 17: As a local authority, how would you expect to use the new flexibilities to decide who should qualify to go on the waiting list? What sort of outcomes would you hope to achieve?

Question 18: In making use of the new waiting list flexibilities, what savings or other benefits would you expect to achieve?

Question 19: What opportunities as a tenant or resident would you expect to have to influence the local authority's qualification criteria?

Question 20: Do you agree that current statutory reasonable preference categories should remain unchanged? Or do you consider that there is scope to clarify the current categories?

Question 21: Do you think that the existing reasonable preference categories should be expanded to include other categories of people in housing need? If so, what additional categories would you include and what is the rationale for doing so?

Question 22: As a landlord, how would you expect to use the new flexibility created by taking social tenants seeking a transfer who are not in housing need out of the allocation framework? What sort of outcomes would you hope to achieve?

Question 23: What are the reasons why a landlord may currently choose not to subscribe to a mutual exchange service?

Question 24: As a tenant, this national scheme will increase the number of possible matches you might find through your web-based provider but what other services might you find helpful in arranging your mutual exchange as well as IT-based access?

Question 25: As a local authority, how would you expect to use the new flexibility provided by this change to the homelessness legislation?

Question 26: As a local authority, do you think there will be private rented sector housing available in your area that could provide suitable and affordable accommodation for people owed the main homelessness duty?

Question 27: Do you consider that 12 months is the right period to provide as a minimum fixed term where the homelessness duty is ended with an offer of an assured shorthold tenancy? If you consider the period should be longer, do you consider that private landlords would be prepared to provide fixed term assured shorthold tenancies for that longer period to new tenants?

Question 28: What powers do local authorities and landlords need to address overcrowding?

Question 29: Is the framework set out in the 1985 Housing Act fit for purpose? Are any detailed changes needed to the enforcement provisions in the 1985 Act?

Question 30: Should the Housing Health and Safety Rating System provide the foundation for measures to tackle overcrowding across all tenures and landlords

Appendix 2



CIH Briefing on Social Housing Reform

Local decision: a fairer future for social housing

November 2010

1) Introduction

The government has published [Local decisions: a fairer future for social housing](#). This is a consultation on the future of social housing which sets out its proposals for a fundamental reform of the provision of social housing in England.

This briefing paper sets out the key points of the proposals for the housing and communities sector, as well as providing comment and analysis of the measures proposed.

Background, aims and objective of social housing reform

Local decisions: a fairer future for social housing sets out the government's proposals to reform social housing by introducing a new more flexible local authority affordable rent tenancy with a minimum fixed term of two years; reforming the social housing allocations system, introducing a nationwide social home swap programme, enabling local authorities to fully discharge homelessness duties into the private rented sector, addressing overcrowding, focusing social housing regulation on economic regulation with a stronger role for local tenants to hold landlords to account for service delivery and replacing the HRA with a self-financing arrangement. It builds on much trailed announcements around security of tenure and fairness made earlier in the year.

There are 5 key objectives of social housing reform:

- Localism, fairness and focusing social housing on those most in need in a way that enables them to use it as a springboard to opportunity
- Social housing is flexible and available to more people and to those that genuinely need it
- Make the best use of the four million social rented homes
- Increase the freedoms available to all social landlords to determine the sort of tenancy they grant to new tenants.
- Protect the rights of existing tenants.

The main proposals are:

- Create a new local authority flexible tenancy with a minimum fixed term of two years. This will be in addition to, rather than replacing, secure and introductory tenancies
- Invest £100m to bring empty homes into use as affordable housing
- Give local authorities the powers to manage their housing waiting lists
- Introduce a nationwide social home swap programme for social tenants
- Enable local authorities to fully discharge a duty to secure accommodation by arranging an offer of suitable accommodation in the private rented sector, without requiring the applicant's agreement
- To seek views on the reforms needed to enable local authorities and landlords to tackle overcrowding

- Reform of social housing regulation in line with the recommendations of the review of the Tenant Services Authority (TSA) and the social housing regulation framework.
- Replace the Housing Revenue Account subsidy system with a transparent, self-financing arrangement.

Government is consulting on these proposals until 17 January 2011. CIH's submission to this consultation will be informed by your views. Please see section 4 for details of how to work with us through the consultation period. A list of questions being asked by government in its consultation is provided in the appendix.

After the consultation, reforms will be introduced through the localism bill and through a revised tenancy standard, probably in autumn 2011.

Overview of the CIH position

- The proposed reforms are important changes that are re-shaping the way social housing is allocated, at what price and on what basis.
- They provide more detail on the announcements from the CSR. There is still more work to do, the details will be important and the consultation period on the policy document, regulation and legislation will be key. We may want to ask for more time to consider some elements of the proposals given their significance.
- CIH has been open to reform of social housing and is broadly supportive of the direction of some of these measures although we have always seen new ideas working alongside existing measures thereby providing alternative choices rather than necessarily replacing what we currently have.
- The proposals to reform social housing are wide-ranging and will affect tenants and housing professionals significantly.
- We are concerned that some of these proposals will be undermined by changes to housing benefit and through an ongoing shortage of housing – both market and affordable. So far there has been little understanding of the role of housing shortages and therefore of unaffordable housing in this whole debate.
- There also remains a need to look at a long term move to a rental model that supports local income and vulnerable households, helps make communities great places to live, and that works with a sustainable approach to funding individual housing support.
- Social housing reform should be considered alongside reforms across tenures - notably how we can better provide housing in both the private rented sector and support people in and out of home ownership. An example of this would be PRS accreditation – if we are going to rely more and more on the PRS then it needs to be better.
- Any flexible approach to tenure should be truly flexible, not just time limited tenancies.
- Tenants should be able to stay in their own property if circumstances change, perhaps with a new tenancy agreement that has different terms based on their changed circumstances (e.g. increased rent)

2) Social housing reform proposals

John Hills' review of social housing highlighted some problems with social housing, and the proposals seek to address many of them.

Here are the detailed proposals.

Tenure

- Local authorities and housing associations will be able to let social housing on fixed term rather than lifetime tenancies
 - The fixed term would be a minimum of two years
 - When the fixed term of a flexible tenancy comes to an end tenants could:
 - remain in social housing, either in their existing home or another social property at social or Affordable Rent
 - move into the private rented sector
 - move into home ownership
 - Where a landlord decides not to reissue a tenancy at the end of the fixed term, and the tenant is unable to obtain alternative accommodation and becomes homeless, the tenant would be considered to have become homeless unintentionally (unless the decision not to reissue the tenancy is a direct consequence of the tenant's behaviour)
 - There is an expectation that advice and assistance will be provided for tenants moving out of social housing at the end of a fixed term, to help the tenant find suitable alternative accommodation
 - There is a recognition that social housing will always be the best tenure option for some groups, particularly for older people and those with a long term illness or disability
- Government will create a new local authority fixed term flexible tenancy, with a minimum fixed term of two years
 - This is in addition to, not replacing, secure and introductory tenancies
 - Local authorities will be able to give a much longer term tenancy, or not offer them at all, if they choose to
 - Local authority flexible tenants will have similar rights to secure tenants, including the right to:
 - exchange
 - take in lodgers
 - sub-let part of the property (with the landlord's consent)
 - have repairs carried out
 - consultation and information
 - During the fixed term of a flexible tenancy the tenant will have the same protections from eviction as a secure tenant
 -
 - Landlords will have a policy on the reissue of flexible tenancies which will guide what happens at the end of a tenancy
 - Where landlords intend not to reissue the tenancy at the end of the fixed term they must serve a notice on the tenant six months before the end of the tenancy.
 - The rights of existing secure and assured tenants will not change
- The Secretary of State will be able to direct the regulator on the content of the regulator's tenancy standard

- The intention is to use the tenancy standard to increase freedom for all social landlords on the tenancies they can grant and on transparency and appropriate protections for all social tenants
- The standard will be used to give housing associations the same ability to offer fixed term tenancies as local authorities (the current tenancy standard prevents this from happening)
- Local authorities will have a new duty to publish a strategic policy on tenancies
 - this is part of their strategic role not their landlord role
 - it will set out the broad objectives to be taken into consideration by individual social landlords in the area regarding their own policies on the grant and reissue of tenancies
 - government will prescribe who local authorities should consult in preparing the policy, such as tenants and local voluntary and community organisations
 - the strategic tenancy policy must be regularly reviewed it must be consistent with the local allocation scheme and homelessness strategy
- All social landlords will be required to publish and follow a policy on tenure, which meets the requirements of the tenancy standard and the local tenancy strategy, and which includes:
 - the circumstances in which they will grant either lifetime tenancies or tenancies with fixed terms
 - for fixed term tenancies, their duration and the circumstances in which tenancies will be reissued at the end of the fixed term
- All new secure and flexible tenancies will include a right to one succession for spouses and partners, and landlords will be able to grant additional succession rights if they wish
- Existing secure and assured tenants will be granted a new secure or assured tenancy where they move to another social rent property

CIH comment

- CIH has long called for the introduction of a more flexible approach to tenancies.
- We believe that security and stability should be the key starting point but we also recognise that the affordable housing sector is the home to a very diverse range of people with different needs at different times in their lives.
- We accept that some shorter term tenancies may be appropriate for some people, but we believe that flexible tenancies should importantly continue to provide a stable platform for people to put down roots in a community, find work and get on with their lives.
- We would want this to be a choice tenants have rather than the only form of tenure on offer. We would also like a choice of rolling tenancies.

Affordable Rent

In order to finance the provision of new social housing the government is introducing 'affordable rent' as announced in the Comprehensive Spending Review.

- It is intended to help those who would not otherwise have been able to afford adequate housing in the market, and will be allocated just like social housing

- shorter term tenancies at a rent higher than social rent, to be set at a maximum of 80 per cent of local market rents
- it will initially be offered by housing associations, not local authorities
- it will be offered on a proportion of providers' empty properties from April 2011, and on new stock in due course
- Affordable Rent homes will be eligible for Housing Benefit
- local authorities will be able to discharge their homelessness function through the new tenancy
- tenancies will be offered on a fixed term of at least two years
- The other proposed changes to the law and regulation governing social housing tenancies will apply to Affordable Rent

CIH comment

- This is consistent with our response to the CSR.
- CIH is supportive of steps to widen the rented housing offer.
- We believe some rent flexibilities for some properties can help tenants who don't have any options just now, and the money can be reinvested in new housing.
- It is clear that more work is needed to look at how an up to 80% of market rent offer will work in practice.
- It will not work in all markets; indeed even in high value markets 80% would not be an affordable product for consumers and it would create problems around housing benefit.
- What is needed is a model that provides a stable platform for tenants, lenders and landlords
- There is a clear need to provide a rental product that fits with the government's ambitions around controlling housing benefit costs
- Any affordable rent model should compliment social rented housing.
- We need to find a way of ensuring that additional money raised is used for new supply and not for paying more for land.

Allocating social housing

- Legislate to give local authorities the means to determine which categories of applicants should qualify to join the waiting list.
- The government will retain a role in determining which groups should have priority for social housing through the statutory reasonable preference requirements.
- The rules that determine which persons from abroad are eligible for social housing will continue to be set centrally.
- When local authorities choose to restrict access to their waiting list, people who do not qualify for social housing may look for advice or support to help them secure appropriate alternative accommodation (whether in the private rented sector or in low cost home ownership).
- The reasonable preference requirements will not be removed but the government is seeking views on whether other groups in housing need not covered by the existing reasonable preference categories should be added to the list.

CIH comment

- The proposed measures will place greater power in the hands of local authorities and local communities to set out who they want to prioritise for

housing. We will need to make sure that LAs are accountable to their communities – and that the communities are representative – otherwise LAs that don't want to accept certain people will be able to exclude them

- It is good news that government has maintained existing homelessness and reasonable preference categories alongside this flexibility.
- There has always been a balance to be struck between meeting the needs of the most vulnerable and balancing local lettings so communities are sustainable. We will need to see some account being taken of the extra time households in great need have to spend in TA or in unfit housing.
- Local authorities and their housing association partners will look to take advantage of this new flexibility, but will ultimately be limited by a lack of housing.
- Flexibility will always remain difficult when there isn't enough affordable or market housing for people to access. We have to be clear that a lack of supply is at fault here
- We want housing providers to be able to provide homes to a wide spectrum of people and its important that providers continue to provide access not only to those in most acute need – the approach to lettings matters as much as the lists themselves.
- People unable to find housing in the social sector will continue to be housed in the PRS. The recent reforms to housing benefit will make this increasingly difficult option for people.

Mobility

The government is seeking to increase mobility within the social housing sector. The measures proposed to achieve this are:

- Taking transferring tenants out of the allocation system, which would avoid them competing with new applicants on the waiting list (we are seeking clarification on this proposal)
- a social home swap programme
- put the data sharing/data pooling between providers of social housing on a statutory basis
- legislate to grant the Secretary of State a power to direct the social housing regulator to issue a standard on mutual exchange.

CIH comment

- These measures are positive steps.
- A national mobility scheme can be helpful and should look to build on the success of existing schemes.
- The transfer measure will be welcomed by landlords looking to re-house their existing tenants and make the most of chain lettings.
- There is however a risk of some tension between local authorities as managing common housing registers and housing associations who will increasingly look to prioritise lets to existing tenants.

Homelessness

- The governorate has announced funding of £1.5m to test a scheme for local voluntary sector private rented sector support schemes
- There will be no change in the homelessness priority need groups, and no change in the duty on local authorities to secure suitable accommodation

for people in these groups who are eligible for assistance and become homeless through no fault of their own

- The government will legislate to give local authorities greater flexibility in bringing the homelessness duty to an end with offers of accommodation in the private rented sector, without requiring the applicant's agreement.
- Give authorities the discretion to decide if a person owed the homelessness duty needs social housing or whether their needs can be met in the private rented sector.
- Legislate to require private rented tenancies to be an assured shorthold tenancy for a minimum fixed term of 12 months.
- A safeguard will be put in place for the homelessness duty to recur for applicants that become homeless again within a period of two years through no fault of his or her after their main homelessness duty had been ended with an offer of accommodation in the private sector.
- There will be no changes to the existing legislation governing restricted cases.

CIH comment

- This is a potentially positive step in that it could create more flexibility for local authorities to be able to realistically support a household to move in to good quality, settled accommodation in the PRS.
- The main difficulty with this is that PRS rents are being squeezed by housing benefit so the options available will be more limited and some PRS is not of good quality.
- The safeguard measure is an important one. There is a question about whether a two year period will be sufficient for all households.
- It will be important that local authorities play an active role in ensuring the quality of the let and the management by landlord is of a good standard.

Overcrowding

The government has set a series of proposals for local authorities and landlords to reduce overcrowding:

- removing transferring tenants from the allocation rules
- strengthening home swap provisions
- reforming homelessness rules
- retaining the 'reasonable preference' categories
- through the new flexible tenancies help landlords to provide housing that meets households' needs over the longer term.

In order to remove barriers and provide the right legal framework to address overcrowding the government is seeking views on the reform of the legal and regulatory framework concerning overcrowding in particular with regards to overcrowding standards, the enforcement framework and separate statutory provisions which cover the operation of the Housing Health and Safety Rating System.

Empty homes

£100m will be invested - through the HCA - to refurbish over 3,000 empty properties and manage them at an affordable rent for up to 10 years. The

government is also consulting on using the New Homes Bonus to provide an incentive for local authorities to tackle empty homes.

Reform of social housing regulation

The Government plans to implement the recommendations of the review of the role and purpose of the Tenant Services Authority (TSA) and the framework for social housing regulation via the Localism Bill.

For more details see our [separate briefing](#).

Reform of council housing finance

- The government's stated intention is to replace the HRA system with a new, transparent, self-financing arrangement
- Self-financing will be implemented through a one-off settlement payment between each local authority and central government
- The government plans to introduce the new arrangements in April 2012. In the meantime, the present system will continue to run; there is a consultation currently on a draft Housing Revenue Account subsidy determination for 2011/12.

CIH comment

- CIH has long called for reform of the Housing Revenue Account.
- Any final settlement will have to provide a sound and sustainable platform on which local authorities can truly move to self financed balance sheets.

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