

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

Date of Meeting: 31 October 2012

Subject: INFORMATION REPORT: Rent and Housing Finance overview workshop

Responsible Officer: Lynne Pennington, Divisional Director of Housing Services

Exempt: No

Enclosures: None

Section 1 – Summary

The purpose of this report is to seek comments on and support for the proposed outline approach to the workshop and also to obtain ideas from the Forum around options for maximising attendance at the sessions.

FOR INFORMATION

Section 2 – Report

2. Proposed outline of workshop

- 2.1. Following feedback on the Rent Options paper provided at the last TLRCF meeting, we are proposing to hold one or more workshops over the next few weeks on rents and other housing finance issues. Tenants, leaseholders and members will be invited to the workshop(s) and attendees will be involved in discussions on aspects of the new Housing Finance system, including looking at options for rent setting in the future.
- 2.2. The workshop will start from our current position with the Housing Revenue Account from April 2012. We will then consider priorities going forward, the risks we face arising from welfare reform and other changes to the regulatory framework of the HRA and the steps we are taking to minimise the potential impact of those risks. We will also touch on “new strategic housing issues”, and how these will affect the HRA, including the likely introduction of fixed-term tenancies and changes to the allocations policy, and finally we will look at how the essential and desirable elements of HRA expenditure could be funded in the future, including a look at possible alternative rent strategies the Council may wish to consider, the advantages and disadvantages of each, and issues around timescales for implementation.
- 2.3. We envisage a mixed approach to the workshops, with a mixture of presentations and small group discussions, with facilitators and structured feedback.
- 2.4. We have set out below the proposed structure and content of the workshop, and are seeking comments from the Forum on these, and a feel for whether the Forum are in support of our proposal for taking this forward. In addition we would welcome any suggestions from the Forum that would help to maximise attendance at the workshop.

Proposed structure and content of workshop:

- Introductions and opening comments
- Outline of the current position of the Housing Revenue Account following the introduction of self-financing (presentation)
- Priorities for the HRA going forward
 - Capital spend
 - Revenue spend
 - Local priorities
 - Other ideas for initiatives

(facilitated group discussions and feedback session)

- Financial risks and mitigation of risks (presentation)
- New strategic housing issues (presentation)
- Funding the HRA, including discussions around rent options (facilitated group discussions and feedback session)
- Summary and Q & A
- Close

Conclusions

2.5. We are at a stage now where we are starting to develop HRA services, such as restructuring Resident Services so as to improve the service we are delivering and ensure we are able to get closer to our customers, and we know that some of the initiatives being considered will mean additional ongoing costs for the HRA, which will in turn reduce HRA balances in the long-term. The full impact on the HRA of some items (e.g. welfare reform) may not, however, be known in time for setting the 2013/14 budget, or potentially even a year or two beyond that, so we may not have a firm long-term forecast for several years.

2.6. The HRA is principally funded by Council's tenants' rents, and it is appropriate that discussions around future expenditure are held alongside discussions around future income levels. The purpose of the proposed workshops is to raise awareness of the issues arising in the HRA and to set out the context within which decisions about future rent levels need to be taken, and to explain what potential options may be available to the Council should it wish to change its current policy in relation to rents.

Section 3 – Further Information

3. All relevant information is contained within the report.

Section 4 – Financial Implications

4. Financial matters are integral to the report. The proposed workshops can be contained within existing budgets.

Section 5 – Corporate Priorities

5. The content of this report sets out the proposed structure and content of one or more workshops we intend to hold for tenants and members in respect of housing finance and rent options, and supports the corporate priority of ‘united and involved communities’ by engaging more effectively with residents.

Section 6 - Statutory Officer Clearance

Name: ...Roger Hampson.....	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date:17/10/2012.....		

Section 7 - Contact Details and Background Papers

Contact: Dave Roberts, Housing Finance Business Partner
Direct 0208 420 9678

Background Papers:
None