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| Meeting: | Overview and Scrutiny Committee |
| Date: | 24 November 2009 |
| Subject: | Housing Revenue Account Challenge Panel – Final Report |
| Responsible Officer: | Alex Dewsnap - Divisional Director Partnership, Development and Performance |
| Portfolio Holder: | Councillor Barry Macleod-Cullinane – Portfolio Holder for Adults and Housing |
| Exempt: | No |
| Enclosures: | Report of the Scrutiny Challenge Panel |

Section 1 – Summary and Recommendations

This report sets out the observations and recommendations of a scrutiny challenge panel on the Housing Revenue Account that took place on 22 October 2009.

Recommendations

The Overview and Scrutiny Committee is asked to:

1. Note the observations of the Scrutiny Challenge Panel
2. Endorse the recommendations of the Scrutiny Challenge Panel
3. Forward the recommendations to Cabinet

Section 2 – Report

Background

The Housing Revenue Account challenge panel was commissioned following a Performance and Finance Overview and Scrutiny Sub Committee meeting on 20 July 2009 where the committee received a briefing from the portfolio holder for Adults and Housing on the Housing Revenue Account. The committee was briefed on the adverse effects of the Housing Revenue Account negative subsidy on the council's housing finances. Following discussions, it was decided that a challenge panel should be held to address the key issues related to the Housing Revenue Account.

This report details the observations, recommendations and outcomes from the challenge panel. The panel chose to focus on the plans to revise the Housing Revenue Account by addressing the Department for Communities and Local Government consultation and proposed plans to revise the Housing Revenue Account subsidy system.

The main objectives of the panel were:

- To examine the HRA negative subsidy in Harrow Council.
- To address the possible implications on Harrow if the HRA negative subsidy is abolished
- To contribute to the Department for Communities and Local Government's (DCLG) review of council housing finance and rents policy, addressing the government's preferred option for the future of council housing finance by 27 October 2009.
- To contribute to the consultation from an elected member perspective on the issues and concerns relating to the way HRA operates.
- To provide recommendations on the suggested way forward.

Financial Implications

There are no financial implications arising directly from this report.

Performance Issues

This piece of work has been undertaken as a result of Performance and Finance Sub Committee monitoring of the performance of the HRA.

Risk Implications

There are no risks associated with this report.

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Fola Beckley, Scrutiny Officer, 020 8420 9389

Background Papers:
Detailed in the Appendix C of the report.

If appropriate, does the report include the following considerations?

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| 1. | Consultation | No |
| 2. | Corporate Priorities | No |