



3 April 2008

Dear Colleague

### **CLG/Treasury Review of the Housing Revenue Account**

You will probably be aware that officials from HM Treasury and Communities and Local Government are undertaking a fundamental review of the Housing Revenue Account Subsidy system.

The review was first announced by Yvette Cooper, then Minister for Housing and Planning, at a joint CIH / Housing Corporation event on 12 December 2007. It was formally launched on 10 March 2008 by Yvette Cooper, Chief Secretary to the Treasury, and Caroline Flint, Minister for Housing and Planning. It will build on the work of the pilots that have already been conducted with six local authorities which looked at the costs and benefits of councils operating outside the Housing Revenue Account subsidy system. The review is expected to report to Ministers in spring 2009.

CIH, working with others, has been making a strong case for reform of the HRA subsidy system for a number of years. We are therefore delighted to accept an invitation by CLG to support the review by running a series of workshops – attended by practitioners and other experts – and to engage stakeholders in other ways to identify and consider some options for reform. CIH is acting as an impartial facilitator in respect of this workshop programme. CIH will separately be putting its own views to CLG and Treasury.

There will be four workstreams on relevant themes considered within the workshops:

1. costs and standards for social housing
2. rents and service charges
3. mechanisms for delivering funding
4. current rules governing a local authority's HRA

We have appointed Steve Hilditch, an independent consultant, to act on our behalf to oversee and steer the workshop programme, to chair all the meetings, prepare papers and to lead the discussions with CLG and Treasury over the issues emerging from the workshops. It is anticipated that each workstream group will meet at least 3 times during the course of the review – for the first time in April/May, the second time in May/June and on a third occasion in September/October 2008.

**Your name has been put forward to be involved in one of the workshops in a personal capacity** –the workshop lists that have been agreed by CLG and HMT are attached to the email.

Being involved in the Review in this way does come with some responsibilities. Individuals may be requested to support the work of the review by providing evidence, writing papers, conducting research or other activity, and we hope that you will be prepared to accept the possibility of this as a condition of joining the group. Where appropriate, CLG will provide remuneration, within standard guidelines. We would also like you to contribute to a web-based discussion forum that CIH will be setting up to make information about the review available more widely and to facilitate dialogue between practitioners and others.

In order to draw in the maximum number of experts possible, we have limited engagement to one workstream per person. However, we intend to provide the same information to everyone involved – so everyone will have access to the information relating to all of the workstreams. Also, discussions between people from the different workstreams outside of the meetings are encouraged, to provide read across to the thinking of other groups.

We have attempted to place individuals in a group in which we feel they could make the biggest contribution. If you feel you could add more value to the review by working on a different theme, then you may change groups. **Please get in touch with your dedicated CLG workstream lead if you would like to change to a different workstream.**

In addition to these four sets of workshops, we intend to run a number of other events to engage other practitioners in discussions around the future of the HRA. At least one meeting of a 'strategic overview' group will be held in Sept/Oct and will include some individuals from each of the workshops.

The dates and venues for the first set of workshops are provided below. All initial meetings will be held at the CLG in London.

Workstream	Date and time	Venue
Costs and standards for social housing	16 April, 12.30 – 3.30	Eland House, rooms G/A and G/B
Rents and service charges	18 April, 11.00 – 2.30	Eland House, rooms G/F and G/H
Mechanisms for delivering funding	24 April, 12.00 – 3.30	Eland House, rooms G/A and G/B
Current rules governing a local authority's HRA	1 May 11.30 to 3.00	Eland House, rooms G/F and G/H

Further information including an information pack containing Terms of Reference, scoping papers on each workstream, confirmed workstream members, further information and evidence, and directions to the venue will be sent to you ahead of these meetings.

I hope that you will feel able to accept this invitation to be involved in what promises to be a very exciting development in local authority housing.

Please respond by email to Liz Stevens on [liz.stevens@cih.org](mailto:liz.stevens@cih.org) by 11 April. If you are able to participate, please confirm whether we can circulate your email and telephone number to other members of the workstreams.

Yours sincerely



Richard Capie  
Director of Policy and Practice  
Chartered Institute of Housing

## **Workstreams**

### **1. Costs and standards for social housing**

**CLG lead:** Katy Brookes-Duncan

Areas of interest:

- Minimum standards and services that tenants should expect
- Potential to link service delivery and what tenants pay
- Maintaining decent homes and any future standards
- Costs of delivering standards and services
- Can formulae ever deliver the right amount of money to the right places
- The role of the regulator in standard setting

### **2. Rents and Service Charges**

**CLG lead:** Stephen Edwards

Within the principle that similar rents will be charged for similar properties areas of interest will be:

- Tenant influence over rent levels in relation to costs of service delivered
- Separation of rents and service charges
- Effectiveness of the current rent formulae
- The process of rent restructuring and the timescale for convergence; convergence and achieving common rents across RSLs and LAs
- Rent levels and utilisation of surplus rental income.

### **3. Mechanisms for delivering funding**

**CLG lead:** Ann Williams

Areas of interest :

- Devolution to LAs and possible contractual relationship with LAs
- How to exercise influence over devolved system
- Utilisation of any surpluses generated from rental income
- Handling of historic debt
- For a national system –improved formulae/reduced complexity/less volatility

### **4. The current rules governing a local authority's HRA**

**CLG lead:** Neil Aspinall

Areas of interest:

- The rules and regulations covering the HRA (eg. use of the Major Repairs Reserve) and any other accounting treatment issues and whether these have any inhibiting effect on the efficient running of services
- Operation of HRA ring-fence

## HRA WORKSTREAM

**Workstream Lead: Neil Aspinall**

**neil.aspinall@communities.gsi.gov.uk, 020 79440584**

<b>Name</b>	<b>Organisation</b>
Tony Huff	HQN
Conway Mulcahey	LB Havering
Rachel Wigley	LB Kensington & Chelsea
Ben Taylor	Audit Commission
Rachel Terry	Independent
Ian Doolittle	Trowers & Hamlins
John Bibby	Lincoln Council
Julie Crook	Nottingham City Homes
Ian Williams	LB Camden
Brian Johnson	CityWest Homes
Bill Lewis	Northampton Council
Bob Smart	Ashford Council
John Kettlewell	Independent
Sukvinder Kalsi -	Birmingham Council
Ronald Potts -	South Tyneside Council
David Enticott	Derby City Council
David Hall	Tribal
Dennis Rees	Derby Homes tenant
Ken Lee	Wigan & Leigh Housing
Graham Fletcher	CLG - LGF
May Wong	CLG Legal
Anne Kirkham	CLG
Fahmia Huda	CLG
Keith Jackson	HMT
Meg Green	CLG
Lesley Smith	CLG Research

## COSTS and STANDARDS WORKSTREAM

Workstream lead: Katy Brookes-Duncan

[katy.brookes-duncan@communities.gsi.gov.uk](mailto:katy.brookes-duncan@communities.gsi.gov.uk), 020 79443120

Name / details	Organisation
Kirsten Firth	London Councils
Phil Hall	Audit Commission
Dick Johnson	LB Westminster
Paul King	UK Green Building Council
Steve Wood	Northwards Housing
David Sutherland	Croydon Council
Steve Warran	Exeter Council
Keith Millican	Ealing Homes
Steve Partridge	HQN
Yolande Barnes	Savills
Mark Tincknell	Connaught
Neil Scott	Your Homes Newcastle
Shaun Bennett	Derby Homes
Simon Nicol	BRE
Paul Webley	BCHT
Jeff Zitron	Independent
Bev Angel	Nottingham Council
Kevin Rogers	Whitefriars Housing Group
Karl Tuppling	Sheffield Council
Rupert Dickinson	Grainger Trust
Peter Morton	Sheffield Homes
Juliet Rawlings	Kensington and Chelsea TMO
Tony McGregor	Devon and Cornwall Housing Association
David Renwick	Ocean Housing
Keith Jackson	HMT
Anne Kirkham	CLG
Fahmia Huda	CLG
Graham Fletcher	CLG-LGF
Peter Fenn	CLG
Meg Green or	CLG research
Lesley Smith	CLG research

## RENTS AND SERVICE CHARGES WORKSTREAM

**Workstream Lead: Stephen Edwards**

**stephen.edwards@communities.gsi.gov.uk, 020 79443566**

<b>Name</b>	<b>Organisation</b>
Rod Cahill	Catalyst (G15)
Peter Challis	Unison
Philip Winter	Housing Corp
Ian Jones	London Councils
Ken Florey	LB Wandsworth
Paul Mayer	Audit Commission
Steve Wilcox	University of York
Gary Chase	Brent ALMO
Edward Mellor	Bolton at Home
Bernie Brannan	Swindon Council
Bob Osborne	Salford Council
Robin Tebbutt	Tribal (& Board member of Homes for Haringey)
Rhys Makinson	CIPFA Housing Panel
Gavin Smart	NHF
Ian Fletcher	BPF
Andrew Heywood	CML
Norman Foster	The Rent Service
Harry Shields	Leeds Tenants Federation
Anthony Essien	LEASE
Bob Walder	Longhurst Group
Waqar Ahmed	L&Q
Keith Jackson	HMT
Anne Kirkham	CLG
Fahmia Huda	CLG
Andrew Parfitt	DWP
Peter Ruback	CLG Aff. Housing
Meg Green or	CLG research
Lesley Smith	CLG research

## FUNDING MECHANISM WORKSTREAM

CLG workstream lead: Ann Williams  
ann.williams@communities.gsi.gov.uk, 020 7944 6785

Name	From
Philip Clifford	London Councils
Jackie Smith	Redditch BC
Deepak Chandra	BPHA
David Horspool	Cambridge Council
Neil Isaac	Hackney Homes
Gavin Paterson	Audit Commission
Hilary Vaughan	Salix Homes
Dale Meredith	Southern Housing Group
Graham Moody	Independent consultant
Hugh Broadbent	FCH Oldham
Mike Owen	Carrick
Adrian Waite	Housing finance consultant/trainer trading as AWICS
D Thomas	Butlers/CIPFA
Judy Guest	Sandwell Homes (ALMO)
Julian Ashby	Tribal
Terry Sweeney	Resident
David Gleave	CLG
Keith Jackson	HMT
Caroline Harman	CLG - LGF
Anne Kirkham	CLG
Fahmia Huda	CLG
Meg Green	CLG research
Lesley Smith	CLG research