

**SOUTH EAST ENGLAND  
REGIONAL HOUSING BOARD**

Date: 3 September 2008

Subject: **Housing Revenue Account Subsidy Review: Update**

Report of: Housing Policy Advisor  
South East England Regional Assembly

**Recommendation:**

It is recommended that the Board note the report

**Purpose of the Report:**

To provide an update on work being undertaken on behalf of the Board to contribute to the Government's review of the Housing Revenue Account Subsidy system.

## **I. Context**

- 1.1. On 15 May 2008 the Board considered the impact on the region of the current system for financing council housing, noting that in 2008/09, South East local housing authorities contributed an estimated £184.2m to the national Housing Revenue Account (HRA) subsidy system.
- 1.2. It was agreed that there was a need to work with Local Housing Authorities in the region with a view to establishing a position that could feed into the Government review of the system. The Board's starting position, agreed at the last meeting, is that any proposal to amend the system should enable:
  - i) social housing providers to finance their own management and maintenance services;
  - ii) decent homes and sustainable communities to be achieved;
  - iii) tenants' rents to be spent on their homes, additional affordable housing provision and improving homes to address the implications of climate change.

## **2. Update**

- 2.1. The Assembly represented the Board's interests at an event for stakeholders in the South East and South West in July. This enabled stakeholders to receive a report on the progress of the technical work of the review and to ascertain views on key questions which had arisen to date.
- 2.2. The technical work carried out to date illustrates the complexity of council housing finance and the HRA subsidy system, raising questions as to how the review could arrive at equitable solutions for all local authority tenants and landlords regarding costing and defining services paid for by rents and service charges, repayment of loans, surpluses and capital receipts, grey areas relating to service and internal council charges.
- 2.3. Arrangements are being made for David January, who advised the Board in May, to continue to assist the Project Team develop potential scenarios for consideration at a future meeting. It is still anticipated that the review will report to Ministers in spring 2009 and will in turn inform the forthcoming Spending Review.

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