

REPORT ON HRA CONSULTATION EVENT

ARCH GATHERS VIEWS ON HOUSING FINANCE FOR REVIEW

The Association of Retained Council Housing (ARCH) ran a consultation event in London on 24th November to gather members' views for its official response to the Treasury and Department for Communities and Local Government joint review of the Housing Revenue Account (HRA) Subsidy System, which will conclude in March.

ARCH's work on HRA

Brian Reilly, deputy director of housing at the London Borough of Wandsworth, described how ARCH is working to influence the review. He said: 'Stock retention is not a dogma, but a practical solution to the national housing crisis. We want a long-term future for council housing and are particularly pleased to welcome tenants and residents whose views on HRA are being taken on board in our response to the review.'

In the launch of the Treasury and Department for Communities and Local Government joint review of the HRA subsidy system, the Government acknowledged for the first time in many years that local authorities will continue to own and manage homes. The flaws in the existing housing finance regime are widely acknowledged – even among ministers. ARCH is among the stakeholders who have been asked to submit their proposals for the reform of the current unfair, inequitable regime.

The consultation event provided a forum for people who live in council houses, as well as housing officers and councillors from stock retained authorities, to air their frustrations with the existing regime and discuss what they would like to see in the future.



DCLG perspective

Delegates heard from Anne Kirkham, the senior DCLG civil servant in charge of the review, who stressed the importance of involving tenants in developing proposals. She said: 'We are trying to get the best possible understanding of the tenant perspective on what they want out of the system.'

She told delegates that the government's requirements for any new regime include that it should be: fair and affordable for both tenants and taxpayers; transparent; set a minimum standard for services; encourage quality

improvement; provide more certainty; and not expose government to unacceptable financial risks.

Short notice inspections

Roger Jarman, head of strategy and resources for the housing inspectorate at the Audit Commission, explained what short notice inspections will mean for stock retainers.

He outlined proposals, under consultation until 1st December, which would give councils give days notice prior to inspection and involve inspectors being on site for two to three days.

ARCH has made a formal response to the consultation. New arrangements will be piloted and will need to dovetail with the Comprehensive Area Assessment framework.

Chance to influence thinking

Paul O'Brien, chief executive of the Association for Public Service Excellence, which provides a secretariat, research and lobbying role for ARCH, described the holistic benefits of council housing for local communities.

He told delegates: 'This is the best chance in a generation to influence government thinking. We have to consider the future of the HRA in the wider context of the current economic climate, the fact that there are 1.6m people on waiting lists for council properties and local government's community leadership role.'



He added: 'Council housing offers security quality, affordability and accountability and is closely integrated with a wide range of community issues; including environmental sustainability, regeneration, and services to elderly and vulnerable people and children.'

Workshops on HRA themes

ARCH has been closely involved in HRA working parties on; rents and subsidies; costs and standards; rules governing the HRA; and mechanisms for delivering funding. Workshops on these topics were held throughout the day to formulate ARCH's detailed proposals on reforming the existing regime. Details of discussions during these workshops will be circulated to ARCH members.

Tenants' perspective

Tenants and residents who have voted for their council to be their landlord gave their views on the future of housing finance as a vital contribution to the consultation event.

They told Anne Kirkham of DCLG their frustration with the current system. They said this means their rents are disappearing into a national pot – which currently stands at £193m and is set to increase – while there is not enough money to maintain properties and provide more affordable homes locally.



Marlene Price of Wandsworth, resident representative on the ARCH executive, said: 'The current system is blatantly unfair and excessively complicated. We want to a system that is fairer and more transparent.'

Mrs Price headed up a meeting to agree guidelines for a tenants' sub-group, a regional residents' network that will work closely with the executive, during the event. She said: 'Tenants and residents who came along are enthusiastic about having their say on HRA and other concerns and I look forward to working with them.'

Marilyn Thornley, special projects officer at the Tenant Participation Advisory Service, who is developing ARCH's tenant governance model, said: 'It is important that any group feeding back to government has tenant representation. This is a real opportunity for tenants to get their voice heard.'

Pauline Walton, representing Canterbury City Council residents, said: 'It gives ARCH tenants a chance to give views on questions that are being considered and have a stronger voice in the national tenants' movement.'

Jennifer Holmes, representing West Lancashire DC residents, said: 'At present, it feels like people in council housing are the poor relations. They want to know why they can't have the same deal as residents in other social housing.'

Crucial questions

Steve Partridge of Housing Quality Network rounded up the consultation event by describing the next steps of the HRA review.

'It is just the right time to begin the pull together your views about the future of housing finance,' he said.

He told delegates: 'This is the start of something and it is really important to build residents' concerns and views into the way ARCH moves forward.'

He stressed that DCLG is very willing to take in evidence and responses from the retained council housing sector. The third series of workstream meetings is now under way.

Mr Partridge summarised the key questions upon which ARCH will be formulating a consensus on its members' views. These include: balancing national versus local interests; finding a level playing field with ALMOs and housing associations; costs and standards; funding for services; funding for the maintenance of stock; rent convergence; moving beyond Decent Homes standards; self-financing options; capital receipts; and ring-fencing. He pointed to evidence that the MRA is under-funded and that councils are incurring extra costs that are not currently recognised in the finance system.

He said stock retainers also need to look at what they would do with greater freedom and flexibility under a reformed system.

Mr Partridge urged ARCH members who have not already done so to contact ARCH's secretary, John Bibby, to ensure their views are incorporated into the ARCH proposals for changes to the HRA Subsidy System.

To share your views on HRA, email: arch@lincoln.gov.uk