

**Views of the Epping Forest Tenants and Leaseholders Federation on the Prospectus/Offer from the CLG on HRA Self-financing – Requested to be considered by the Council’s Finance and Performance Management Cabinet Committee – 18<sup>th</sup> May 2010**

The Tenants and Leaseholders Federation held a Special Meeting on Monday 17<sup>th</sup> May 2010, to discuss the Offer/Prospectus from Communities and Local Government on its HRA Self-financing proposals.

We had been provided by the Council, in advance of our meeting, with copies of the following documents:

- The report of CIH Consult to the Council on the implications of the HRA Reform Prospectus;
- The report from officers to the Finance and Performance Management Cabinet Committee on the proposal, the effects on the HRA and the General Fund and the officers’ recommendations; and
- The proposed detailed response to the CLG recommended by officers (Appendix 2 to the report to the Finance and Performance Management Cabinet Committee).

The Federation spent over two hours discussing the issues in detail, and we are grateful to Peter Maddock, Assistant Director of Finance, for attending our meeting and explaining a complex subject in a way that we could understand.

After much discussion and questions, the Federation’s views are as follows, which we would like the Council’s Finance and Performance Management Cabinet Committee to take into account when making its recommendations to the Cabinet.

- 1) We feel strongly that the current payments to the Government under the current housing subsidy system are immoral and unfair on the tenants of this Council, particularly when surpluses are generated nationally, that are not used to assist and support other councils, but to fund other Government spending.
- 2) We are concerned that the proposed rejection of the Offer appears detrimental to the Housing Revenue Account, compared to the continuation of the current housing subsidy system. However, we recognise that the Offer, as currently presented, would detrimentally affect the Council’s General Fund and we therefore understand the reason for the Council officers’ recommendations
- 3) However, if the Government is able to overcome the problem affecting the General Fund, we would urge the Council to accept the Offer, for the financial benefits that would be received by HRA and the Council’s tenants.
- 4) We support the Government’s proposal that local authorities would be able to retain 100% of capital receipts from future Right to Buy sales, and would recommend that this benefit be recognised within the Council’s response to the CLG.
- 5) We would ask that the Federation is consulted on the proposed future report on the possible transfer to the General Fund of non-housing assets currently held within the HRA, before a decision is made by the Council’s members, so that we can provide members with our views - and they can take them into account - before the decision is made.

Molly Carter  
**Chairman of the Epping Forest Tenants and Leaseholders Federation**