

Social Justice and Regeneration Committee

SJR(2)-14-06(P.3)

Date: 19th October 2006

Venue: Committee Room 3, Senedd, National Assembly for Wales

Title: Draft Housing Revenue Account (Rent Rebate Subsidy Deductions) (Wales) Direction 2006

Purpose

To consider the Draft Housing Revenue Account (Rent Rebate Subsidy Deductions) (Wales) Direction 2006.

Summary

The Committee is invited to comment on the draft Direction which:

- would be subordinate legislation not required to be made by statutory instrument;
- is being considered under Standing Order 29.3 (i);
- is technical in nature; and
- is necessary to regularise a policy decision made previously.

WLGA have agreed a shortened consultation period which concludes on 17th October 2006.

Consultation responses will be reviewed by officials. The Committee will be informed of the result of the review and of any amendments to the draft Direction prior to the SJ&R Committee meeting on the 19th October.

Subject to the consideration by the Committee, the Direction shall then be made by being signed, under Standing Order 29.4, by or on behalf of the Minister.

Background

Rent Rebates granted by local authorities to council housing tenants, prior to 1 April 2004, were accounted for in the authority's Housing Revenue Account (HRA). Housing Revenue Account Subsidy (HRAS) paid to local authorities towards the costs of such Rent Rebates was similarly included in the HRA. As a consequence, the net costs of any Rent Rebates granted by local authorities, that were not eligible for or otherwise met by subsidy, fell on the HRA.

Under the provisions of the Local Government Act 2003, Rent Rebates granted to council housing tenants on, or after, 1 April 2004, are to be accounted for in the authority's Council Fund, as are the

Subsidies towards the costs of such Rebates. The Subsidies in respect of these Rebates are now payable by the Department for Work and Pensions.

The Housing Revenue Account (Rent Rebate Subsidy Deductions) (Wales) Direction 2006, if made, will instruct local authorities to transfer, from the HRA to the Council fund, an amount equal to the aggregate of any rent rebate subsidy deduction made. It will also detail transitional arrangements available to authorities in order that they may phase in potential impacts on the Council fund.

Financial Implications

There is no related revenue or capital expenditure. As such there will be no impact on any of the Budget Expenditure Lines within the Social Justice and Regeneration Main Expenditure Group, and therefore can be accommodated within the Main Expenditure Group provisions. Any associated administration costs can be met from within the Social Justice and Regeneration Delegated Running Costs budget.

Cross Cutting Themes

We are not aware of any cross cutting themes in relation to the draft Direction.

Action for Subject Committee

The Committee is invited to consider the information contained in this paper and the Draft Housing Revenue Account (Rent Rebate Subsidy Deductions) (Wales) Direction 2006.

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