Finance policy
Quarterly update

business for neighbourhoods

Spring 2012

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1 Introduction

Welcome to the Federation's finance policy spring 2012 update.

The UK has officially returned to recession. Last week's announcement of provisional figures for quarter 1 2012 GDP figures revealed a 0.2% contraction for the economy in the quarter. An analysis of the different sectors reveals that the biggest drop was to construction, which sank by 3%, the biggest decline since the start of 2009.

In other news, UK house prices continue to fall in every area of England except London and RPI has continued on its downward trajectory in 2012, as predicted by the Bank of England - standing at 3.6% in March, down from its peak of 5.6% in September 2011.

Bank lending is still tight and dominated by a few institutions. A recent report for the Federation of Small Businesses found that over 90% of loans to small and medium-sized enterprises come from five institutions. This has led to calls for more diverse sources of finance. Sound familiar!?

Therefore, unsurprisingly, the first articles in this update focus on alternative sources of finance.

In other articles we:

- Assess the new Financial Reporting Standard, which confirms significant wins for the sector
- Highlight features of HMRC's draft regulations on the VAT cost sharing exemption
- Confirm the Social Housing Regulator's decision to re-issue the draft Accounting Direction for a further period of consultation
- Consider the impact of increased right to buy discounts
- Provide an update on welfare reform, including a checklist on what housing associations need to consider now and
- Announce an exciting new partnership between the Federation and Zurich to support housing associations risk management.

Elsewhere:

- Kate Allen, the editor of Social Housing Magazine, reviews the National Housing Federations 30th finance conference, held in March and
- David Orr gives his views on the recent budget.

Important upcoming dates for your diary:

- London, South-East and East of England Finance Conference, Thursday 19 July 2012, ETC Venues, Avonmouth House, 6 Avonmouth Street, London SE1 6NX
- Treasury Management Conference, Thursday 27 September 2012, NEC, Birmingham and
- IFRS roadshows
  - Thursday 18 October 2012, Exeter
  - Tuesday 23 October 2012, Leeds
  - Thursday 25 October 2012, Birmingham
  - Tuesday 6 November 2012, Manchester and
  - Thursday 8 November 2012, London.

And finally, follow finance policy on twitter and join our new Social Housing Finance group on LinkedIn to hear, in early May, about imminent developments in the social housing REITs agenda and new model tenancy for affordable rents.

2 Treasury

With continued public sector constraints, housing associations face a significant challenge to generate and acquire sufficient capital to develop more affordable homes. Added to this, housing associations can no longer rely on banks for traditional long-term funding, as typically banks now only offer 5-10-year terms, with the constant threat of re-pricing. Therefore, the sector is actively exploring alternative sources of finance.

In this edition we explore three new potential sources of finance:

- M&G Private placements
- Real estate investment trusts and
- European social enterprise funds.

M&G private placements

M&G Investments was established in 1931 and since 1999 has been the European investment management arm of Prudential plc. It is one of the largest active investors in the UK with over £200bn of funds under management, £117bn of which are in fixed-income assets.

M&G has invested about £2.5bn in UK housing associations through a mixture of public bonds, private placements (PPs) and mixed housing association bonds and is keen to promote institutional investment into the sector. It has a team of experienced experts who understand social housing and keep up-to-date with developments.

Mark Davie of M&G has provided a comparative review of M&G's bilateral private placements with sale and leaseback and the public bond market (own-named issue or an aggregator such as THFC or GB Social Housing).

(1) **Sale and leaseback** involves the sale of housing stock to an investor, which is then leased back on a fully repairing and insuring basis, typically for 30-40 years with a reversion option. The rent paid by the housing association to the investor is generally index-linked. This type of structure is usually 'on-balance sheet', relatively inflexible and slightly more expensive than debt, but can be useful in certain circumstances.

(2) **Public bond market**

(a) An own-name issue in the public bond market is covenant 'light' and likely to produce the lowest cost of funds for the largest associations, but there are drawbacks:

- A minimum realistic issue is £200m to £250m – for smaller sums, the costs of finance can increase dramatically
- A public rating is necessary, which is time-consuming and expensive
- Legal and security work needs to be completed up-front
- An investor roadshow must be held, which can be stressful and time-intensive
- High fees
- 'Cost of carry' implications – all funds come in on the date the bonds are issued and need to be found a 'home' until they are needed. The difference between the interest paid and the interest receivable on sums deposited represents the cost of carry.

(b) Aggregation vehicles allow smaller loan sizes but the vehicle itself requires a credit rating, so the constituent borrowers need individual credit ratings or have to accept more onerous covenants.

Pricing is higher than for a well-presented own-name issue, although fees should be lower. Timing can be unpredictable and terms and conditions inflexible.

(3) **M&G bilateral private placements**
M&G is the first fund manager to launch a bank replacement finance product tailored for housing associations. It makes institutional money available to housing associations on a straightforward, cost-effective basis-pension and annuity funds have long-term liabilities and require good quality matching income streams.

There is no requirement for a credit rating or over-collateralisation and covenants are less onerous than in the banking market.

Amortising loans are available on a fixed-interest rate and index-linked basis from as little as £10m upwards, with tenors of up to 40 years.

A club or syndicated PP through an investment bank is similar to a public issue but the minimum lot size is smaller, at about £40m. A public rating is unnecessary. Pricing is generally higher but it is possible to obtain access to the US market, which can produce lower coupons for shorter tenors, although issuers take on the cross-currency swap liability, even where provided by the investor.

A bi-lateral PP, such as that offered by M&G, is cheaper (no bank fees or road show) and more flexible (in terms of minimum amount, covenants, drawdowns, etc) than a club PP. Moreover, by having just the one counterparty, a bi-lateral PP can offer greater certainty.

Real estate investment trusts

'Real estate investment trusts' (REITS) is the new buzz phrase on the lips of housing association finance directors. REITs are tax-efficient holding structures for property. A REIT is a normal UK company or group of companies (not a trust, in spite of the name) that has elected to benefit from an exemption from corporation tax on rental profits and meets a number of conditions, including that its shares are listed on a 'recognised' stock exchange.

In return for the tax exemption, a REIT is required to pay out at least 90% of rental profits each year as a dividend which is taxed on shareholders as rent. If the shareholder is itself tax exempt then no further tax is paid on the dividend, meaning that REITs are particularly attractive investment vehicles for tax exempt investors.

Since their inception in 2007, UK REITs hold several tens of billions of pounds of UK property, but this is nearly all commercial and industrial property rather than housing. The Treasury and the Department of Communities and Local Government (DCLG) are hopeful that the REIT regime could also prove to be an effective vehicle for investment into rented housing. This year they are making some changes to the law to make it easier and cheaper to elect for REIT status, not least by abolishing the existing entry charge (previously 2% off the gross market value of the property) and making it easier for pension funds, insurance companies, and indeed charities and registered providers of social housing, to take large stakes in a REIT. The draft changes are currently in the Finance Bill 2012 but will become law on Royal Assent in late summer 2012.

On 4 April 2012, HM Treasury along with the DCLG released a consultation on reforms to the REIT regime to explore the potential role social housing REITs could play in supporting the sector. The consultation will run for 12 weeks, ending on 27 June 2012.

The Federation is supportive of the Government's aims of introducing new sources of finance into the sector and we are pleased that this consultation has been launched. We will be working with housing associations and other interested parties over the next few months to investigate ways of making a social housing REIT available to all housing associations.

Nicola Westbrooke of KPMG provides some background to the REITs regime, and describes their benefits and what they could mean for housing associations. Nicola assisted HMRC to devise the REIT regime when it was initially introduced into the UK in 2007.

So what might be the point of REITs to a housing association? The answer is that it might provide an alternative source of funding to the bond markets or banks – ie, from equity investors.

A social housing REIT might be set up in a number of ways. For example, one or more housing associations could sell part of their existing portfolio of properties into a company which lists as a REIT and raises more capital from investors. This subscription money is then used to repay the housing associations for the property or buy more stock from them. The housing associations might retain the management contract for the properties and/or a significant equity stake in the REIT which would provide a continuing source of income from the portfolio and also allow a degree of control over the management of the property.

The 'elephant in the room' is whether the risk/reward profile of the portfolio would be enough to attract the equity capital. This will of course depend on the exact characteristics of the portfolio that is 'seeded' into the REIT and also the future impact of the Government's proposals on security of rental income. The published consultation document recognises these issues.

It is clear that the Government sees the potential of the regime for the social housing sector and is committed to making it work. The Federation is in the process of drafting a response to the consultation on social housing REITs and we will be seeking the views of interested parties within the sector in the next month.

European social enterprise funds

A major concern of the European Commission (EC) resulting from the economic downturn has been the rise in the number of unemployed people across the European Union (EU) to 23m. The EC acknowledges that social businesses are characterised by rapid growth and they employ up to 8% of the EU workforce. It also acknowledges that the primary objective of social businesses is social impact, over and above the maximisation of shareholder wealth.

The downturn has resulted in a reduction in grants and state support for social businesses and these businesses are also starved of sources of conventional bank financing and investment. However, cross-border markets are emerging fast within the EU for alternative investors seeking to expand their portfolio to include investments that achieve a social impact.

In respose to this, the EC is proposing to introduce regulation on European social enterprise funds (EuSEFs), that will facilitate the market for European fund managers seeking to invest in social enterprises across the EU. HSBC is already exploring the possibility of issuing a eurobond which could conceivably take advantage of this new regulation.

Housing associations look set to benefit from EuSEFs, following lobbying and verbal representation by the Federation and from across europe, which saw restrictive turnover and balance sheet criteria removed from the regulation. EuSEFs could potentially provide an alternative source of capital funding for many housing associations, particular small and medium-sized organisations.

Click on/follow the link to download the Federation's briefing on the regulation of EuSEFs: http://www.housing.org.uk/publications/find_a_publication/finance/european_social_enterprise_fun.aspx.

The Federation's contact for treasury is Joseph Carr, finance policy leader, 020 7067 1094 or joseph.carr@housing.org.uk.

3 Accounting

IFRS convergence

On 30 January 2012 the Accounting Standards Board (ASB) issued the long-awaited Financial Reporting Standard (FRS) for a three-month period of consultation ending on 30 April 2012. As detailed below, the FRS confirms many of the changes to the IFRS framework that the ASB had tentatively agreed last summer. On 19 March 2012, Roger Marshall, the chair of the ASB, met with a delegation from the Federation to discuss changes to the FRS and the rewriting of the housing SORP. The SORP Working Party has now submitted a response to the consultation exercise. To access a copy, click on/follow the link:
http://www.housing.org.uk/policy/finance/ifrs.aspx

Meanwhile, the SORP Working Party continues apace with the work to rewrite the housing SORP for consistency with the existing legislation and the IFRS framework in time for the 1 January 2015 switchover. In paragraphs that follow, we describe the process and the involvement required of the sector.

The Financial Reporting Standard

Tribute must be paid to you as a sector in terms of the volume and quality of responses submitted last year to the ASB's consultations on the IFRS convergence process. The Federation also warmly welcomes the significant amendments the ASB has made to the proposals. These changes have gone a long way to remove the likely negative impact on housing associations' financial reporting.

Major changes

1. The ASB has combined the content of the Financial Reporting Standard for medium-sized entities (FRSME) and the Financial Reporting Standard for Public Benefit Entities (FRSPBE) into a single standard, the Financial Reporting Standard.

2. The FRS no longer includes the concept of public accountability. This would have meant any housing association with a bond issued in its own name would have been classified as publicly accountable and would have been been required to adopt all 3,000 plus pages of EU IFRS. The FRS contains no requirements additional to Companies Act requirements. Therefore any Companies Act entity that prepares consolidated accounts and holds an own-named bond will have to adopt 'full' IFRS. We are currently investigating whether this will apply to any group structure within the sector.

3. The capitalisation of borrowing costs and the valuation of housing properties are now permissible under the FRS. These were two of the most contentious issues in the previous proposals and would have significantly reduced housing association balance sheet strength. The proposals threatened to weaken housing association bank covenant compliance and would have cost the sector millions of pounds each year.

4 The FRS proposes two alternatives for grant accounting – the performance or the accrual method:

(a) Under the performance method, grants are to be recognised in income when future performance conditions have been met. If there are no performance conditions attached to the grant it is to be recognised in income upon receipt and

(b) Under the accrual method, grant used to fund an asset should be recognised as deferred income in the balance sheet and not netted off against the underlying asset. The grant is to be amortised in the income statement over the useful life of the asset.

The FRS is silent on the accounting treatment applicable to grant received prior to the 1 January 2015 switchover. The expectation was that grants received prior to the switchover would have been unaffected by the change. However, without specific clarification from the ASB, the presumption is that a prior period adjustment will be required. This issue has been raised in our response to the consultation exercise – see above.

5 The FRS includes large areas of the accounting for financial instrument which have been 'greyed out', pending finalisation and adoption of IFRS 9 on financial instruments which still needs to be agreed by the international accounting community. An exposure draft on IFRS 9 is expected to be issued in early 2013. The FRS will be updated on the accounting for financial instruments once the position on IFRS 9 has been settled.

6 Based on the previous proposals, the sector was able to demonstrate that the cost of implementing IFRS-style accounting would cost a housing association with 30,000 homes around £530,000 (for details click on/follow the link:
http://www.housing.org.uk/policy/finance/ifrs.aspx.
Given the success that the sector has achieved in negotiating changes to the proposals, the estimate of these costs may well have changed. However, what is clear is that the implementation of IFRS-style accounting will still be a considerable undertaking for the sector with significant resource implications. Therefore, we are keen to hear your views on the estimated costs of implementation, to add to the collective wisdom of the sector.

The revised housing SORP is to include a section on transitional arrangements, aimed at assisting housing associations in their planned arrangements to implement IFRS-style accounting.

Revision to the housing SORP

The FRS focuses more on commercial organisations and is more high-level, principle-based. The ASB's view is that a housing SORP is required to provide detailed accounting guidance on specific issues in order to apply the FRS to the social housing business model. Consequently, over the last 18 months, the SORP Working Party has been in the process of rewriting the housing SORP for consistency with legislation and the FRS. The revised SORP needs to be in place for the 1 January 2015 switchover. The current plan is for the SORP to be available by late 2013 to allow housing associations sufficient time to prepare prior year comparatives for accounts commencing from January 2015.

A crucial part of the rewrite process is consultation with the sector. The consultation exercise provides housing associations with an opportunity to influence the content of the housing SORP in a far greater way than they were able to effect change to the content of the FRS. Therefore, housing associations are strongly encouraged to participate fully in the consultation exercise to help ensure that implementation of the FRS is right first time, is applied consistently and extensively across the sector and to avoid any unintended consequences. The consultation exercise will run from 1 October - 31 December 2012

Parts of the current SORP will be deleted where it provides no additional guidance to that provided in the FRS. Guidance on a number of issues in the current SORP will remain unchanged and these will not be consulted upon. Similarly, the FRS will include additional disclosure requirements and there is no intention to consult on these additional requirements. The FRS introduces a number of fundamental changes to recognition, measurement and valuation which will have a significant impact on housing association financial statements and these issues will be the subject of consultation. The sector will be invited to comment on whether draft guidance in the SORP provides the correct answers for the sector and whether proposed revisions to the SORP are comprehensive.

The housing SORP will also include a section that addresses transitional issues. The purpose of this section of the SORP will be to assist the sector in the entire process of implementing the FRS so that it is applied consistently and comprehensively across the sector, with the minimum effort.

The Federation will be hosting a series of five IFRS autumn roadshows (see below for details). The roadshows will explain the changes being introduced by the FRS, identify the key issues relating to implementation of the FRS, highlight the transitional issues and explore issues that are to be consulted upon in the revised housing SORP.

Issues for consultation

The issues to be consulted on will include:

1 **Property, plant and equipment**
Under UK GAAP, social housing association property is disclosed as fixed assets and there is a specific accounting treatment for low cost home ownership properties and properties developed for sale. The FRS redesignates certain tangible fixed assets. The housing SORP will provide guidance on whether, according to tenure, housing association property should be disclosed as PPE, investment property, etc.

2 **Accounting for multi-employer pensions deficits**
The current FRS 17 multi-employer defined benefit scheme exemption may no longer be applicable to housing associations that are members of the Social Housing Pension Scheme (SHPS). The FRS currently states that where there is not 'sufficient information' available to use defined benefit accounting then defined contribution accounting should be used – consistent with current UK GAAP. However, the wording in the FRS is inconsistent with that in EU-IFRS. EU-IFRS would require housing associations to

recognise their share of the SHPS deficit that they are now contractually obliged to repay.

At the March meeting with the ASB, Roger Marshall confirmed that the difference in wording was unintended and the ASB intends to amend the language to ensure that the FRS is consistent with EU-IFRS. This would be a significant change to housing association financial statements and will introduce a sizeable deficit onto housing associations' balance sheets.

Meanwhile, the Federation has been in separate correspondence with the Pensions Trust clarifying whether in the future it intends to allocate individual members' shares of the total SHPS deficit. The Pensions Trust has indicated that, because of the way the scheme works, it does not have the capacity to provide this information with any degree of actuarial certainty.

3 Accounting for grant income

The FRS allows housing associations to adopt either the performance or the accrual method to account for grants. The consensus within the SORP Working Party is that the accrual method is the most appropriate way of accounting for social housing grant. However, the Federation is aware that although this option more closely resembles the accounting treatment currently adopted by the sector, it still introduces the risk that it will affect bank covenant calculations for some housing associations. The ASB expressed concern that the housing SORP might restrict either of the options available in the FRS.

With government grant amounting to £43bn in the sector's global accounts, its interaction with component accounting, etc, accounting for grants will form a significant part of the consultation exercise.

4 Accounting for financial instruments

Certain aspects of the FRS that relate to accounting for financial instruments are unlikely to be altered by IFRS 9. For example, the FRS distinguishes basic (eg, simple loans, trade, creditors and debtors) financial instruments from those classified as others. Basic financial instruments will be disclosed at cash values, whereas other financial instruments will be the subject of marked-to-market adjustments. The FRS will introduce significant changes – phase 1 – to the recognition, measurement and valuation of financial instruments, which the sector will need to work through. Phase 2 will commence after IFRS 9 has been issued.

5 Format of FRS financial statements

The FRS will herald a change in the nomenclature, format and content of housing association financial statements. For example, the income and expenditure account will become the statement of comprehensive income, the balance sheet will become the statement of financial position and, as already indicated, tangible fixed assets will become property, plant and equipment. The revised housing SORP will include examples of the new look housing association financial statements.

The housing SORP consultation process

The Federation will be fully automating the consultation process by use of a survey monkey, to make it quicker and far easier for the sector to provide its views and comments on the proposed changes to the housing SORP. During, prior and after the consultation period, the finance policy team will continue to issue bulletins via our Twitter account, alerting the sector to unfolding developments. The finance policy team will also seek to encourage the sector to participate in the ongoing exchange of views on emerging issues via our LinkedIn group.

Survey monkey

Previous SORP consultations entailed emailing lengthy Word and Excel documents that needed to be detached, completed and saved before returning to the Federation. Some even responded by returning manually completed hard copies. These responses were then scanned in manually, saved on our system and collated before the responses could be processed, analysed and reported on. This was very time-consuming, prone to error and prolonged the reporting timescale.

In the autumn, look out for a survey monkey. You will receive this as a short email containing a link to an online, interactive survey forms. The survey monkey will automatically collate and process the responses in real-time and will enable the Federation to carry out more detailed analysis and faster reporting of the results.

National Housing Federation - Social Housing Finance LinkedIn group

The finance policy team's Social Housing Finance LinkedIn group will provide a meeting place for finance professionals within the sector to take part in a debate on issues ranging from the FRS implementation, the housing SORP consultation, VAT, pensions, REITs and treasury and other finance. To maintain a degree of confidentiality and order, the finance policy team's Social Housing Finance LinkedIn group will be private, with admission controlled and monitored by the finance policy team.

Arrange for your individual or your organisation's LinkedIn account to be included in the finance policy team's Social Housing Finance LinkedIn group, to have your say in shaping housing association accounting:
http://www.linkedin.com/groups?gid=4423291&trk=hb_side_g

Twitter

The finance policy Twitter page is where important alerts and updates are first made. Therefore, please follow us @natfedfinance for up-to-date news on housing association finance.

The Federation's contact is Tahera Merali, research and policy assistant on 020 7067 1048 or tahera.merali@housing.org.uk.

IFRS roadshows

The National Housing Federation will be hosting a series of IFRS roadshows across the country in autumn 2012 to assist housing associations to implement IFRS-style accounting. The aim of the roadshows will be to promote accounting consistency and wider application of the FRS and will include expert speakers from across the sector.

Each will include sessions on accounting principles of the FRS, new grant accounting rules, accounting for pension fund deficits, financial instrument accounting, etc. The roadshows will be used to launch the housing SORP consultation. The dates and locations of the roadshows are as follows:

- Thursday 18 October 2012 – The Rougemont Hotel by Thistle, Exeter
- Tuesday 23 October 2012 – Marriott Hotel, Leeds
- Thursday 25 October 2012 – Novotel, Birmingham Centre
- Tuesday 6 November 2012 – The Portland by Thistle, Manchester
- Thursday 8 November 2012 – The Commonwealth Club, London.

To view the brochure and to book your place today click on/follow the link:
http://www.housing.org.uk/events/finance_events.aspx

The Federation's contact for accounting is Joseph Carr, finance policy leader, 020 7067 1094 or joseph.carr@housing.org.uk.

Accounting direction 2012

Earlier in the year the Homes and Communities Agency (HCA) consulted on a new Accounting Direction to replace the 2006 Accounting Determination. The social housing regulator received a wide range of responses which were used to revise the draft direction. The Direction will now be finalised by HCA regulation. The ICAEW Social Housing Committee and the Federation expressed serious concern with the speed with which it was being introduced and requested that, in view of the number of amendments made since the last draft, it be issued for a further period of consultation.

We are pleased to confirm that the regulator has listened to our concerns, and has agreed to re-issue the Accounting Direction for a further period of consultation. We understand that the social housing regulator is planning to issue the final Accounting Direction by September 2012.

The depreciation matrix

Ever since the depreciation of social housing property became a requirement for housing associations, the Federation has acquired a depreciation matrix on behalf of members. The matrix provides details of land values as a percentage of vacant property possession based on a selected number of cities for each of the regions.

However, since 2010, the Valuation Office Agency has stopped producing residential land value estimates. Although we found an alternative source for this information last year, it is clear that in the future there will be limited reliable sources of land value data available.

The depreciation matrix has been published by the Federation in collaboration with Jones Lang LaSalle. The figures in the 2012 matrix have been computed on a different basis from previous years. They have been based on 2011 figures with some adjustments for the intervening period. To purchase the 2012 depreciation matrix, please click on/follow the link: https://www.housing.org.uk/OnlineStore/Default.aspx?tabid=215&action=ECDProductDetails&args=12364

Regrettably, going forward, we have come to the end of the road with this service and we will be unable to produce a matrix for 2013.

The Federation's contact is Tahera Merali, research and policy assistant on 020 7067 1048 or tahera.merali@housing.org.uk.

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4 Taxation

VAT cost sharing exemption

HMRC has now issued draft guidance to support the VAT cost sharing exemption legislation, which aims to reduce the VAT barrier for joint working arrangements. The exemption will be incorporated in the UK's legislation in this year's Finance Bill.

However, the draft legislation will heavily rely on the accompanying guidance to enable housing associations to understand how it will apply in practice. The draft guidance is now subject to stakeholder comment.

The draft guidance provides further insight into how the exemption will apply including:

- Details in connection with how organisations will qualify as members of a cost sharing group
- Clarity in connection with what constitutes 'directly necessary'
- Details of how a cost sharing group and VAT group membership interact
- Information on the cost sharing group being responsible for assessing the continued compliance of its members and
- Comments on how the cost sharing group can promote and market itself.

The guidance enables prospective joint working arrangements that could qualify for the cost sharing exemption to be more effectively assessed but also identifies further points that require clarification. In particular, it is unclear how the draft guidance in connection with the cost sharing group promoting and marketing itself interacts with housing associations' requirements to competitively tender for services.

To see the guidance and to respond to the request for feedback click on/follow the link: http://www.housing.org.uk/publications/find_a_publication/finance/draft_guidance_on_vat_cse.aspx.

The Federation will be responding with comments to the draft guidance before the closing date of the consultation on 18 May 2012.

Full VAT recovery on feed-in tariff costs

HMRC has issued internal guidance to officers in connection with the VAT treatment of feed-in tariff (FiT) rent-a-roof schemes which should allow housing associations to recover

VAT incurred on the costs of installation and ongoing maintenance of solar panels in some circumstances.

Key points in the guidance are:

- HMRC considers that the wholesale price of electricity is an appropriate proxy for the electricity which is supplied to the property owner in exchange for the roof-rental. Therefore, 3.2p/kWh, the value of the export tariff, can be used as the wholesale value, and
- Provided VAT is accounted for on the supply of the electricity to the property owner, as above, then the VAT incurred on the associated costs, including the purchase of the solar panels and ongoing repair and maintenance, should be recoverable in full because it relates to the charge to the property owner and the taxable export tariff.

This would mean that where a housing association sets up a separately VAT-registered wholly-owned subsidiary to which it rents its roofs, the wholly-owned subsidiary should be able to get full VAT recovery on the relatively expensive supply and installation of the solar panel in return for drip-feeding a relatively small irrecoverable VAT cost to the association. This may be a more practical VAT mitigation solution than trying to charge tenants for their use, which has been explored by some housing associations.

A full copy of HMRC's guidance can be accessed via the links below:

http://www.hmrc.gov.uk/manuals/vatscmanual/vatsc05220.htm.

Real time information

Real time information (RTI) is the largest change to the administration of the PAYE system in its 65-year history.

RTI will be compulsory from October 2013 but will be introduced for most employers in April 2013. Under RTI, employers will provide a detailed return to HMRC of the tax and NIC treatment of every payroll item for every employee every time the employee is paid. Sharing more information, more regularly will allow HMRC to spot errors more quickly and target reviews, leading to higher penalties.

Whilst April 2013 may seem some way off, most employers will have only 12 pay periods to get payroll processing up to the required standard for RTI. We are therefore encouraging housing associations to take action now to provide sufficient time to:

- Manage the changes. This will involve engaging with multiple stakeholders – both internal and external
- Address the complexities around certain sub-populations, eg, temporary workers and the weekly paid

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- Address specific compliance issues that might impact the timeline for achieving compliance
- Review employee payroll data to ensure that it is set up correctly for RTI reporting
- Introduce processes to ensure payroll information is captured on time to meet the tight reporting deadlines
- Review all payments and deductions in payroll to ensure they are set up correctly for tax and national insurance
- Update your P11D reporting dispensation and PAYE Settlement Agreement (PSA) to reduce the amount of information that needs to be reported to HMRC and
- Test and implement software solutions.

The above tax articles have been provided by the Federation's tax advisors, KPMG.

The Federation's contact for all taxes is John Butler, finance policy officer, 020 7067 1177 or john.butler@housing.org.uk.

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5 Pensions

Are you ready for auto-enrolment?

With pension auto-enrolment being phased in from October 2012, housing associations should start thinking about the changes now in order to understand the increase in costs and the administrative burden of complying with the new requirements.

From 2012, companies will need to analyse their workforce to identify which employees they will need to auto-enrol into a pension scheme and provide minimum pension contributions. Whilst the requirements apply to the largest employers first, many employers will have to comply during 2013.

Employees will fall into three categories, depending upon their age and earnings. This then dictates whether the employee must be auto-enrolled and if the employer is required to pay contributions. Employees will have the choice to opt-out of the pension arrangement shortly after being automatically enrolled, but must be re-enrolled every three years.

Systems and processes

Housing associations will need to have robust systems in place to be able to identify when and which employees need to be auto-enrolled. They must have processes in place for dealing with the large number of opt-outs that the Government is expecting – particularly in the current environment of wider pension reforms and limited pay rises. Essentially, employers will need to have the systems in place that are capable of categorising and tracking employees on a continuous basis.

Along with the implementation of real time information to HMRC, employers need to consider how fit for purpose their information systems (HR, IT, payroll, benefits, pensions) are to manage the assessment, processing and ongoing monitoring requirements. It will be more efficient to consider the impact of RTI and pensions auto-enrolment together.

Employers' options

Choosing an appropriate pension arrangement will be particularly complicated for housing associations. For many, offering membership to the existing defined benefit scheme would be costly and expose the employer to significant future risk.

Also, many employees may already have chosen not to participate in the current arrangements on affordability grounds, and therefore re-offering membership would not be ideal. Employers should therefore consider providing a lower cost alternative – perhaps through an existing arrangement (eg, The Social Housing Pension Scheme - SHPS), a newly established scheme or a 'master trust' such as the National Employment Savings Trust (NEST). NEST has been set up to provide low cost provision and is aimed at moderate to low earners, but the lack of employer control and limitations on contribution limits mean it may not be the solution for everyone.

Employer decisions

Employers therefore need to identify their pension objectives and carefully consider the following:

- What will be the likely increase in annual pension contributions?
- Are your IT, payroll and HR systems and processes joined up and 'fit for purpose'?
- Will your existing pension arrangements satisfy the requirements and be a suitable vehicle going forwards?

Details of a four-step approach to managing your duties and further information on meeting the requirements can be found on the dedicated site: (www.kpmg.co.uk/AutoEnrolment) which will help you prepare for auto-enrolment and beyond.

The Social Housing Pension Scheme

SHPS's most recent triennial valuation was carried out on 30 September 2011 and the results of the valuation are due to be announced by 18 May 2012.

The valuation is expected to show an increased deficit compared to the last triennial valuation as at 30 September 2008. At that date, the scheme was £663m in deficit which represented a 69.7% funding level. To repay this deficit a repayment plan of 13 years was put in place, with each housing association making a deficit contribution of 7.5% of pensionable salaries.

The expected increased 2011 deficit will be recovered by a different mechanism. SHPS has decided that each employer will contribute to the deficit based upon their own share of the overall liability. The Federation will be working with SHPS and housing associations to ensure that the repayment of the increased deficit does not create significant extra costs for the sector.

The Federation's contact for pensions is John Butler, finance policy officer, 020 7067 1177 or john.butler@housing.org.uk.

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6 Welfare reform

Welfare reform update

The National Housing Federation's high-profile lobbying campaign against some of the more problematic elements of the Welfare Reform Bill secured more than one £100m of additional support for tenants hit by the changes, a promise to commission an independent review of the impact of the bedroom tax and a commitment to test direct payment to claimants in a series of demonstration projects.

While the Federation is continuing to work with the Department for Work and Pensions (DWP) to influence the content of the regulations due to follow the Bill's passage into law, we are also prioritising advice and information to landlords and tenants to help them prepare for the changes. Housing associations will need to demonstrate to the Homes and Communities Agencies that they have factored the likely impact of welfare reform in to their business plans.

Over the coming months, ahead of the introduction of the bulk of the reforms affecting the social sector in 2013 (including the bedroom tax, overall benefit cap and direct payment to claimants), landlords will need to consider a range of issues.

These include:

- Allocations
- Tenant and stock profiling
- Communicating changes to tenants
- Encouraging people to downsize
- Money advice
- Online access
- Additional collection costs
- Increased arrears
- Need to access discretionary housing payments
- Single/double occupancy bedrooms and
- Fixed-term tenancies.

The Federation will be focusing on several of these issues in turn to provide information to the DWP, share practice from other landlords, and answer members' questions. More information is available on our website:

www.housing.org.uk/policy/welfare_reform/next_steps.aspx.

One of the first subjects we have tackled is the importance of **tenant and stock profiling.**

Key questions

- Do you know which of your tenants currently receive housing benefit?
- Do you know how many of your tenants are under-occupying their homes and by how many rooms?
- Do you know how many of your tenants might be affected by the benefit cap?

Data sharing arrangements and welfare support

New powers in the Welfare Reform Act enable DWP and local authority housing benefit teams to supply social security data to 'qualifying persons' for purposes connected with a welfare service. We understand that new regulations will prescribe social landlords as qualifying persons, for the purpose of receiving data about people who might be affected by the new social sector size criteria.

The National Housing Federation has been arguing that the same logic can and should apply where tenants are at risk of the benefit cap, in order to help housing associations identify and support tenants at risk of benefit cuts. Early indications suggest that the Government has understood our position and is looking to extend the regulations to allow enhanced data sharing for this purpose.

Case study - English Rural Housing Association

English Rural Housing Association is a specialist rural housing provider with around 1,000 properties – 650 rented and 350 shared ownership. Last year, when it carried out a resident satisfaction survey of all households, it took the opportunity to capture additional information on how its tenants might be affected by the Government's welfare reforms.

It tacked onto the survey a series of optional questions about residents' employment, levels of income and benefits, size of household and levels of under-occupation. It also asked residents about the forthcoming welfare changes to discover how much they knew. Most residents who responded to the satisfaction survey also answered the welfare questions, on an anonymous basis.

The survey attracted an overall 25% response rate, which provided a useful sample of data and created an overall picture of how the welfare reforms might impact English Rural and its residents. In addition to helping identify the key trends and issues affecting residents, the data has been used to help plan budgets for the coming year, and as the basis for more detailed modelling of the impact of the reforms. The next phase of work will determine the most important information to disseminate to residents, and establish which residents are in most need of targeted support. This will entail a more forensic approach, using existing data on housing benefit claims as a starting point.

Over the coming period, English Rural will be asking households for more information about their circumstances, including their finances, to discuss the issue of affordability in relation to under-occupation.

Federation website

A welfare reform FAQs page is now live on the Federation's website, which will be updated as and when we receive information and clarification from DWP as to how the welfare reforms will work in practice.

www.housing.org.uk/policy/welfare_reform/faqs.aspx.

A LinkedIn group has also been set up to help Federation members share information and seek advice from colleagues in the sector:

www.linkedin.com/groups?gid=4345549&trk=hb_side_g.

Welfare reform conference

The Federation will be hosting a conference on Welfare Reform on 23 May, at The Commonwealth Club, London. Hear from the Government on the key housing elements of welfare reform and universal credit. Discuss implications of the size criteria, benefit cap and direct payments to claimants.

For more details click on / follow the link:

www.housing.org.uk/events/find_an_event/housing_management_and_policy/welfare_reform/welfare_reform_2012.aspx.

The Federation's contact for welfare reform is Andy Tate, neighbourhoods policy officer, 020 7067 1081 or andy.tate@housing.org.uk.

Moving tenants to Bacs payments

The introduction of universal credit heralds the beginning of fundamental change to the way landlords will be paid by social housing tenants, which has raised concerns regarding increasing arrears and a rise in collection costs. Dawneth Perry, sector manager for Bacs Payment Schemes Ltd (Bacs) explains why switching tenant payments to direct debit could provide the answers. Bacs is a not-for-profit organisation.

From October 2013, the DWP's new universal credit will replace housing benefit, income support and job seekers allowance with a single payment made directly to the household – this is viewed by the Government as an important step in helping tenants adapt to employment by replicating a monthly salary.

And, according to DWP figures, approximately 20% of social housing tenants will move to receiving the housing element of their payment directly, rather than it being paid to the landlord. This step-change has brought with it worries that tenants may fall behind with payments, and landlords may be forced to invest in additional manpower to manage rent collection.

A simple solution is to encourage tenants to adopt direct debit for payment – and we have plans to help the social housing sector to do so, by bringing landlords together to work with us on an initiative which will help change the way tenants pay. And that will look not just at those affected by universal credit, but all tenants who could benefit from switching to automated payments.

For housing associations, using direct debit means rent is paid on time without the need to chase tenants. There are significant cost savings to be made, too – drawing on our experience within the council tax arena, housing associations could save £10 per annum in processing costs for each tenant switching from paper-based to automated payment, helping to reduce administration processes and improve cash flow planning.

Direct debit is good news for tenants as well. It's safe and secure, and tenants are also covered by the direct debit guarantee which provides an immediate refund if there is an error in payment collection. And it's convenient – direct debit removes the need for tenants to write and post cheques or make their way to a collection point to queue up and pay in cash. In addition, by allowing payments to be set for monthly or weekly intervals, and by offering a range of payment dates, housing providers can help tenants to manage their finances effectively, and reduce the fear of missed or late payments.

But how do you encourage tenants to move to this more cost-effective, convenient payment method?

We have years of experience in identifying the groups which are most likely to be open to changing the way they pay, and the triggers which encourage them to do so. We've used this to great effect in the local authority sector for council tax collection, among water companies and we're currently operating a nationwide campaign bringing together a multitude of billers to encourage payment by direct debit (www.thebigbreak.co.uk).

Now we're bringing that experience into the social housing sector, and creating a collective marketing campaign which is open to all social housing landlords. We already know that 78% of the UK adult population has a positive attitude to direct debit and only 7% are reluctant to pay by direct debit.

We are working to develop a campaign specifically for the sector, with the core objectives of raising awareness of and improving tenants' attitudes to direct debit, as well as highlighting the extensive benefits of using direct debit. We will create central marketing materials which challenge mindset and behaviour, conveying the messages and benefits of direct debit in a compelling and motivating way, and these will be made available to all those taking part in the campaign. The message will be spread further through public relations and social media activity.

We want as many housing associations as possible to become involved – our previous experience shows that if many join forces behind a consistent, compelling message, it is far more effective than acting alone. And starting work before universal credit is introduced will help smooth the way for change in the future.

If you'd like to know more, or have any thoughts or comments you'd like to share, please contact Dawneth Perry at d.perry@bacsservices.co.uk, tel no. 07980 797 356.

7 Investment

Affordable homes programme

The Federation has recently compiled an analysis of the current affordable homes programme contracts and it suggests that the programme may go well beyond its target of 80,000 homes, potentially delivering over 85,000. Housing associations are demonstrating that they can positively and proactively deal with one of the toughest operating environments they have faced.

Affordable housing delivery is expected to pick up in the coming months. There were only 454 affordable housing starts between April and September 2011, this was a reflection of the delays that occur when a new investment framework is introduced. As most providers have signed contracts with the HCA, we expect that housing associations will significantly increase their delivery over the coming months.

The Federation continues to work hard to secure the best possible operational environment. We will continue to challenge robustly the HCA and the Greater London Authority (GLA) where we believe greater freedoms and flexibilities could improve delivery. Over the next few years, the real challenge will be to ensure that the HCA/GLA moves from an intensive scheme-by-scheme scrutiny approach towards a more flexible programme management approach. The experience, so far, suggests that they can still make improvements.

Right to buy

The Federation welcomed the Government's efforts to help more tenants into home ownership, but remain concerned about the details of the Government's reforms.

The Federation does not believe that the £75,000 national discount cap is sensitive enough for differing house prices across England. Especially where receipts from social housing sales in low value areas are insufficient to replace the homes sold. Some housing associations' financial and development capacity may be affected if they are unable to fund replacement homes.

The Government remains committed to replacing additional homes sold with affordable rented homes. However, we believe it is imperative that government not only remains committed to delivering the one-for-one replacement, but that it introduces a fixed time period within which right to buy receipts must be reinvested in new homes. This will ensure that the supply of affordable housing is not depleted during a time of rising housing need.

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Funding Future Homes

The Federation is progressing its work on considering the requirements for a new investment settlement post-2014-15. We have now completed a range of member and stakeholder engagements. This has included six member engagement events involving around 250 housing associations and a number of round-table events exploring a number of issues in depth, such as institutional investment and regeneration. We are currently interviewing stakeholders in local authorities and a range of other organisations.

The inconvenient truth is that subsidised housing needs subsidy. Members and stakeholders are clear that capital grant offers the best value for taxpayers and works best for supporting housing delivery. However, it is recognised that capital grant will need to work harder in the future in return for greater freedoms and flexibilities. This may lead to a different set of relationships in a future programme between the investment agency, housing associations and local authorities.

A future investment programme will also need to take a more holistic view of value for money and recognise the higher costs of delivering specialist and supported housing schemes, larger homes and green homes.

The Federation's contact for investment is Adam Barnett, investment policy officer, 020 7067 1114 or adam.barnett@housing.org.uk.

8 Risk

The federation and Zurich announce a new partnership support for sector risk management

The National Housing Federation and Zurich Municipal are delighted to announce that they are to collaborate on an exclusive basis to provide members of the Federation with support for risk management and insurance expertise. Details of the arrangement and the service to be offered to members are still being agreed and will be publicised initially using the finance policy team's Twitter account, LinkedIn and website, and later in the next edition of this publication.

Reducing the cost of risk in the era of austerity

Zurich has produced an analysis entitled 'Reducing the cost of risk in an era of austerity – complexities of long-term savings in risk and insurance'. The paper is relevant to a range of organisations within the public services, including housing associations working within those market dynamics.

The paper asserts that for both the public and private sectors, managing risk is an essential part of managing business. In a time of financial restrictions, organisations can only achieve sustainable cost reductions in their risk programmes by understanding their total cost of risk and the factors that affect it such as where to invest in risk management and how to improve your overall risk profile. To download a copy of the paper, click on/follow the link:

http://www.housing.org.uk/policy/finance/risk.aspx.

Tenant cashback

Repair and be aware

The Department for Communities and Local Government (DCLG) would like social housing tenants to become more involved in the repair and maintenance of their own homes. However, Zurich believes that there are some risk management and insurance considerations that should be addressed before a clear framework is put in place to implement this idea.

DCLG has said that social housing landlords, responsible for England's more than 4m social homes, spend an average of £1,000 per property on repairs and maintenance annually. These are works that DCLG believes tenants could, very often, do themselves, saving landlords money in the process. Total maintenance and repair costs for social housing runs at about £4bn per year in England, according to DCLG.

When housing minister Grant Shapps launched the pilot tenant cashback scheme in England last year, he said it was worth 'billions' to allow housing tenants to take control of the maintenance and repair of their own homes.

Risk management considerations

We understand the Government's desire for tenants' involvement and, indeed, Zurich is involved in two initiatives, namely My Community Starter and Neighbourhoods Green, that support this aspiration.

However, a recent article in 24 Housing indicated concerns raised by some of the housing associations engaged in the pilot scheme and Zurich shares some of these concerns. In particular, the proposal to allow tenant involvement in repairs to their homes without adequate risk management and risk control processes in place, could result in long-term costs.

Without adequate risk management and risk control processes in place, short-term and long-term property damage as well as tenant and third-party injuries could significantly increase liabilities, and the lines of responsibility for these liabilities could get blurred.

Additional risks and liability concerns

As an example, under the previous system, a housing association would either get one of its maintenance employees or a contractor to go to a property to undertake repairs or improvements. When a housing association takes charge of the work, there are checks and quality assurance procedures when selecting maintenance employees and/or sub-contractors.

However, a tenant carrying out repairs rather than a service provider enhances certain risks:

- What happens if a tenant or neighbour is injured as a result of that repair?
- What happens if someone is repairing a water leak and, while doing it, ends up causing damage to a neighbour's home or to an entire block of homes? and
- What happens if a repair is done and it's faulty and it's only discovered when another tenant reports another fault?

This brings up a whole host of questions about responsibilities and risks that might not be traceable to a particular party.

In order for this initiative to succeed, there needs to be risk management and controls in place to protect tenants and housing associations alike.

The Federation's contact for risk is John Butler, finance policy officer, 020 7067 1177 or john.butler@housing.org.uk.

9 Finance conference 2012

The Federation's flagship finance conference celebrated its 30th anniversary at Warwick on 21 and 22 March 2012. The numbers attending the conference were higher than recent years, reflecting the rising importance that finance issues play for housing associations. The feedback received has also shown an improvement and we would like to thank all those delegates who made the effort to provide feedback. This is invaluable to improving the quality of future events.

The Federation is grateful to Kate Allen, editor of Social Housing magazine, for sharing below her thoughts on the major themes, highlights and issues emerging from the conference.

"The big themes at this year's finance conference were accounting standards, regulatory change and funding innovation. With the shortage of bank funding continuing, speakers explored such diverse options as bond issuance, REITs and sale and leaseback deals. The potential scope for raising new finance off the back of the rental income stream from the new affordable rent tenure was considered. And one session looked at how to deal with lenders when facing potential re-pricing of existing loans.

The forthcoming introduction of IFRS-style accounting and its impact on the housing SORP were examined in several sessions. With yet another round of SORP consultation to begin in the autumn, these sessions were particularly important in keeping delegates up to speed with likely changes. A session on the rules relating to hedging instruments set out just how big an impact these changes will have in practice.

Briefings on the economic climate, delivering value for money, VAT, pensions and welfare reform provided vital updates on these areas of expertise. Rating agency Fitch gave a useful insight into its assessment process.

In the field of regulation, a useful session from the regulator set out its expectations for the sector and presented some key messages emerging from its 2010/11 accounting data review. Housemark looked at how to deliver on the regulator's new requirements on value for money, while sessions on risk management and assurance provided additional support in the field of governance."

The Federation's contact is Joseph Carr, finance policy leader, 020 7067 1094 or joseph.carr@housing.org.uk.

10 Budget 2012

On 21 March 2012 the Chancellor delivered his third Budget. A number of the announcements had already been heavily trailed in the press, however, there were still some surprises, particularly in the areas of pensioners' personal allowances and limits on high-income individuals' charitable giving.

Responding to the budget and its impact on the housing sector, the Federation's chief executive David Orr said:

"We welcome the chancellor's move to close the loophole that allowed wealthy individuals to buy properties through companies and avoid stamp duty. It meant people on high incomes could avoid paying tax on the purchase of expensive homes.

However it is disappointing that the chancellor has failed to put investment in housing at the forefront of driving forward economic growth in the UK.

Supporting housing associations to maximise the investment they make in building and maintaining homes creates new jobs, saves the Government benefit payments, invests in local communities and boosts general economic activity.

Every new home built creates 1.5 new jobs directly and up to four times as many in the wider economy. It also improves access to housing overall particularly for those on lower and middle incomes. Few other sectors can offer this potential with such short lead-in times and the prospect of so much growth directly benefiting local communities.

Boosting the housing sector would be an easy win for the economy, for taxpayers and for families. And with 4.5 million people on waiting lists and one million children in overcrowded accommodation a big boost for fairness too"

To see our comprehensive briefing on the budget that summarises all the budget announcements and changes relevant to the housing sector, alongside the Federation's responses, click on/follow the link:

http://www.housing.org.uk/publications/find_a_publication/finance/budget_2012_briefing.aspx.

The Federation's contact is Joseph Carr, finance policy leader, 020 7067 1094 or joseph.carr@housing.org.uk.

11 Financial inclusion

My Home Finance

Introduction

My Home Finance Limited (MHF) is a social business that was established in August 2010 by the National Housing Federation. The company serves financially excluded individuals – that is to say people who cannot access credit from mainstream sources. Historically, this group has been constrained to borrowing from doorstep, payday and illegal lenders charging interest rates between 200% and 4,000%. MHF offers a customer-focused service providing loans, bank accounts and savings facilities as a safe, affordable alternative.

Plans for growth

Having successfully piloted its services in the West Midlands, MHF is looking to consolidate operations there and expand into further regions. To resource this development, MHF is aiming to use a bond or similar financial instrument to raise funds from housing associations and other sources across the country. MHF is currently in talks with various agencies relevant to the development and issue of the fundraising mechanism. Details will be released once finalised.

The Federation's contact is Tess Pendle, head of My Home Finance 020 7067 1043 or tess.pendle@housing.org.uk.

12 Seminars and conferences

National events

- **IFRS ROADSHOWS 2012**
  - Thursday 18 October 2012, Exeter
  - Tuesday 23 October 2012, Leeds
  - Thursday 25 October 2012, Birmingham
  - Tuesday 6 November 2012, Manchester
  - Thursday 8 November 2012, London

  The Federation contact is Joseph Carr on joseph.carr@housing.org.uk

- **TREASURY MANAGEMENT SEMINAR**
  Thursday 27 September 2012, NEC Birmingham
  The Federation contact is Joseph Carr on joseph.carr@housing.org.uk

- **AUDIT COMMITTEE SEMINAR**
  Thursday 4 December 2012, Novotel Birmingham Centre
  The Federation contact is John Butler on john.butler.@housing.org.uk

- **RISK MANAGEMENT SEMINAR**
  Thursday 24 January 2013, Novotel Birmingham Centre
  The Federation contact is John Butler on john.butler.@housing.org.uk

- **FINANCE CONFERENCE 2013**
  Wednesday 20 - Thursday 21 March 2013, University of Warwick, Coventry
  The Federation contact is Joseph Carr on joseph.carr@housing.org.uk

Regional finance conferences

- **LONDON, SOUTH EAST AND EAST OF ENGLAND**
  Thursday 19 July 2012, ETC Venues, Avonmouth House, 6 Avonmouth Street, London SE1 6NX
  The Federation contact is Natalie Mc Gregor on natalie.mcgregor@housing.org.uk

- **MIDLANDS**
  End of November 2012, more details to follow
  The Federation contact is Camying Tam on camying.tam@housing.org.uk

- **NORTH WEST**
  End of November 2012, Manchester
  The Federation contact is Rebecca Murphy on rebecca.murphy@housing.org.uk

- **NORTH EAST AND YORKSHIRE AND HUMBERSIDE**
  Wednesday 5 December 2012, York
  The Federation contact is Rebecca Murphy on rebecca.murphy@housing.org.uk
- **SOUTH WEST**
  Thursday 6 December 2012, Exeter
  The Federation contact is Camying Tam on camying.tam@housing.org.uk

Regional finance forums

- **NORTH WEST FINANCE FORUM**
  Thursday 3 May 2012 – details to follow
  for further details please contact Jacqui Fieldhouse on
  Jacqui.Fieldhouse@newcharter.co.uk.

- **YORKSHIRE AND HUMBERSIDE FINANCE FORUM**
  Thursday 17 May 2012 – Details to follow
  For further details please contact Sean Flynn on Sean.Flynn@connecthousing.org.uk.

- **EAST OF ENGLAND FINANCE FORUM**
  late June / early July 2012 – Details to follow
  For further details please contact Anna Simpson on
  anna.simpson@broadlandhousing.org.

- **EAST MIDLANDS FINANCE FORUM**
  Tuesday 12 June 2012 – Details to follow
  For further details, contact Rob Griffiths on robert.griffiths@longhurst-group.org.uk.

- **NORTH EAST FINANCE GROUP**
  Wednesday 20 June 2012 – Details to follow
  For further details, contact Andrew Malcolm on Andrew.Malcolm@fabrickgroup.co.uk.

Finance policy quarterly update

Provides an update on:

- Alternative sources of finance
- The new Financial Reporting Standard (FRS)
- The new consultation on draft guidance to the VAT Cost Sharing Exemption
- Our views of the current Investment Programme and new Right to Buy discounts
- Auto-enrolment, tenant cash back scheme

and more . . .

Join in our conversation

@natfedfinance

National Housing Federation - Social Housing finance

If you would like to be added or removed from the mailing list for this publication and other policy updates on our database please contact policy@housing.org.uk.

The National Housing Federation is the voice of affordable housing in England. We believe that everyone should have the home they need at a price they can afford. That's why we represent the work of housing associations and campaign for better housing.

Our members provide two and a half million homes for more than five million people. And each year they invest in a diverse range of neighbourhood projects that help create strong, vibrant communities.

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