NATIONAL HOUSING FEDERATION

Finance policy

Quarterly update

business for neighbourhoods

Winter 2012-13

Finance policy quarterly update

Contents

1. Introduction

Welcome to the Federation's winter 2012-13 edition of the finance policy quarterly update.

In this issue we:

- analyse key announcements from the Chancellors autumn statement, including the decision to uplift benefits by 1% for three years
- highlight the latest developments in the process of convergence to international-style accounting
- provide latest updates on the likely impacts of welfare reform - demonstration projects arrears levels, new Universal Credit regulations and publication of the Federation's welfare reform impact assessment
- explore possibilities for significant increases in lending capacity
- review housing association VAT cost sharing exemption schemes under consideration by HMRC
- include two thought provoking articles on RPI-linked debt and dollar-denominated US investment
- review proposed changes to RPI formulae and
- announce the national roll out of My Home Finance.

We announce the shortlist of entries for the Housing Association National Accounting Awards – the winners will be announced at a glittering awards ceremony and dinner on Tuesday 19 March 2013 at the Hilton Coventry.

We provide an up-to-date line up of speakers for our annual Finance Conference 2013, financial innovation in a changing world, taking place between 20 – 21 March 2013, University of Warwick.

2. The Chancellor's 2012 autumn statement

The headlines

Is there an end in sight to the bad news? The Chancellor's Autumn Statement on 5 December 2012 offered little cheer to the continuing malaise. Debt continues to rise, economic growth remains elusive and, ignoring 4G license sales, the deficit is flat lining. Prolonged economic stagnation means austerity measures will remain in place until 2018, a year longer than the Chancellor predicated at his last Budget.

On the economy, the Office for Budget Responsibility expects a contraction of 0.1% this year, compared to the 0.8% increase predicted in March 2012. In addition, the forecasts were downgraded for the next three years to 1.2% in 2013, 2% in 2014 and 2.3% in 2015. The main causes of this depressed economy are the continuing weakness in the Eurozone (the UK's main export market) and difficult bank conditions where even the best firms are finding it near on impossible to get credit (sound familiar?).

The poor economy translates to lower tax receipts and increased welfare spending, hence the lengthened austerity programme. In response, the Chancellor is seeking to raise additional revenues from charges on pensions of higher earners and, more worryingly for housing associations, making savings by squeezing those on welfare benefits.

Implications for the sector

It is the tightening of welfare benefits that will have the most pronounced impact on the sector. Benefits will be capped to a rise of one percent for three years from April 2013 – a cut in real terms as inflation is projected to rise more quickly.

Although the housing benefit element of Universal Credit (UC) will be exempted from the one percent rise for the majority of tenants in the social housing sector, once social tenants move to UC from October 2013 their total income will decrease. Tenants will receive all their benefits directly in a single monthly payment and the real-term cuts to the non-housing elements of UC may leave them struggling to meet the rising costs of living and may make it harder for them to pay their rent. Federation modelling on the effect of a one percent cap, assuming no exemptions, suggests that over the three years to 2015-16 a couple with two children in a three bedroom house in Lambeth, South London, could receive £580 less than they would have done had the benefit been uprated for the cost of living increases. A similar family in Manchester could receive £245 less.

The Autumn Statement included no mention of withdrawing housing benefit for the under-25s.

Social housing Real Estate Investment Trusts

Also announced was the decision not to create a social housing Real Estate Investment Trust.

Click on/follow the link for the Federation's response to the Autumn Statement 2012:

http://www.housing.org.uk/media/news/response_to_autumn_statement.aspx

3. Welfare reform

Assessing the impact of welfare reform

With the Welfare Reform Act 2012 heralding the introduction of some of the most significant changes to the administration and distribution of benefits in recent times, the National Housing Federation has commissioned Ipsos MORI and Cambridge Centre for Housing and Planning Research to assess how these changes will impact across the housing association sector in England.

The Act introduces a range of changes that will have an impact on both housing associations and their tenants. The primary component is the introduction of Universal Credit from April 2013 in certain areas which will result in a single benefit payment being made directly to social housing tenants. It will also introduce size criteria (also referred to as the bedroom tax) for the calculation of housing benefit in the social rented sector as well as caps on total benefits to be introduced during 2013. These reforms will have significant adverse financial consequences for housing associations and their tenants, some of which will be unenvisaged and unintended.

The first component of the research programme focuses on perceptions of the impacts on landlords prior to the introduction of welfare reform changes. It presents the key findings of an online survey conducted by Ipsos MORI amongst housing associations in autumn 2012.

The results from the survey indicate that a substantial impact is anticipated across the sector. The key findings for this baseline report are:

- of all the reforms, the introduction of direct payments to tenants is expected to have the biggest impact – more than 80% of housing associations say it will affect their organisations a great deal or a fair amount
- the size criteria are anticipated to have a significant impact for more than 60% of associations. This rises to 80% or more for associations operating in Yorkshire and Humberside, East Midlands and the East of England
- the household benefit cap is expected to have less impact on housing associations across the country, which is consistent with Government estimates that fewer residents will be affected by the measure than by other changes
- more than half of associations (57%) believe that their tenants know hardly anything or nothing at all about the benefit changes
- 84% of associations believe that rent arrears will increase as a direct result of welfare changes. The average increase expected is 51%, which, if replicated across the sector, would mean an additional £245m of arrears

- some 64% of associations are confident that increased arrears arising from welfare reform will not affect their ability to meet loan covenants, but one in five (22%) say the changes will make it harder
- 10% of associations involved in the Affordable Homes Programme believe that in particular the introduction of direct payments to tenants will make it a great deal harder to meet their delivery commitments.

It is clear from the survey that housing associations are facing the challenges of welfare reform head on. More than nine in ten (95%) have begun to look at the risks and opportunities. Of these, the vast majority say they are taking action with many embedding welfare reform into their business planning and strategy development. Associations are planning to spend an average of around £50,000 each in 2013 to prepare for the impact of welfare reform, ranging from less than £10,000 on average for the smallest associations (less than 500 stock) and rising to nearly £200,000 on average for the largest (more than 10,000 stock). It is anticipated that this spending will nearly double during 2014.

Associations are increasing support for tenants as well as increasing resources to manage the anticipated increase in arrears. For example, over three quarters (76%) are providing extra money advice, two-thirds (66%) are undertaking customer analysis to identify and target under-occupiers with help, and 61% are providing extra assistance to housing applicants.

It is clear from the baseline survey that housing associations expect welfare reform to have a significant impact on their tenants as well as on their social businesses.

Whilst only anticipated at this stage, the perceived extent of the impacts has been sufficient to prompt many associations to develop strategies and allocate additional resources to manage the change.

There is no doubt about the scale and significance of the Government's changes to the benefit system. Although some of the effects are already being felt, it is likely that a number of consequences may not be known for some time. Our next report, featuring qualitative data based on in-depth interviews with tenants and housing association staff, and focusing on the impact on tenants, is due to be published in the spring.

Read the full baseline report here: http://www.housing.org.uk/policy/welfare_reform/impact_assessment.aspx

Demonstration projects arrears levels

Arrears figures for the first four months of the six demonstration projects have been published by the Department for Work and Pensions (DWP). The recently published figures provides a snapshot of payment performance for the first stage of the projects, highlighting that of the £7,692,844 owed in rent across the six projects, 92% had been collected.

The report also provides some early insight on switchback, stating that 316 of the 6,200 participating tenants had been switched back to payments to their landlords.

The Federation is continuing to press DWP to develop a broad definition of vulnerability and an effective arrears trigger to safeguard tenants and landlords. The full report is available on the CIH Direct Payments Learning Network and the DWP website – http://www.dwp.gov.uk/docs/direct-payment-demo-figures.pdf

Universal Credit regulations

The Government has published the full set of Universal Credit regulations. These are draft regulations and will be debated by parliament in early 2013, though they are unlikely to change. These regulations set out how universal credit will be paid and how housing costs will be calculated. A key change from the previous draft is on eligible service charges: the Federation worked with the DWP so that the regulations better reflect costs covered by Housing Benefit. We expect a DWP consultation on the guidance covering service charges to be issued before the end of the year.

Read the Federation's briefing on the Universal Credit regulations:
http://www.housing.org.uk/publications/find_a_publication/legislation/universal_credit_regulations_b.aspx

The Federation's contact is Andy Tate, Policy Officer, 020 7067 1081 or andy.tate@housing.org.uk

4. Accounting

IFRS Update

For housing associations, the process of convergence to international-style accounting inches ever closer. The five national IFRS roadshows hosted by the Federation in autumn of 2012, attended by some 550 delegates, proved invaluable in generating debate and focussing finance teams on the upcoming changes. A third of each event was devoted to planning and the resource requirements for implementation.

Latest update on publication of the Financial Reporting Standard delayed (5/2/2013)

On Friday 1 February 2013, the Financial Reporting Council (FRC) announced it will delay approving the Financial Reporting Standard (FRS). We understand that the delay is not due any specific aspect of the FRS but more due to the FRC requiring additional time for more careful consideration of the FRS. They are now scheduled to review it on 5 March 2013.

Despite the delay, we do not believe this will affect the overall timetable for implementing new international-style accounting rules which is still scheduled for accounting periods commencing on or after 1 January 2015. The delay also means that consultation on revision to the housing SORP will be delayed until the FRS is published.

For more details please click on/follow the link: http://www.housing.org.uk/policy/finance/finance_news/publication_of_the_frs_delayed.aspx

Publication of the new Financial Reporting Standard delayed

The Financial Reporting Council (FRC) has announced a delay in publication of the new Financial Reporting Standard 102 (the FRS). It was previously scheduled for early January 2013 but it is now not expected to be available until the beginning of February 2013.

Despite the delay, adoption of international-style accounting is still scheduled for accounting periods commencing on or after 1 January 2015. For the majority of housing associations, the first year of adoption will be the financial year 1 April 2015 to 31 March 2016 with comparative financial statements required for the year commencing 1 April 2014 - a little over 12 months away!

Consultation on the revised housing SORP

You will recall that the housing SORP is being completely rewritten for consistency with the FRS and existing accounting regulatory framework. As part of the rewrite, a draft of the revised SORP will be issued to the sector for consultation. This will be achieved in two phases – an initial Invitation to Comment (ITC) on the key changes, followed by a formal consultation on an exposure draft of the whole SORP.

We are now hopeful that the ITC will be issued for consultation during the first week of March 2013 for 10-weeks. Formal consultation is scheduled for a three-month period from October 2012. The revised housing SORP is expected to be published in the first quarter of 2014.

Unresolved technical issues

In the autumn 2012 edition of this update http://www.housing.org.uk/publications/find_a_publication/finance/fpqu_autumn_2012.aspx, we explored the more significant changes being introduced by the FRS and the SORP for the sector. These will be consulted on in the ITC.

Aside from the accounting for financial instruments, the changes to grant accounting will create the most significant change. As described in the previous edition, the FRS introduces two fundamental changes to grant accounting that will have a significant impact on the financial statements of housing association:

i) it will no longer be permissible to net off Social Housing Grants (SHG) against the asset it was acquired to fund. As a result, SHG will be held gross amongst creditors and written-off to the income statement by the method most appropriate, and

ii) all grant will be written off to the income statement using either the performance method (a one off hit) or the accruals method (a systematically write-off over the economic useful life of the related asset). The implications of each were explored.

Taken together, in addition to the issues associated with the allocation of grant described previously, the changes also create an accounting anomaly for those housing associations that disclose their social housing property at valuation.

Interaction of grant and valuation accounting

Under current accounting rules, housing associations that disclose property at valuation, replace the net depreciated historical cost number (depreciated property cost less the associated grant) with an Existing Use Value Social Housing (EUVSH) figure. The difference between EUVSH (usually the higher figure) and net depreciated historical cost is credited to the revaluation reserve.

Under the FRS, housing associations disclosing property at valuation will now replace the depreciated property cost (gross) with EUVSH. Because the gross depreciated property cost takes no account of SHG receipts, the likelihood is that the historic cost will exceed the EUVSH. This deficit would require a reduction in the revaluation reserve. In addition, the revalued balance sheet will now include a SHG creditor not previously disclosed.

These two changes could have a significant deleterious effect on the accounts of housing associations disclosing social housing property at valuation. The potential changes introduced by the FRS would not be reflective of the underlying housing association business and could create funding implications. Since October 2012, the Working Party and the sectors valuers Jones Lang LaSalle and Savills have been exploring possible ways of uplifting social housing properties valuations to mitigate the potential impact of the new accounting rules. The ITC will focus on this issue.

The Federation's contact is Joseph Carr, Finance Policy Leader, 020 7067 1094 or joseph.carr@housing.org.uk .

Depreciation Matrix

Since the 1990s, the Federation has supplied the sector with depreciation matrices which allow separation of land values from vacant property possession value. However, the Valuation Office Agency has stopped producing this information and we have been unable to find an alternative supplier. Consequently, we will no longer provide the matrix.

However, to purchase a 2012 depreciation matrix, please click on/follow the link:
https://www.housing.org.uk/OnlineStore/Default.aspx?tabid=215&action=ECDProductDetails&args=12364

The Federation's contact is Tahera Merali, Research & Policy Assistant on 020 7067 1048 or tahera.merali@housing.org.uk

5 Investment

Latest update on Government guarantees (5/2/2013)

On Friday 1 February 2013, the Government published further details of the £10 billion housing guarantee scheme for market rent and affordable housing. These proposals were first announced as part of the housing and growth package in September 2012. We understand the Government is due to invite tenders for the delivery partner for the guarantee scheme shortly and they expect to be in a position to receive bids for the scheme by April 2013.

Details of the £225 million grant funding (available alongside the guarantee to build new affordable homes) have yet to released. In order to be eligible for the guarantee and grant funding homes need to be built by 31 March 2015. While we welcome the potential of government backed guarantees to increase housing supply, in order to ensure homes can be built by this deadline it is crucial that further details on the grant funding are published without further delay.

For more details please click on/follow the link: http://www.housing.org.uk/publications/find_a_publication/development_and_regeneration/housing_guarantees.aspx

Update on Government guarantees

The £200m investment fund (Build to Rent), announced in the September 2012 housing and growth package, to accelerate the building of new homes for private rent, was launched on the 20 December 2012.

The fund will run as a single national competition. The Greater London Authority (GLA) will lead on the assessment Expressions of Interest for London sites. The HCA will undertake the due diligence, contracting and monitoring for all sites.

Expressions of interest should be submitted by noon on 4 February 2013, with shortlisted schemes expected to be announced in March. Further details on the fund, including the full prospectus, can be found here (http://www.homesandcommunities.co.uk/ourwork/private-rented-sector).

The Federation is still awaiting further details on the other measures announced in the September growth package, and reconfirmed in the 2012 Autumn Statement, including the £10bn of Government guarantees and £300m investment in affordable housing.

Increasing sector borrowing capacity

In the continuing climate of economic uncertainty, with grant funding cut back severely and traditional, long-term funding options all but dried up, housing associations have embraced bond issuance as an effective way to secure long-term finance at competitive rates. However, issue of security availability is as severe for a bond issuance as it is when considering traditional funding. With grant funding now heavily constrained to support new developments, the amount of available security required to borrow against will become a real issue in the next few years.

In this article, Carol Matthews, partner of the solicitors, Wright Hassall, describes a possible mechanism for significantly increasing the sector's lending capacity.

WRIGHT HASSALL

The sector falls mainly into two separate camps of housing associations holding stock in terms of security valuation:

i) traditional housing associations where stock has been acquired over the years and

ii) LSVT housing associations, where the stock holding of the housing associations was acquired by virtue of a large scale voluntary transfer from a local authority.

The stock of LSVTs is valued more restrictively than the stock of traditional housing associations and there is therefore not a level playing field. The reason for this is quite straightforward. When housing stock is transferred from a local authority a restriction (a s133 Restriction) is registered on the Land Registry title in the following form:

" RESTRICTION: No disposition by the proprietor of the registered estate or in exercise of the power of sale or leasing in any registered charge (except an exempt disposal as defined by section 81(8) of the Housing Act 1988) is to be registered without the consent of the Secretary of State to that disposition under the provisions of section 133 of that Act"

For funding purposes, valuers value housing associations' stock using the RICS "Red Book", either on the basis of Existing Use Value Social Housing (EUVSH) or the higher Market Value Subject to Tenancy valuation (MVSTT). Both of these valuations are losely based on percentages of the open market value of the housing stock. Valuers take the view that a s133 Restriction on the title will limit the use of the stock to "affordable housing" so the only possible valuation that can be applied is the lower EUVSH. Although traditional housing associations may have stock values restricted to EUVSH by virtue of section 106 agreements without adequate mortgagee exemption provisions or by affordable housing restrictions in title documentation, they do have the ability to negotiate the purchase of properties in an optimum way to obtain an MVSTT valuation. An LSVT currently has no option other than to accept the lower valuation.

The difference in EUVSH and MVSTT values can be significant as set out in the examples below and will vary between areas and property types:

Property type and location	EUVSH	MVSTT	Market Value
2 bedroom flat Lincolnshire	£25,800	£55,000	£91,000
2 bedroom house Kent	£73,920	£133,000	£190,000
3 bedroom house Midlands	£49,370	£77,000	£110,000
4 bedroom house Norfolk	£81,560	£154,000	£220,000

OR PUT ANOTHER WAY: if market value of stock is 100%, valuers will value EUVSH at an average of around 30% of market value and MVSTT at an average of around 60% of market value

If the s133 Restriction was lifted or amended in the way we are suggesting then LSVT housing associations would have the benefit of additional security value of around 30% of the market value of the stock (a doubling of the loan security they currently possess).

Under standard loan arrangements we are aware that there is always a differential in security to loan ratios of 105% to 110% on EUV valuations and between 115% to 130% on MVSTT valuations. However, there would still be a significant increase in the amount of security if an MVSTT valuation can be achieved. An LSVT would obviously need to be able to service interest payments on the additional borrowing but the value of security would increase significantly. The holy grail for the sector - increase in borrowing capacity.

How can we achieve this?

Innovative ways are needed to introduce more money into the social housing sector and Government should be lobbied to amend the legislation to mitigate the negative impact of s133 Restrictions. Although s133 of the Housing Act 1988 (s133) was implemented to ensure that housing being transferred to housing associations remained affordable in perpetuity, the negative impact of s133 restrictions fetter the ability for LSVTs to produce more affordable housing. This cannot be in the best interests of the sector.

An elegant way to resolve this issue would be to amend s133 to introduce provisions similar to the mortgagee exemption clauses in section 106 agreements so that, in the event of a loan default by an LSVT, mortgagees, receivers and their successors in title could sell free of the affordable housing provisions. An LSVT would still be required to obtain consent from the Secretary of State on disposals so the protection required by local authorities and the Government would still be in place. We have received positive indications that the Government may be open to this suggestion.

In the event such proposed changes are enacted, LSVTs would need to consider their existing loan arrangements to see whether an MVSTT valuation can be substituted for an EUVSH valuation. The best drafted clauses have an option for either valuation model to be utilised at the discretion of the borrower. However, any amendment may give rise to a request for re-pricing by the funder. New loan agreements going forward should make provision for an alternative valuation model to be utilised without the threat of re-pricing and we would advise all housing associations negotiating new funding agreements to request the option for both valuation methods at their discretion.

The Federation is taking this issue forward and will be doing some further work to understand how much additional capacity could be released across the sector if we are able to get agreement to the change, as set out above. We are keen to hear your views before proceeding.

The Federation's contact is Catherine Ryder, Investment Leader on 020 7067 1096 or catherine.ryder@housing.org.uk.

Rent position and the Comprehensive Spending Review

The Federation has been pushing Government and the Mayor of London to provide certainty for housing associations on the rental formula post 2015 (when the current arrangements expire). We are expecting an announcement on this in the next Comprehensive Spending Review due in the first half of 2013, if not before. Any decision on a rent setting approach for the sector will have significant implications for the Housing Benefit bill and public subsidy for new homes provision.

We know the current uncertainty on your rental income post 2015 is making it very difficult for housing associations to plan for the future, particularly in relation to the development of new affordable homes, so it is crucial that we seek to influence Government and the Mayor of London with an informed view early in 2013. In order to do this the Federation will be drawing together views from across the sector over the next few weeks to inform our position.

The rent setting mechanism put in place post 2015 needs to be transparent, clear and affordable for tenants and ensure the continuing viability of housing associations, safeguarding their ability to offer high quality services and build high quality new affordable homes. We are keen to have a full discussion with members and have invited chief executives to events across the country in late February and early March.

The Federation's contact is Catherine Ryder, Investment Leader on 020 7067 1096 or catherine.ryder@housing.org.uk.

The Affordable Homes Programme

The Homes and Communities Agency (HCA) and the Greater London Authority (GLA) published data in November 2012 on the performance of the Affordable Homes Programme (AHP) over the previous six month period. The data showed 11,432 affordable homes were completed and 3,735 started from April to September 2012. Housing starts were significantly higher than between April to September 2011 and the HCA have said that they expect activity to pick-up further in the next six months.

There was some divergence in performance between HCA operating areas. London will be delivering 26% of all units over the life of the AHP, but delivered 11% of all starts in the last six months. A number of articles in the press have questioned the lower than expected number of starts in London and concerns remain around the back-ended delivery of the programme across England.

We know housing associations remain committed to helping the Government deliver 170,000 new affordable homes by 2015. Close working partnership with the HCA and the Mayor of London will be essential in delivering the remainder of the programme. We are continuing to work closely with the HCA and GLA to secure the best operating environment for members so they can meet the commitments in their AHP contracts. Market intelligence from members demonstrating where there are external barriers to development is very useful in helping to make our case to the HCA and GLA.

The Federation's contact is Adam Barnett, Policy Officer, 020 7067 1114 or adam.barnett@housing.org.uk

The Green Deal

The Green Deal is the Government's flagship policy for improving the energy efficiency of properties. In its basic form the up-front cost of energy efficiency improvements will be met by a Green Deal provider (for example a housing association), who will recover it over a period via a Green Deal charge linked to the electricity meter. These Green Deal charges must meet the 'golden rule' and be less than the savings made from the improvements. Energy companies will also be required to subsidise some energy efficiency work through the new Energy Company Obligation (ECO), funded from a levy on customers' bills. This will often be used to compliment Green Deal finance where the golden rule cannot be met.

After much policy discussion, the phased introduction of the Green Deal has now begun. To mark this, the Federation held a one day Green Deal and ECO conference with key policy makers and industry figures. Minister of State for Energy and Climate Change Greg Barker gave the keynote address and welcomed the level of interest in the social housing sector in using the Green Deal and ECO to help cut carbon and tackle fuel poverty.

These are indeed key priorities for the sector and following lobbying from the Federation the Green Deal and ECO are better placed to help tackle these problems. Some housing associations have therefore firmly committed to becoming Green Deal Providers and intend to use the mechanism to work across neighbourhoods.

However, although a useful tool, the Green Deal is by no means a magic bullet. Meeting the golden rule will not be easy on a lot of housing association stock where cost-effective improvements have already been undertaken. While ECO will help, the affordable housing sector has been blocked off from some elements focused purely on fuel poverty. Pivotally, it is not yet clear what interest rates will be charged by organisations offering finance such as The Green Deal Finance Company (TGDFC), an issue that will make or break many schemes.

None of this means that the Green Deal cannot work, but that housing associations and others will need to think creatively to get projects off the ground. Working in partnership with others and drawing on other subsidy programmes or capital pots to compliment the Green Deal may often yield more fruit.

For more information on the Green Deal click on/follow the link:
http://www.housing.org.uk/policy/greener_neighbourhoods/green_deal-1.aspx

The Federation's contact is Pippa Read, Policy Leader, 020 7067 1092 or
pippa.read@housing.org.uk

6. Taxation

VAT Cost Sharing Exemption

The Federation and KPMG, its tax advisers, met with HM Revenue & Customs (HMRC) in December to discuss the application of the Cost Sharing Exemption (CSE) and common questions that have arisen from the sector. Points of note from the meeting include:

- where a CSG member is also in the same VAT Group as the CSG, then HMRC consider that any supplies of services made by the CSG member to the CSG must be at cost. As such, the supply cannot include any mark-up/profit element as this will ultimately not equate to an "exact re-imbursement" of cost. The cost can include:
    - direct costs of the service of the CSG (e.g. materials and labour) and
    - an allocation of overheads. Where it is difficult to calculate an exact amount for overheads (e.g. legal costs in connection with the setting up of the CSG, the HR cost of managing the staff performing the CSG's service etc.) in advance of the services being provided, the costs may be estimated using projections with a subsequent reconciliation to actual costs
- in addition to precluding CSG members from making a profit from the CSG's activities, 'exact reimbursement' also means that they cannot make a loss from its activities and therefore all associated costs should be incorporated
- if non-members of the CSG that are also VAT grouped with the CSG provide the CSG with a supply, then HMRC consider that unless the supply that they provide to the CSG is at cost, there may be a distortion of competition
- if CSG members but non-VAT group members provide the CSG with services then the value of any charge should also not exceed the cost (the Federation is clarifying this point)
- if non-CSG and non-VAT group members provide the CSG with services then the normal VAT rules apply
- a CSG can run a surplus but only if it is preparing for a specific future liability (e.g. a capital item or a pension provision) and that the members have agreed to provide for the liability. There must be a clear audit trail to show that the funds/surpluses are fully utilised for the purposes of the specific provision that has been made and that any surpluses are refunded to the CSG members and any losses are fully covered by the members. In the event that the future liability doesn't materialise or is less than predicted then there should be scope to return the contingency surplus to the members
- although a CSG can provide more than one type of service, it can only incorporate n the cost of the charge to each member the cost of the services consumed by that member
- the volume of supplies to different CSG members can be significantly different but the charge to each should reflect their use of qualifying services and

- HMRC are wary, as a result of infraction proceedings involving other Member States, of drawing the scope of the exemption too widely.

It is clear that some uncertainty remains in connection with the CSE but that an increased number of practical examples should help address the boundaries in connection with how a CSG can operate. The Federation's dialogue with HMRC will continue on this matter and we appreciate your feedback to inform future discussions with HMRC.

New funding can be taxing

The Federation often receives tax queries in connection with new activities that our members are undertaking. It is reassuring when this is at the outset of planning for a new activity because the tax consequences, especially from large sources of funding or new activities, can have a material effect on a housing association and should be incorporated in the initial decision making process.

We are aware of scenarios when housing associations have reviewed the tax consequences, primarily the VAT consequences, of funding streams after their value has already been agreed with the funding provider. In these instances there is a risk that if contracts for funding are silent on VAT then if VAT becomes due it will result in an unexpected cost to a housing association. In light of this, it is important to establish the VAT and other tax consequences at the outset before agreeing to the funding arrangements. Where this is not possible then ensuring that the values for income in contracts for new activities state that the amounts are VAT exclusive should provide some comfort that VAT can be subsequently charged if it has been overlooked.

IFRS and Corporate Tax

As covered elsewhere in this update, international-style accounting is heading our way. Whilst you are thinking about the implications of this for your housing association and non-regulated subsidiaries, it is important not to forget to consider the corporation tax position.

KPMG's initial thinking in this area suggests that the biggest difficulties will be for non-charitable entities. Whether it is a non-charitable housing association struggling with the potential adjustments to be made by the new SORP (still under discussion), or a non-regulated subsidiary about to be faced with the FRS, the tax effects of any adjustments need to be carefully considered.

The corporation tax position may be affected in three ways:

1. tax is often driven by the accounting treatment so an adjustment to the accounting treatment may result in an additional/unexpected tax charge

2. where an item is booked for accounting and tax purposes and this is an unrealised profit, it may not be possible to shelter a tax charge via gift aid payments and
3. where the accounting adjustment is not taxable/deductible for tax purposes, this may result in a difference between the accounting and taxable profits making it difficult to shelter taxable profits via a gift aid payment.

We will be looking in detail at these areas in the run up to the implementation of international accounting rules so watch this space!

Real Time Information (RTI) Penalties

HMRC has published further guidance in relation to penalties that will apply under RTI.

Penalties for late returns

There will be no change to the penalties for late filing of returns for the tax years 2012-13 and 2013-14. The current penalty regime will continue to apply at the tax year end but there will be no penalties if in-year Full Payment Submissions (FPSs) are submitted late.

Penalties for late payments

A system of PAYE surcharges already exists for late payments of PAYE and NIC. Under RTI, HMRC will be aware of the remittances due by employers each month and it is therefore likely that surcharges will be levied more frequently.

Penalties for errors in returns

Penalties for inaccuracies may be levied on in-year FPSs from the 2013-14 tax year although it is unclear how they will be assessed in practice.

We will update members as more information is received in relation to penalties or any other aspect of RTI. If in the meantime, you have any queries, please contact the Federation's tax helpline on 01293 652118 or by email: kpmgnhftaxhelpline@kpmg.co.uk

The Federation's contact for all taxes is John Butler, Finance Policy Officer, 020 7067 1177 or john.butler@housing.org.uk

7. Treasury

Benefits to associations of RPI-linked and dollar-denominated debt

Duncan Salter, a UK fixed income specialist at treasury advisers CanAccord Genuity, describes some of the merits for housing associations tapping into RPI-linked debt and dollar denominated US private placements.

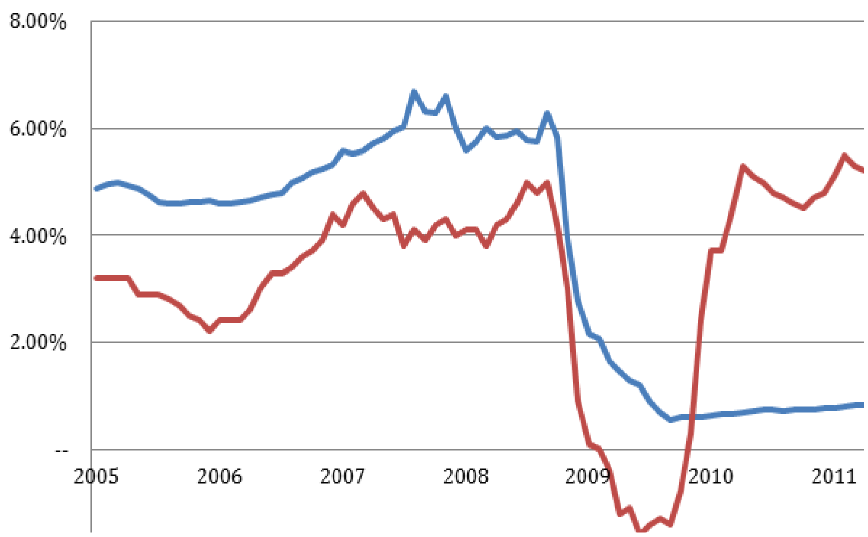
CANACCORD Genuity

RPI Linked Debt

Traditionally, housing associations have generally accessed Retail Price Index (RPI) linked debt through entering into derivatives linked to their banking loans. Having a small percentage of debt linked to RPI offered diversity in managing an efficient debt portfolio.

Throughout the 2000s, these derivatives were an effective way to lower funding costs - when the RPI was low it tracked LIBOR and could be seen as an income hedge given the indexation of rents to RPI.

LIBOR vs RPI 2005-2012



The sources of RPI-linked finance for housing associations have broadened to:

- capital markets –these can be issues in the public or private markets and to either retail or institutional investors. Currently there is a shortage of RPI-linked bonds, which are attractive to investors as they match assets to liabilities (which are also indexed to RPI) for investors and
- sale and leaseback – these have been generally long-term deals (30yrs+) against a specific property portfolio. While these deals can be quite expensive, they do provide

efficient usage of security as the lease premium being paid can significantly exceed the current EUVSH valuation.

However at the moment there are a few issues with RPI-linked debt that should be noted:

- risk on long dated RPI debt – with potential changes to the rent regime in 2015, the debt may no longer be an effective hedge. The HCA has publically expressed concerns about the length of some proposed contracts
- cost –currently RPI may be expensive compared to current LIBOR rates (see the above chart)
- current accounting treatment - where capital grows as well as the interest cost and
- future accounting treatment – under international-style accounting (adoption from 1 January 2015) organisations will not be able to use hedge accounting for RPI-linked debt. The movements on this debt will therefore be posted through the income statement, introducing significant volatility to financial statements.

Benefits of dollar-denominated US investment for housing associations

The US Private Placement (USPP) market is one of the largest securities markets in the world. Over $50bn of securities was issued last year, of which around 19% was by UK corporates. This is a well tried source of term funding which large and mid-market UK corporates have been using for a number of years as an alternative to the Sterling public bond market.

US investors have a desire for high quality issuers and housing associations, which would generally achieve an A rating or better, meet their highest rating criteria (NAIC 1). This is a regulatory rating and determines what capital investors have to set aside when making an investment and therefore the price at which they can lend.

Over the last 18 months, housing associations have started to make increasing use of this market as an alternative to the public markets.

This is because the USPP market:

- offers a wider range of maturities and greater flexibility over the repayment schedule, thus limiting refinancing risk
- enables housing associations to target a specific yield curve (ie 15 years over 30 years), thus limiting the absolute cost of borrowing and
- allows housing associations to conduct an “auction” amongst investors, thus creating a competitive tension on pricing which has been notably absent from some of the smaller public issues.

The success of these USPP transactions has rested crucially on the involvement of US investors. They:

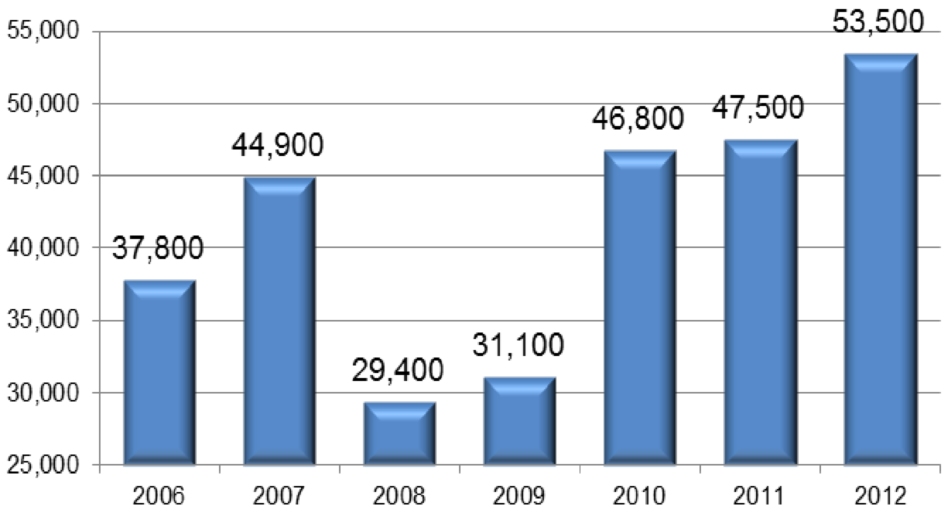
- double the number of potential institutions involved in the placement – thus increasing price tension
- have a different preference from UK investors on maturities – 10/20 years rather than 20/30 years and
- will permit some delay to a drawdown – so minimising the cost of carry.

While the US investor will sometimes lend directly in Sterling, they generally book the loan in US Dollars and carry out a swap to convert the transaction into Sterling. This means that the housing association does not take the foreign exchange swap on their books and hence are not exposed to movements in the currency markets. However, they generally provide breakage comfort to the investor should they wish to repay prior to maturity.

In our experience (having advised on three of the five housing association private placements last year) the active involvement of US investors is generally worth 20bps on the overall spread, while the all-in cost of funds is around 0.50% lower (taking into account the lower yields in shorter maturities).

Ranking	Issuer	Market	Avg. Life (yrs)	Amount Issued	Coupon
1	Affinity Sutton	Bond	30	£250m	4.25%
2	Un-named HA	PP	18.25	£100m	4.31%
3	First Wessex	PP	19	£48m	4.60%
4	WM Housing	Bond	30	£200m	4.63%
=4	L&Q	Bond	21	£250m	4.63%
5	Great Places	Bond	30	£200m	4.75%

US private placements - Volume raised



Revisions to the formulae for calculating the Retail Price Index

In early January 2013, following consultation on revisions to formulae used to calculate the RPI, the Office for National Statistics (ONS) surprised markets and experts by leaving the RPI formula unchanged.

The changes would have reduced RPI by between 0.25 to 0.95, according to ONS, KPMG and other commentators. However, the ONS decided to leave the formulae unchanged, citing that there was "… significant value to users in maintaining the continuity of the existing RPI's long time series without major change, so that it may continue to be used for long-term indexation and for index-linked gilts and bonds in accordance with user expectations."

At the same time, the ONS announced it will be developing a new RPI-based index, based on a geometric formulation (the Jevons formula). It will be published from March 2013 and will be known as RPIJ. This is likely to produce lower inflation estimates.

In addition, the ONS will implement a new way of measuring private housing rents used to calculate RPI, the Consumer Price Index (CPI) and CPIH (a CPI measure that includes housing costs). The ONS estimates that changes to the way private rentals are measured will increase RPI by 0.09 percentage points, and increase CPI by 0.05 percentage points.

The government has not announced whether and how they will be using RPIJ or CPIH. But the new indices open the possibility that the social housing rent formula could be linked to the potentially new lower RPIJ or CPIH.

The Federation's contact for research and analysis is Javier Stanziola, Research & Analysis Manager, 0207 067 1184 or javier.stanziola@housing.org.uk

Morningstar treasury service

Greg Pattison of FMD Treasury Solutions (greg.pattison@fmdl.co.uk), representative agents of Morningstar Real-Time, provides real-time money market data including deposit rates, interest rate swaps and other derivatives, LIBOR fixings, gilts, foreign exchange rates and news to a growing number of Housing Association Treasurers, enabling them to manage risk more effectively.

The full service includes the following information:

- Money Market Rates including Deposits, CDs, IRS, OIS and FRAs
- LIBOR Fixings
- AAA Rated Money Market Funds

- Foreign Exchange Spot and Forward Rates
- Equities, Indices and Derivatives
- Bonds including Gilts and Supranationals
- Financial Futures
- Dow Jones Money News and Economic Indicators
- Charts and Yield Curves
- Real-time and Historic Excel links
- Credit Ratings and
- Broker Data from Tullett Prebon, Tradition and MPC Treasury.

Cost

Costing £310 per month the service offers an extremely cost-effective option to alternative services such as Bloomberg and Thomson Reuters which can cost 3-4 times more. Compared to other treasury workstation services, the Morningstar Treasury Service goes beyond pure functionality, as clients only pay for the data that they need. Additionally, there is no requirement for dedicated hardware or communications, which greatly reduces the overall cost.

Usability

Information is delivered using Morningstar QuoteSpeed, a market data workstation which provides the right combination of content and display capability. The layout of data and charts is completely flexible, as are colours and fonts. Data can be fully manipulated in Microsoft Excel, both manually and via built-in shortcuts. The Morningstar Treasury Service can be deployed simply and quickly and can be implemented immediately.

The Federation's contact for treasury matters is Joseph Carr, Finance Policy Leader, 020 7067 1094 or joseph.carr@housing.org.uk

8. Financial inclusion

Home Finance - national rollout

Following our successful West Midlands pilot, My Home Finance (MHF), the Federation's affordable credit business is set to expand across the country, bringing its services to thousands more people. MHF has made 10,500 loans to date and saved an estimated £2 million for its customers.

MHF's loan note issue has proven a huge attraction for housing associations across the country and these have made a substantial investment in the business.

New Charter's Deputy Chief Executive, Martin Frost, says:

"With a significant number of our tenants admitting to money worries New Charter is committed to maximising the opportunities for affordable credit. Our investment in My Home Finance is a great way of helping to meet what will be a growing demand"

With loan note finance expected to exceed £3 million and many other housing associations looking to invest, a further issue is being planned for 2013.

To find out how to bring MHF to your customers, please contact Tess Pendle at tess.pendle@housing.org.uk or on 020 7067 1043.

9. The Housing Association National Accountancy Awards

Shortlisting for the inaugural Housing Association National Accountancy Awards (the HANAAs) has been completed and shortlisted applicants have now been notified. The HANAAs have been launched to identify and celebrate best practice, high achievement and innovation amongst finance professionals in the sector that would otherwise be unsung.

The black tie awards ceremony will be held on the evening of Tuesday 19 March 2013 at the Hilton Coventry as a curtain raiser to the annual Housing Finance Conference.

The Federation received 55 high quality entries for the awards and, braving the snow, it took the considerable efforts of an expert panel of judges to whittle the entries down to the final few. The Federation would like to thank each member of the judging panel for their time and expert input and competition entrants for the time taken to submit their entry.

Panel of judges

- Deborah Shackleton, Former CEO, Riverside Group (Chair)
- Graham Page, Property Practice Manager, Zurich Risk Engineering
- John Thornhill, Deputy Editor, Financial Times
- Mark Davie, Head of Social Housing, M&G Investments
- Mark Washer, Group Finance Director, Affinity Sutton
- Peter Matza, Engagement Director, The Association of Corporate Treasurers and
- Phil Cliftlands, Director, PricewaterhouseCoopers.

Congratulations to each of the entrant that have been successfully shortlisted. The categories of each award and the entries shortlisted are as follows:

1. Achieving best value for money

- Cestria Community
- First Wessex
- Midland Heart

2. Best external professional adviser

- CanAccord Genuity
- Pricewaterhouse Coopers

- Savills Financial Consultants

3. Finance team of the year

- AmicusHorizon
- City West Housing Trust
- Orwell Housing Association
- Parkway Green Housing Trust
- Plymouth Community Homes
- Riverside
- The Accord Group

4. Financial innovation

- Great Places Housing Group
- Places for People
- Orbit Group

5. Measurement of social return on investment

- Ashram Housing Association
- Aspire Group
- Circle Housing Group
- Gentoo Living
- Midland Heart
- Nottingham City Homes

6. Most effective risk management approach

- Fabrick Housing Group
- Orbit Group
- Yarlington Housing Group

7. Outstanding finance communications

- Blackwood Housing Association
- Circle Housing Group
- Eastlands Homes Partnership

- Family Mosaic

8. Outstanding lifetime contribution

- Andy Nicol, Paradigm Housing Group
- David Montague, L&Q Housing Group
- Eric Armitage, Liverpool Housing Trust
- Trevor Dillon, Fold Housing Association

9. The most promising accounting newcomer

- Andrew Carlton, Cestria Community Housing Association
- Dupinder Saggu, Orbit Group
- Gemma Jeeves, Hanover
- Karl Fleary, Housing Plus Group
- Kayley Griffiths, RCT Homes
- Sarah Jones, City West Housing Trust

The awards will be an excellent opportunity to network with the shortlisted organisations, enjoy some great food and entertainment. Tables are selling fast so if you want to be the first to find out who the winners are, make sure you don't miss out. For more information and to book a table please visit our website: www.housing.org.uk/hanaas.

The Federation's contact on the HANAAs is Natasha Papa, 0207 067 1053 or natasha.papa@housing.org.uk

10. Finance conference 2013

The dark shadows of welfare reform, cuts in government subsidy, the new affordable rent regime, banks tightening their purse strings, the continued economic downturn and many more have turned the 25-year old housing association business model on its head. It will be vital for housing associations to develop new, innovative approaches if they are to continue to deliver their objectives and safeguard their viability. Finance teams will be at the forefront of the change.

The structure and content of the Housing Finance Conference 2013 has been remoulded to address these key issues. The key sessions include:

- A spectator's view on the state of the economy and the future for housing, Andrew Neil, presenter of BBC's This Week and Daily Politics
- Lord Digby Jones, former Director General, CBI on the role innovation can play in revitalising the economy.
- Dr Steve Peters, the man behind Team GB's success in cycling, exploring the working of the human mind and how emotional management leads to optimised performance and
- participation in two interactive sessions using voting keypads covering the latest international accounting changes and the funding challenge presented in building new homes.

Conference highlights

- A new, post dinner panel debate on institutional investment into the sector with experts from Legal & General, Moodys and Standard life
- On Thursday 21 March, after the budget the previous day, KPMG will once again host the very popular Budget Breakfast Briefing which will highlight the impact of the budget on your organisation and
- Visit the largest housing finance exhibition in the UK and take part in a treasure hunt to stand a chance to win exciting prizes.

To book a place at the housing finance conference 2013 click on/follow the link:
http://www.housing.org.uk/events/find_an_event/finance_events/fin0313.aspx

The Federation's contact is Joseph Carr, Finance Policy Leader, 020 7067 1094 or joseph.carr@housing.org.uk.

11. Pensions

SHPS Report

As a result of the SHPS 2011 triennial actuarial valuation, housing associations face a considerable hike in their pension contributions. Due to the changes to the benefit structure and the recent communication of housing associations' deficit repayment plans, the Federation has commissioned a short report.

This report highlights the key issues and considerations for housing associations that participate in SHPS and includes:

1. a look at the funding of SHPS, including a brief explanation of the deterioration of the funding position
2. a comparison with other defined benefit pension schemes in and outside the social housing sector and
3. some issues that participating employers should consider.

To download a copy of the report click on/follow the link:
http://www.housing.org.uk/publications/find_a_publication/finance/shps.aspx

Consultation on LGPS Investment in Partnerships

The Federation has responded to the Department of Communities and Local Government (DCLG) consultation on the Local Government Pension Scheme Investment in Partnerships.

The consultation discusses how LGPSs could increase their investment in infrastructure by increasing the limit on the proportion of funds that can be invested in Limited Liability Partnerships (LLPs). LLPs are the investment vehicles for infrastructure in a number of cases.

In our response we set out the case for investment in affordable housing as it is attractive to institutional investors and, whilst it may offer a lower yield than other forms of investment, it offers secure returns. In addition, we commented on the nature of housing association businesses stating that housing associations are attractive to investors due to strong, robust, well-governed businesses with a significant asset base. This argument was supported with figures from the 2011 Global Accounts.

To download a copy of the submission click on/follow the link: http://www.housing.org.uk/publications/find_a_publication/finance/vat_cse_response_1212.aspx

The Federation's contact for pensions is John Butler, Finance Policy Officer, 020 7067 1177 or john.butler@housing.org.uk

12. Risk

Effective recovery from a major incident

The social housing sector is currently in a state of flux. A landscape of austerity and cuts means the sector has found its traditional funding mechanisms under severe pressure. Government grants continue to be cut, and the ambitious programme of welfare reform will see significant changes to the way rents are collected from tenants. Moreover, providers who chose to borrow on capital markets will find this harder as financial markets remain volatile because of Eurozone fluctuations.Due to these pressures, social housing providers increasingly find that their income streams are becoming less secure at a time when demand for social housing continues to far outstrip supply. As a result, social housing providers may be more vulnerable to wider risks and less able to maintain effective services in response to major incidents.

Zurich Municipal recently released its 'Housing Risk and Response' report, a significant element of which focuses on the emerging dynamics of major incidents in the social housing sector. The report examines the changing nature of major incidents, identifies how shifting dynamics can expose the sector as a whole to new risks and examines its capacity to successfully manage them. When conducting the research, Zurich looked at how risks have continued to develop, building on our initial audit of the sector from 2010. When compiling this report they asked chief executives and senior managers across the sector what they considered to be the biggest risks facing their organisations over the next few years and how well prepared they are to cope and recover. The results have been compared with our own expert views, as well as the general public's perceptions and concerns.

The report, including new research developed in association with Ipsos MORI found that:

- 54% of the leaders surveyed believe that there is an increasing risk that their organisation will have to deal with a major incident in the next three years and
- the sector will face an increase in major incident risk over the next five years, across a number of areas but particularly around three emerging areas of concern,
  - supply chain failure
  - governance failure and
  - major fire/explosion.

With the current economic climate forcing organisations into increasingly complex financial models, their chance of surviving and recovering from the immediate and longer-term effects of major incidents is significantly compromised. With these new challenges, long-term stability and confidence in the sector are more important than ever. Risk and Response gives housing associations an opportunity to reflect on their own capabilities in the context of the prevailing environment. For a copy of the report, click on/follow the link: http://www.housing.org.uk/policy/finance/risk.aspx

The Federation's contact for risk is John Butler, Finance Policy Officer, 020 7067 1177 or john.butler@housing.org.uk

13. Insurance

Sector faces Municipal Mutual Insurance bill after Supreme Court decision

Background

Municipal Mutual Insurance (MMI) was the predominant insurer of public sector bodies but suffered substantial losses between 1990 and 1992, reducing its net assets to a level below the minimum regulatory solvency requirement. In September 1992 MMI ceased to write new, or to renew, general insurance business. MMI directors committed to run-off with the full payments of agreed claims. Many housing associations were insured with MMI and many became creditors of the Scheme of Arrangement commencing in 1993. The National Housing Federation is a member of the Creditor's Committee and has been attending MMI Creditor's meetings on the behalf of members.

However, in March 2012, the Supreme Court ruled against MMI and a group of other insurers in a case which revolved around the exposure to asbestos dust, causing a connected condition, mesothelioma. The effect of the ruling has been a significant deterioration in MMI's liabilities due to the high volume of mesothelioma-related claims. In November 2012, after exploring other alternatives, MMI directors decided to formally trigger the Scheme of Arrangement.

Impact on housing associations

A number of housing associations have received letters from MMI informing them that a potential liability may arise as a result of the outcome of the Supreme Court ruling. The size of any liability would depend on the amount paid to the creditors since September 1993.

The triggering of the Scheme means that housing associations that previously received payouts in relation to insurance claims from MMI are on the list of creditors from which MMI may request a clawback.

However, we understand that housing association's actual liability is likely to be either non-existent or far smaller than the total theoretical liability for three reasons:

1) the first £50,000 due from any creditor balance will not be clawed back. It is the Federation's understanding that the total claim for most housing associations does not exceed £50,000.

2) after the exclusion of the first £50,000, there will be a levy on the remainder. As disclosed in the most recent set of MMI's accounts, the size of this levy is likely to be "modest" and

3) the Federation, MMI and the Financial Services Compensation Scheme (FSCS) are establishing whether housing associations will be completely excluded from making a payout. Charitable housing associations may be protected from this by the FSCS.

The Federation will be attending the next Creditor's Committee meeting on 12 February 2013 to represent those housing associations affected.

The Federation's contact on MMI is John Butler, Finance Policy Officer, 020 7067 1177 or john.butler@housing.org.uk

14. Publications

PKF
Accountants &
business advisers

Countering fraud - a guide for housing association board members

In December 2012, the Federation published 'Countering fraud - a guide for housing association board members', which was written by PKF (UK) LLP, a leading firm of accountants and counter fraud experts.

Application of average figures for the incident of fraud to social housing would suggest that around £600m of expenditure is lost each year to fraud – a sum sufficient to build in excess of 4,000 new homes. In addition, The Homes and Communities Agency's Governance Standard requires that "... Registered providers shall provide accurate and timely returns to the regulator, including an annual report on any losses from fraudulent activity..." This sits alongside the HCA's requirement to publish clear and accessible policies, which outline a housing association's approach to tackling tenancy fraud.

This guide:

- provides practical advice on implementing a counter-fraud framework
- will help housing associations minimise fraud and achieve financial benefits and
- advises on how to pre-empt and react to fraud, and avoid reputational damage.

To review an executive summary of the guide, click on/follow the link:
http://www.housing.org.uk/policy/finance/assurance,_risk__regulation.aspx

In addition, PKF has developed a FREE Self-Assessment Fraud Resilience (SAFR) tool which assesses the extent to which your organisation is protected against fraud https://www.pkfapps.co.uk/socialhousingfraud/.

The tool will rate your organisation out of a maximum 50 points and assess its likely cost of fraud.

The Federation's contact for counter fraud is Tahera Merali, Research and Policy Assistant, 020 7076 1048 or tahera.merali@housing.org.uk.

Risk management for boards

The Federation has commissioned Zurich to write a guide for board members on risk management. It will cover the following issues and is due by mid-2013:

- horizon scanning and the risks to the sector and identifying risks and the appetite for those risks
- risk mapping for controls, assurance mapping and risk management
- sensitivity analysis and quantifying business plans
- risk reporting and decision making
- embedding risk management and highlighting problems and
- the roles and responsibilities of board members and key staff members.

The Federation's contact for risk is John Butler, Finance Policy Officer, 020 7067 1177 or john.butler@housing.org.uk

15. Conferences and seminars 2012

National events

- ### The HANAAs

Tuesday 19 March 2013, Hilton, Coventry
Please click here /follow the link for more details:
http://www.housing.org.uk/events/find_an_event/finance_events/hanaas.aspx
The Federation contact is Natasha Papa, Conferences Organiser,
natasha.papa@housing.org.uk

- ### FINANCE CONFERENCE 2013

Wednesday 20 March – Thursday 21 March 2013, University of Warwick, Coventry
Please click here/follow the link for more details:
http://www.housing.org.uk/events/find_an_event/finance_events/fin0313.aspx
The Federation contact is Joseph Carr, Finance Policy Leader, joseph.carr@housing.org.uk

- ### TREASURY MANAGEMENT CONFERENCE

Thursday 3 October 2013, London
The Federation contact is John Butler, Finance Policy Officer, john.butler@housing.org.uk

- ### AUDIT COMMITTEE SEMINAR

Tuesday 3 December 2013, Novotel Birmingham Centre
The Federation contact is John Butler, Finance Policy Officer, john.butler@housing.org.uk

- ### RISK MANAGEMENT SEMINAR

Thursday 23 January 2014, Novotel Birmingham Centre
The Federation contact is John Butler, Finance Policy Officer, john.butler@housing.org.uk

Regional finance forums

- **EAST MIDLANDS FINANCE FORUM**

Tuesday 5 March 2013
For further details contact Rob Griffiths on robert.griffiths@longhurst-group.org.uk

- **NORTH EAST FINANCE FORUM**

Wednesday 6 March 2013
For further details contact Andrew Malcolm on andrew.malcolm@fabrickgroup.co.uk

- **LONDON FINANCE FORUM**

Wednesday 6 March 2013
For further details contact Violetta Reen on violetta.reen@housing.org.uk

- **SOUTH FINANCE FORUM**

Tuesday 19 March 2013
For further details contact Andy Howarth on ahowarth@wchnet.co.uk

- **NORTH WEST FINANCE FORUM**

Thursday 2 May 2013
For further details contact Wendy Taylor on wendy.taylor@housing.org.uk

Finance policy quarterly update

Includes details on:

- The likely impact of welfare reform - demonstration projects arrears level and new Universal Credit regulations
- Possibilities for significant increases in lending capacity and Government guarantees
- RPI-linked debt and dollar-denominated US investment and the proposed changes to RPI formulae

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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