

JOINT OVERVIEW & SCRUTINY TRANSITION – HOUSING TASK GROUP
2ND DECEMBER 2008

2009/10 Budget Update

Purpose of Report

1. To provide the task group with an update on the development of the new Housing Service's revenue and capital budgets for 2009/10.

Action Required of the Task Group

2. Members are invited to note this update and to request a final report on budgets for the January meeting.

Updated Revenue Position

(a) General Fund Revenue

- (i) little change to report since the last update. The major risk area continues to be around the staffing structures and their affordability, but until all posts have been evaluated and people appointed to them the impact will not be known. It is however important to stress that it is not anticipated that the revised structure will cost more when all posts are appointed to, however there may be issues – as in all areas – if staff are not appointed to the new structure, but continue to be employed by the new authority
- (ii) specific queries which have been raised are answered individually below

(b) Grants to be received

- (i) more detail has been asked for around the level of grants to be received. At present, the only known grants to be received are those from DCLG for homelessness, and these are expected to total some £250,000 in 2009/10. This is an increase from £168,000 in this financial year, and has helped to mitigate some of the increased costs elsewhere within the service, to allow no cuts to be made

(c) Savings

- (i) all the savings which have been required to allow for the pay award, and the extra money required for other services, have managed to be achieved by increases in grant received, extra money which is coming from the 2 hostels and has not previously been budgeted for, and by raising the charge of lifelines in Salisbury by 5%
- (ii) none of these measures will have any negative impact on service delivery

(d) Growth Bids

- (i) no growth bids, over the level of cash freeze have been made by housing. As has been stated above, areas where additional monies are required have been covered by the additional income available this year

(e) HRA Revenue

- (i) draft subsidy determinations are expected this month. This will show if there are any major changes to the predictions which would have an impact on the overall HRA finances
- (ii) work will commence this month on the annual rent and service charge review following national guidelines, which will be taken to members for approval in February
- (iii) the task group is asked to consider the following resolution from the Salisbury District Council's Community & Housing Overview & Scrutiny Panel which met on the 26th November:

"the Housing Task Group should refer the following resolution to the JOSTB,

"In recognising the anticipated shortfall in the HRA, officers should discuss with tenants and any other relevant parties and explore all the options that may be available to secure tenants housing standards. This to be treated as a matter of urgency".

....the reason for this request is because members did not think that the IE or the Unitary Authority should await the result of the government's review of rent subsidies bearing in mind the predicted shortfall in the HRA in 2011/12."

Updated Capital Position

- a) no decisions have been made yet on the Capital Programme. Graham attended a meeting of the Capital Asset Board this week and it looks like the available capital is very small and once ring fenced money is taken out the rest of the money will go on schemes and projects that are already committed
 - b) nothing has been finally decided as yet, although it seems unlikely that all the money which was bid for for affordable housing will be received - Graham will be able to advise further on the details of the meeting should members wish
 - c) this potentially will have an impact on the revenue position, if money which was previously coming in from capital schemes is no longer available. The impact of this has yet to be assessed fully.
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Report Authors:- Graham Hogg/Caroline Law