

**JOINT OVERVIEW & SCRUTINY TRANSITION – HOUSING TASK GROUP
13TH FEBRUARY 2009**

2009/10 BUDGET UPDATE

Purpose of the Report

1. To present an update on the 2009/10 budget for Housing.

General Fund Budget Revenue.

2. The final budget saw a cash freeze position achieved in the housing service, without any service cuts being required.
3. The attached (Appendix A) shows by area the base budget position for 2009/10, and how this has moved from the 2008/09 base position.
4. Items highlighted show the major areas of movement, and how a cash freeze position has been achieved.
5. As reported in previous briefings, concern remain around the staffing structures and the fact that if posts are not all filled, additional use may need to be made of more expensive agency and temporary workers which will stretch the budget.
6. Additionally the impact of the economic downturn is likely to place greater strains on the housing service than in previous years. It is hoped that these can be contained within existing budgets by the implementation of better working practices across the county, however close management attention will be required during the year to ensure any problems are highlighted and dealt with in a timely fashion.

HRA Revenue

7. The report on rent setting and service charges went to Salisbury District Council's Cabinet on the 28th January, and to the Implementation Executive as part of the overall budget proposals in February.
8. The report and the appendices are attached (Appendix B), and as can be seen by following Central Government's rent restructuring scheme, an additional £1m of revenue will be generated next year. Once balanced by an increase in the negative subsidy payment, and other growth items (pay award, additional tenant participation worker) the HRA is better off next year by approximately £500k.
9. Average rent rises are below the national expected, although do represent a higher than inflation increase. However, this is as instructed under the rent restructuring guidelines set by the Department for Communities & Local Government which we are bound by.
10. This means that by the end of 2009/10, reserves are predicted to stand at around £12.1m.

Capital

11. Capital project allocations have been highlighted from the report which is going to the IE on 11th February. In general these are at or below the minimum which was bid for, which causes some concern regarding the amount of work which will be able to be carried out.
12. There is currently no allocation with regard to affordable housing in next year's programme. There may be some under-spends from the Districts

existing budgets which can be carried forward, but no new funding is being made available.

13. A verbal update on funding for the Disabled Facility Grant will be provided at the meeting.
14. The HRA capital programme has not been affected and will continue at the existing level of funding, as this is ring-fenced from the HRA.

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