

TO: Housing Executive

5th Feb 2008

REPORT BY: Strategic Director for Health, Housing & Social Care & Strategic Director for Corporate Resources & Services

AUTHOR: Peter Pennekett, Financial Services

COUNCIL HOUSING BUDGET FOR 2008/09

PURPOSE OF THIS REPORT

1. The City Council has delegated to the Housing Executive the function of setting rents, charges & budgets for council housing. The purpose of this report is to recommend changes to Council housing ("Housing Revenue Account" or HRA) rents & other charges and recommend approval to budgets for 2007/08 & 2008/09.

RECOMMENDED THAT:

- I. All changes in rents & charges to be effective from 7th April 2008 or such other date close to the beginning of the financial year as determined by the Strategic Directors for Health, Housing & Social Care and Corporate Resources & Services.
- II. The amount by which dwelling rents & the General Charge should rise for next year to be set at this meeting by reference to the two options set out in this report.
- III. Mobile home license fees to rise by 3.9% (see Appendix page 16 lines 4 to 6) with future annual increases to be set at the increase in the "RPI all items" measure of inflation for the preceding September published by the Office of National Statistics.
- IV. Garage & parking site rents for next year as shown on Appendix page 16 (column D, lines 8 to 25) be approved.
- V. Sheltered Housing Service Charges & Supporting People Charges as shown on Appendix page 17 be approved.
- VI. Charges for heating to be set at this meeting in accordance with the options set out in Appendix pages 18 and 19.
- VII. A report be brought to the next meeting of this Executive setting out plans for a co-ordinated approach by tenants, leaseholders, councillors, MP's & other local authorities to press for changes to the Housing Revenue Account Subsidy System (HRASS), the "Pooling" arrangements for HRA capital receipts & the Rent Rebate Subsidy Limitation arrangements.
- VIII. The SD – HHSC write to the Dept of Communities & Local Government to ask that the proposed review of the HRASS be expanded to include review of the "Pooling" arrangements for HRA capital receipts & the Rent Rebate Subsidy Limitation arrangements.

RECOMMENDED THAT (Continued):

- IX. Revenue budgets for 2007/08 & 2008/09 be approved & authority be given to the Strategic Director for Corporate Resources & Services in consultation with the Strategic Director for Health, Housing & Social Care to amend the budgets to reflect the latest available information prior to completing the Budget Book for 2008/09.
- X. The relevant Managers are authorised to incur routine expenditure in 2008/09. Routine expenditure is any expenditure incurred to meet the day to day operational requirements of the service. Expenditure that is not routine would require further approval as set out in the City Constitution.
- XI. Repayment of debt to be calculated annually as described in this report.

PAPERS INCLUDED IN THE APPENDIX TO THIS REPORT

- Page 1 - "Council Housing Accounts - the law", a summary of the legal framework governing the Housing Revenue Account.
- Pages 2-3 - Housing Strategy Executive Summary - top priorities
- Page 4 - Budget Principles - HHSC Directorate
- Pages 5-6 - Revenue budget sheets 2007/08 to 2013/14
- Page 7 - Payments to Government & Rent Rebate Subsidy Limitation
- Page 8 - Copy of Inside Housing Article "Billion pound tenant tax"
- Page 9 - Key Delivery Target - Campaign against "Tax" on council rents.
- Page 10 - Worked example to show calculation of dwelling rent
- Page 11 - 5% rent increase - Impact on average weekly rents
- Page 12 - 5% rent increase - General Service charge proposals
- Page 13 - 6.5% rent increase - Impact on average weekly rents
- Page 14 - 6.5% rent increase - General Service charge proposals
- Page 15 - Garages & parking sites - summary findings of interim review
- Page 16 - Mobile Home, Garage & Parking Site rents
- Page 17 - Sheltered Housing & Supporting People Service Charges
- Pages 18-19 - Heating charge options - increases capped at 15% or 20%

FINAL POSITION FOR 2006/07

1. Excluding the capital reserve the actual balance on the Housing Revenue Account at 31 March 2007 was £4.4 million, around £0.2 million better than that anticipated in the Revised Budget.

REVISED BUDGET FOR THIS YEAR 2007/08

2. This time last year the main changes made to rents & charges in setting the original budget for 2007/08 were:
 - Rents up on average 5% or £3.02 per dwelling per week.
 - General charge increases per dwelling per week:
 - Properties receiving higher levels of service up 74p to £3.06
 - All other dwellings up 14p per week to £1.44
 - Mobile home rents up 6.2%.
 - Garages up 8.6% for Tenants & leaseholders & 13.6% for all others.
 - Sheltered Housing Service Charges & Supporting People Charges - Category 1 up 2.2%, Category 2 up 3.2% & Category 2.5 up 3%.
 - Heating charges – rises capped at 15%.
3. When the budget was approved last year the balance as at 31 March 2008, excluding the capital reserve, was forecast to be £3.6 million. The revised forecast is £3.7 million. In any budget of this size it is necessary to maintain a general balance to avoid the possibility of falling into deficit. The £3.7 million budgeted balances at 31 March 2008 mean that this objective has been achieved for 2007/08 & this level of balances underpins the assumptions (described later in the report) upon which the 2008/09 budgets have been prepared. The revenue budget sheets attached at pages 5 and 6 of the Appendix show the Original & Revised budgets for 2007/08 in columns C & D.

HOUSING STRATEGY - BUDGET PRINCIPLES

4. The Housing Strategy drives the Budget process. Budgets have been based on our Housing Strategy for 2005 to 2010 and a copy of the Executive Summary showing the top six priorities for action is attached (Appendix pages 2 and 3). After discussion with Residents Consortium representatives & the Housing Executive the budget principles (Appendix page 4) were adopted.

RESOURCE ACCOUNTING

5. Five years ago the Government introduced a new financial framework for council housing based on "Resource Accounting", the most significant elements of which are described below.

RESOURCE ACCOUNTING (Continued)

6. **Business Planning & “Options Appraisal”** for our council homes. The Government required us to undertake an “Options Appraisal” process to determine the future of the City’s council housing homes. The options considered were:

- disposal of all or part of our homes to a Registered Social Landlord
- setting up an “Arms Length Management Organisation”
- the use of Private Finance Initiative schemes
- retention of homes by the City Council.

Financial models covering 30 years were prepared and checked by external experts. The models indicated that the City could afford to manage & maintain our homes over 30 years and that the Decent Homes standard could be met by 2010. This however was dependent on no major variations in the assumptions upon which the model is based, in particular no further adverse changes to the Housing Revenue Account grant methodology. Following extensive consultation with tenants & leaseholders the Council approved the option of retaining our council homes in July 2005.

7. Residents & members have asked the Strategic Director for Health, Housing & Social Care to keep under consideration all options for the future of council homes in the future.

8. **Changes to the way Council Housing accounts are presented.** A number of these do not affect the “bottom line” & so do not affect rent levels or balances. They are also somewhat confusing to follow so the attached budgets are shown excluding those elements that net off to zero.

9. **Transfer of Rent Rebates from the Council Housing account (Housing Revenue Account) to the Council Tax account (General Fund).** With effect from April 2004 Rent Rebates (Housing Benefit granted to council tenants) have been accounted for within the Council Tax account. The cost of rebates granted in excess of a Government limit on grant payable is called “rent rebate subsidy limitation”. The net cost of these rebates will continue to fall on the council housing account (Appendix page 5, line 50), although it is anticipated that the transfer will reduce to zero in 2016/17 when rent restructuring (see below) is achieved. If subsidy limitation did not apply each 1% rent increase would raise around £450,000 in 2008/09. With limitation however each 1% increase will raise only around £200,000, the balance being lost through reduced grant from Government.

RESOURCE ACCOUNTING (Continued)

10. **Rent restructuring.** Five years ago the Government introduced Rent Restructuring to bring all council housing & social landlord (Housing Association) dwelling rents on to the same basis of calculation over ten years, finishing in 2012/13. The calculation is based on the following main factors:

Property value January 1999 compared to a national average property value.

Average earnings in Hampshire compared to national average earnings.

A “bed weighting” to give higher rents for properties with more bedrooms.

Following consultation the Government has now decided to extend the date by which Rent Restructuring is to be achieved from 2012 to 2016. The main effect of this is to prolong the period for which “rent rebate subsidy limitation” (RRSL) will apply, costing the HRA in excess of £8 million over the next 8 years. Appendix page 7 line 12 shows the estimated costs of RRSL up to 2013/14.

11. Rent Restructuring also provides that rents are to be subject to “Limits” & “Caps”. The “limits” are to restrict annual rent changes to a maximum increase of inflation plus half a percent plus £2 per week. The “caps” are maximum rents set by the Government each year to avoid very high rents on valuable properties. For 2008/09 no rent for social housing in England can exceed the weekly rent caps, however none of Portsmouth City Council’s homes have rents so high that these “caps” would come into effect.

12. Appendix page 10 shows a worked example of how rents have been calculated in the budget prepared for 2008/09.

13. **Service Charges.** The Government have indicated that the new Rent Restructuring proposals are to cover only “Rent” & not “service charges”. An example of a service charge would be a charge made for cleaning of communal areas in flats & maisonettes. Local Authorities are able to bring in service charges for new services introduced since 2001/2 without any effect on payments to/from the Government. However, if service charges are introduced for services that were already being provided in 2001/2 then payments to/from the Government may be worsened by 70% of the income generated in 2008/09, 60% of income in 2008/09, 50% of income in 2010/11 & so on.

BUDGET 2008/09

Resident involvement in the budget process

14. Representatives of the Residents Consortium (The RC) have again played a vital part in the detailed budget setting process. At the invitation of the Housing Executive, the Strategic Director for Health, Housing & Social Care (SDHH&SC) & the Strategic Director for Corporate Resources & Services (SDCR&S) a panel of resident’s representatives have helped draw up both this council housing budget & also the Housing Investment Programme budget reported elsewhere on this agenda. **Both Strategic Directors would like to place on record their thanks for the invaluable help given by our Residents.**

BUDGET 2008/09 (Continued)

Government Grant

15. The calculation of the payments to/from Government in respect of council housing is based on a "Notional" Housing Revenue Account as set out in detail in Appendix page 7. The extension of Rent Restructuring convergence from 2012 to 2016 has reduced the estimated amount payable to the Government in 2008/9 by £400,000 to £4.6 million. However if there is no change to the system it is estimated that the HRA would have to pay over to the Government almost **half a billion pounds over the next 30 years.** Appendix page 7 lines 1 to 9 show how this sum is calculated.
16. The effect of the Housing Revenue Account Subsidy System (HRASS) and the Rent Rebate Subsidy Limitation (RRSL) systems in Portsmouth is that whilst a 5% rent increase (see below) would raise circa £2.1 million extra income next year that is completely offset by an increase in payments to Government and increased RRSL. **In other words all the extra rent paid by tenants will effectively be taken by central government.**
17. A recent answer given by the Department of Communities & Local Government to a parliamentary question confirms that from 2008/09 the Housing Revenue Account grant methodology ceases to contribute net resources into housing nationally & instead becomes effectively a national "Tax" on council tenants. **It is calculated that at a national level there will be no Housing Revenue Account Subsidy (HRAS) next financial year, instead the Government are withdrawing almost £200 million.** Appendix page 8 is a copy of an article in the prominent Housing Journal "Inside Housing" entitled "Billion pound tenant tax" which gives further details on this issue.
18. Following these revelations & also the outcome of a pilot scheme looking at how high performing councils might "buy their way out" of the HRAS with a once off multi-million pound payment, Ministers have announced their intention to commission a review of the HRA subsidy system. The review will commence soon but is unlikely to take effect before the financial year 2010/11, meaning there are two years still to go under the current system.
19. In addition to the effects of HRAS described above, for every council home sold under the "right to buy" 75% of the proceeds has to be paid to the Government. It is estimated that for Portsmouth **payments of receipts from council home sales to the Government will amount to over £230 million over the course of 30 years** as shown at Appendix page 7, line 10.
20. The City Council, both our local MP's & also David Willetts, MP for Havant are aware of this issue and all are very supportive. The City Council has now approved a "Key Delivery Target", see Appendix page 9, which aims to bring pressure to bear on Parliament to achieve a fairer approach to Housing Revenue Account subsidy and so reduce the burden on our tenants.

BUDGET 2008/09 (Continued)

21. In line with the Key Delivery Target it is recommended that City Council should write to Ministers as follows:

- Support the review
- Ask that it should include RRSL & pooling arrangements with a view to abolishing them, or at worst reducing the impact on Councils.
- Address the “Poverty Trap” aspect of pushing up LA & HA rents
- Assess the beneficial impact on other Govt budgets i.e. DWP Benefits, Job Seekers etc of relaxing HRAS & RRSL & Pooling arrangements.

Rents & General Service charge 2008/09

22. For next year it is suggested that rents currently below the Government’s “Rent Restructuring” rent should move up to that rent as quickly as possible based on the new 2016 convergence date, but no increase will be more than inflation plus 0.5% plus £2 per week. Rents currently above the Governments “Rent Restructuring” rent should move to that rent in even stages between now & the 2016 deadline for implementation of Rent Restructuring. Appendix page 10 shows example calculations to illustrate how this would be done.

23. Two options for rents & General Charge are shown below for our Executive & residents to consider, both of which give a balanced budget. Note that two of the four General Charge figures are a penny a week lower than those used in consultation with residents due to the requirement for weekly charges to be divisible by 2 to facilitate Housing Benefit assessments on shared tenancies.

OPTION 1

- 5% rent increase
- 40p/week increase in General charge for properties receiving few services
- 78p/week increase in General charge for properties receiving services such as cleaning

OPTION 2

- 6.5% rent increase
- 24p/week increase in General charge for properties receiving few services
- 50p/ week increase in General charge for properties receiving services such as cleaning

BUDGET 2008/09 (Continued)

Rents & General Service charge 2008/09 (Cont'd)

24. Appendix pages 11 (5% increase) & 13 (6.5% increase) show how the two proposed rent increases effect average rents for different types of dwelling. It must be emphasised that every single rent calculation is different and the figures shown are averages. The appendix shows that rents for houses & bungalows will rise faster than rents for flats, maisonettes & bedsits, even though over £5 million of the Special Management expenses we incur relate almost exclusively to services for flats, maisonettes & bedsits. When rents & service charges are considered together the higher average rent increases for houses & bungalows will be partly offset by the higher General Charge increase of either 50p or 78p which will effect mainly flats, maisonettes & bedsits. Appendix pages 12 and 14 show proposed service charges, with details of previous years charges & budgeted changes in future years. Note rents are paid fortnightly and will be rounded to the nearest four pence to facilitate Housing Benefit calculations.

25. For 2008/09 it is estimated that Portsmouth's rents will still be low compared with other adjacent Councils and Housing Associations. This follows average rent increases of 5% in each of the previous two years. For example Housing Association average rents in Portsmouth for the current year are estimated to be approaching £80 per week, well over £10/week higher than our average council rents.

26. The Housing Executive's decision is requested on the level of rents and service charges for next year.

Garage and Parking Site rents

27. A review of garages & parking sites has been undertaken to determine how to make best use of these resources in line with the Budget Principle "Get the best return from non-core activities". The report has not been finalised but a summary of the interim findings is shown at Appendix page 15. Proposed changes to rents based on those interim findings are shown on Appendix page 16. In summary the following increases are proposed:

- Garage rent increases are proposed to rise between 2.6% & 23.5% (Appendix page 16, lines 8 to 16)
- Parking sites to rise by 3.9% (Appendix page 16, lines 19 to 25)

Mobile homes

28. Mobile Homes are the subject of a separate report elsewhere on this Housing Executive agenda. In accordance with the discussions held with residents it is recommended that from 2008/9 onwards rent increases for mobile homes be linked to the rise in the "Retail Price Index, all items" (maintained by the Office of National Statistics) for the preceeding September. If approved this would mean a rise of 3.9% for 2008/09, as shown on Appendix page 16.

BUDGET 2008/09 (Continued)

Heating Charges

29. A list of the recommended fortnightly heating charges is attached at appendix pages 18 and 19. Heating charge calculations are based on a five year rolling average of energy use to smooth out peaks & troughs due to variations in the weather & are intended to recover the full costs of providing the service. However, three years ago when charges were first calculated on this basis they showed increases of up to 70% for some homes. This was due to unexpected increases in gas & electricity costs ranging from 30% to over 70%. At the request of Owen Buckwell, Head of Housing Management & after discussion with Residents Representatives a proposal to implement the increases over up to 3 years was agreed.
30. Last year & this year there have been further high increases in gas & electricity costs so yet again it is suggested that increases in charges to residents should be capped, either at 15% or at 20%. It is estimated that even if future inflationary increases in gas & electricity charges are around 3% per annum it will still take 8 years at 15% increases per annum before income from charges to residents matches the costs incurred. At 20% per annum it would take 6 years. In the meantime the shortfall between total electricity & gas costs & income from charges made to residents falls as a net cost to the Housing Revenue Account.
31. The Housing Executive's decision is requested on the level of heating charges for next year.

Sheltered Housing Service Charges and Supporting People Charges

32. With effect from 2003/4 the Government introduced "Supporting People" legislation requiring all landlords, including the City Council, to identify the level of "support" provided through their residential schemes providing sheltered care. A number of significant changes occurred resulting in a reduced Sheltered Housing Service Charge & the creation of a new "Supporting People" charge with protection on existing tenancies to ensure that total payments rose only by an allowance for inflation.
33. Charges for next year have been revised to reflect actual costs. Attached at Appendix page 17 is a statement showing the existing charges for Category 1, Category 2 and Category 2.5 accommodation for 2007/08 & the recommended charges for 2008/09 which include increases of 3.5%, 5.3% & 5.1% respectively. Note that over 75% of tenants in sheltered accommodation receive Housing Benefit on their Sheltered Housing charges & therefore pay nothing towards Supporting People charges. In addition, of the 25% not receiving Housing Benefit some were in their current tenancy in March 2003 & so their Supporting People charges will increase only by inflation.

BUDGET 2008/09 (Continued)

Sheltered Housing Service Charges and Supporting People Charges (Cont'd)

34. Cuts made by the Government in Supporting People grant mean that next financial year the amount received by the Housing Revenue Account will be less than the cost of services provided to residents. Following discussions with residents representatives & politicians it is not intended to pass that shortfall on to residents in receipt of Housing Benefit who will continue to receive full relief & pay nothing for Supporting People services. The resulting shortfall in income of £65,000 has been provided for in the budgets shown at Appendix page 5.

Support Service, Front Line Service & City Government charges.

35. A first estimate of charges for the costs of professional services, office services, accommodation etc. for next financial year has been made but will continue to be reviewed prior to being reported to City Council on 12 February. The figures shown on Appendix page 5, lines 14 and 15 may therefore change, though it is not anticipated that the changes will be significant enough to affect the rent and charges setting process.

Revenue Contributions

36. Following a review of the systems for repair & maintenance of council homes a number of changes have been made in response to demand for services from our residents. This has prompted a switch of resources away from capital schemes within the Housing Investment Programme to finance the improved repairs & maintenance services to residents and a transfer of £4.3 million has already been approved via Members Information service for the current year 2007/8. For future years budgets (Appendix page 5, lines 48 and 55) reflect an estimated reducing effect of the switch of resources over time as repairs are dealt with in a more timely and efficient fashion.

37. By the beginning of next financial year 2008/9 the City Council parts of the John Pounds scheme will be substantially complete & the associated costs of staff time spent on managing the scheme can no longer be charged against the capital resources of the Housing Investment Programme. Instead resources will now switch to maintaining the scheme & monitoring the implementation of the remaining non City Council works so costs will be met from the Housing Revenue Account General Management Expenses budgets (Appendix page 5, lines 8 to 20). To keep the effects on balances neutral a corresponding reduction in Revenue Contributions & increase in General Management budgets is reflected in the budgets for 2008/9 onwards.

“Decent Homes” & Repairs and Maintenance

38. The Government have issued a “Public Service Agreement” which defines a “Decent home” & seeks to ensure that “all social housing meets a set standard of decency by 2010” & our Budget Principles (Appendix page 4) reflect these proposals. Recommended budgets have been set at a level which the Strategic Director for Health, Housing & Social Care (SDHH&SC) is satisfied will be sufficient to provide for all day-to-day repairs and, in conjunction with the capital provision in the Housing Investment Programme, will also be sufficient to achieve our “Decent Homes” targets by 2010.

Other budget issues

39. The City’s Council Tax (General Fund) budgets will not be set until 12 February 2008 Council meeting. Some of the decisions taken at that time may have a knock-on effect on the Housing Revenue Account. It is therefore recommended that authority be delegated to the Strategic Director for Corporate Resources & Services in consultation with the Strategic Director for Health, Housing & Social Care to amend the budgets to reflect the latest available information prior to completing the Budget Book for 2008/09.

40. Local Pay Review – a provision for the financial impact of the Local Pay Review has been made within budgets, although the review remains subject to final agreement.

41. Employers pension contributions – following the 1.5% increase this financial year increases of 2.8%, 2.8% & 2.7% respectively are assumed over the next three years starting in 2008/9, a significant increase in overall costs to the HRA.

42. Our financial modelling estimates the amount required to maintain our homes over the next 30 years using a “Lifecycle costing” approach. Lifecycle costing involves grouping our homes into similar categories, breaking down the structures into separate components such as walls, roofs etc, than estimating the remaining life of those components & the cost of replacement/repair. Work to revise the assumptions used in the Options Appraisal process is underway & will be incorporated in a future budget report to this Executive.

43. Contingency provision - the budget situation has meant that it has not been possible to include any contingency provision for 2008/09 so if unforeseen costs arise they will have to be met by reducing other budgets, by generating income or as a last resort from HRA general balances.

TRANSFER OF COMMUNITY FACILITIES &/OR SOCIAL CARE “PART 3” HOMES INTO THE COUNCIL HOUSING ACCOUNT

44. The full Executive has approved in principle the transfer (“appropriation”) of a number of Community Facilities &/or Part 3 Residential Social Care homes into the council housing account. Provision has been made in the Housing Investment Programme budgets reported separately to this meeting of £1.45 million to bring Community facilities up to a decent standard & £565,000 for the conversion of one Part 3 home into an “Extra Care” home. The Extra Care conversion would need to be in line with our Joint Accommodation Strategy prepared in conjunction with Portsmouth City Primary Care Trust. The terms of the report approved by full Executive provided that the transfers are conditional upon a financial appraisal for each property to see if the HRA & HIP can afford to take them on. Secretary of State permission has been sought to make the appropriations but no decision has yet been received.

45. The budgets for 2008/09 & later years include best guesses of the effects of these appropriations into the Council Housing Account. The appropriations will only go ahead if financial appraisals on a property by property basis show that there is no significant adverse effect on the financial stability of the Housing Revenue Account.

CONSULTATION WITH RESIDENTS CONSORTIUM

46. The budget sheets attached as Appendix pages 5 and 6 incorporate the estimated effects of all the changes described above and have columns to show the original & revised estimate for 2007/08 & the base estimate 2008/09. Also shown for comparative purposes are the estimated budgets through to 2013/14 both as they were at the time of the report on last years budget in February 2007 and as they are now estimated for this report. The last three columns on pages 5 and 6 show the total change over the seven year period.

47. A meeting was held with the full Residents Consortium on 17th January 2008 to brief them on the 2008/09 budget. The proposals above were discussed including the options for rents, service charges etc and other proposed charges as shown on the attached Appendix pages 10 to 18. The Residents Consortium (RC) were asked if they felt spending should be reduced & if so where they felt economies should be made. They were also asked if they felt that new services should be provided which could be financed by cuts in services or new service charges. The Residents Consortium then reported back to the Housing Executive on 31 January 2008 giving the views of those they represented on the proposed budget changes.

FUTURE YEARS BUDGETS & THE LEVEL OF BALANCES IN HAND

48. The law requires that a budget be set to avoid a deficit on the council housing account (Housing Revenue Account). It is forecast that the level of balances will be £3.1 million at 31st March 2009, including the earmarked capital reserves, so unless unforeseen significant costs or losses of income arise this requirement will be achieved for 2008/09.
49. The financial models required by the Options Appraisal process estimate what will happen on the council housing accounts for 30 years into the future. Prudent estimates have been made on inflation, interest rates, capital spending, etc so that the model can estimate the effects that budgets, rents & charges decisions made now could have on future years.
50. It must be emphasised that the most significant factor affecting the stability of our council housing accounts is the amount of money taken each year by the government. Currently our financial model show that after £492 million being paid to the Government over the course of 30 years the account is only in balance for the next 10 years. However that is based on prudent assumptions as to what the Government will do for future years, notably that there will be no real terms increase made to the notional "Management & Maintenance" factor in the Housing Subsidy calculations. If the Government set the Management & Maintenance" factors just 1% below the level we have assumed it will take another £45 million out of council housing over 30 years.
51. The power of longer term financial planning over 30 years is to enable actions to be taken well in advance to achieve a medium term balanced budget. The aim for the Council Housing Account is to remain in balance over the medium term, i.e. over a minimum rolling 6 year period.
52. Given the difficult budget position we are facing the following actions are recommended in order to achieve that target:
- Revenue contributions (Appendix page 5 lines 55 & 56) – these have been significantly reduced by almost £14 million across the next six years compared with the budgets reported last February. Details of the resultant reductions in the HIP spending proposals are covered in the separate report to this Executive "Housing Investment Programme (HIP) 2007/8 to 2013/14.
 - It is recommended that debt repayments continue to be suspended but that this policy be reviewed annually. Each annual review will seek to identify an affordable sum to be repaid from additional capital receipts from right to buy sales, using 2004/05 HIP budgets approved in February 2004 as the baseline. The Strategic Director for Corporate Resources & Services will determine the sum to be repaid up to an overall maximum of 2% per annum of overall council housing debt.
 - A policy of increasing service charges over the next 6 years to around 90% of the actual costs of special services be adopted, see Appendix page 12.

AUTHORITY TO INCUR REVENUE EXPENDITURE

53. It is proposed that subject to the City Council approving the revenue budgets on 12th February 2008, Strategic Directors be authorised to incur expenditure in accordance with the City Council Constitution. The only exceptions would be those items members consider should be the subject of a separate report before expenditure is incurred.

BACKGROUND LISTS

54. The information on which this report has been based was drawn from many different sources; however details of some of the information used is held in budget files prepared by the Financial Services Housing Accountancy team. Please contact Peter Pennekett, Finance Manager for Health, Housing & Social Care if required.

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COUNCIL HOUSING ACCOUNTS - THE LAW

The Council Housing accounts are termed the "Housing Revenue Account" in the following notes. The rest of the City Council's accounts are termed the "General Fund".

LOCAL GOVERNMENT AND HOUSING ACT 1989

This Act has provided the main framework for Housing Finance since 1 April 1990. In summary the Housing Revenue Account provisions are as follows:

- 1 Local Housing Authorities must keep a separate Housing Revenue Account (HRA).
- 2 The amounts to be credited or debited to the Housing Revenue Account can only be in respect of items detailed in the Act or covered by regulations issued by the Secretary of State.
NOTE - the Government removed Rent Rebates from the HRA from 2004/5.
- 3 Budgets must be prepared each year for the Housing Revenue Account which will avoid a debit balance on the account. Action must be taken if in any year it appears a debit balance may arise.
- 4 An authority should maintain a separate Housing Repair Account.
- 5 Government grant is in the form of a Housing Revenue Account subsidy (up to 2003/4 this took into account the amount of Rent Rebate granted in the year up to a limit set by the Secretary of State).
- 6 A transfer must be made from the General Fund to the Housing Revenue Account in respect of amenities provided by the Housing Revenue Account but shared by the whole community.
- 7 No contribution can be made from the Housing Revenue Account to the General Fund except when the account is no longer in receipt of Housing Revenue Account subsidy.
- 8 With the exception of 6 and 7 above no contribution can be made by the General Fund to the Housing Revenue Account except for certain items detailed in regulations issued by the Secretary of State.

In addition to the above, the Act provides the main framework for the Capital Finance of Local Authorities. Details of the capital controls are given in the separate report on this agenda on that subject.

LEASEHOLD REFORM, HOUSING & URBAN DEVELOPMENT ACT 1993

The above Act came into force in 1993 and gave Housing Authorities the power to provide Welfare Services and to account for them within either the Housing Revenue Account or the General Fund at the Authorities discretion.

The Act also gave the Secretary of State wide powers to amend this provision and regulations have been made which prevent "personal services" such as regular feeding or bathing or cooking of meals from being accounted for within the Housing Revenue Account. Accordingly the net costs relating to the element of personal services provided by staff in sheltered accommodation are shown within the General Fund Housing budgets of the Housing, Health & Social Care Executive.

THE EXECUTIVE SUMMARY

This summary presents the highlights of the city council's strategy for housing in Portsmouth. The emphasis is on identified priorities which require immediate attention, but key background information is also described. Topic headings in these two pages follow the sections in the main text.

THE STRATEGIC CONTEXT

Portsmouth's distinctive characteristics influence our response to the city's housing needs:

- The number of households is increasing
- Household incomes in Portsmouth are the lowest in Hampshire, thereby affecting property prices, among the lowest in the S E Region
- Portsmouth shows sharp economic contrasts: while some areas are affluent others score highly on the Government's Deprivation Indices
- Portsmouth's geography constrains housing development which is limited to 'brownfield' sites
- Portsmouth's housing market is one of the most active in the south Hampshire sub region, especially for the sale of terraced houses
- Portsmouth has strong employment and housing market links with communities in SE Hampshire.

Strategic links with other policies and strategies are many and complex but those with the Portsmouth Local Strategic Partnership (LSP) and its *Community Strategy* are especially marked.

Consultation has been extensive involving techniques such as surveys, seminars, meetings and questionnaires with residents, the LSP Housing Partnership, city council tenants & lease-holders, elected Members, and housing and social care providers.

Sub regional housing policy is reflected in this Housing Strategy as the city council contributes to the activities of PUSH, the Partnership for Urban South Hampshire, and also responds to the Regional Housing Strategy and the South East Plan.

INFORMING THE STRATEGY

Four principal sources inform this Strategy: new data from commissioned research, existing data from public and Government agencies, city council management information, and discussions with residents, service users and housing & service providers. Details are presented in the Appendices.

Housing reviews include a study commissioned from Fordham Research in 2004. Fordham found that Portsmouth has an estimated shortfall of nearly 3,000 affordable homes every year for the next five years. They concluded that it would be reasonable for planning policy to include a site target of up to 50 percent affordable housing.

2005 began with an assessment of the south Hampshire housing market by consultants DTZ Pida and one of their conclusions was that between 30 and 40 percent of new homes should be affordable.

Home ownership and private renting markets are thriving in Portsmouth. Home purchase prices averaged £153,000 in 2004 compared to £223,000 for the South East Region. But affordability is still an acute issue as these prices are six times average household incomes. Private renting comprises 13 percent of the city's housing and is an essential source of accommodation, bolstered by demand from the University's student population.

Demand for affordable housing, especially low cost social renting, remains huge, although interest in alternative housing solutions (shared ownership for example) is now very great. Applications to the Portsmouth Housing Register have increased by nearly one third in a generation, with families feeling the pressure most as the supply of larger rented homes has declined. Homelessness requests still exceed regional averages.

The need for supported and special housing is immense. Managing *Supporting People* contracts confirms that demand for specialist housing and support services is well in excess of current levels of supply. A strategic priority is to review and revise data collection for each of the main client groups.

Managing council housing involves the repair and maintenance of over 17,000 rented and leasehold properties which must reach the Government's *Decent Homes* standard by 2010. Successive stock surveys demonstrate that at present half the city council's housing met the standard in March 2005.

Private housing renewal refers to the repair and standards agenda for an estimated 70,000 privately owned dwellings in Portsmouth. The 2003 housing condition survey is the main evidence source which informs us that three quarters of the private stock dates before World War II while 9 percent of dwellings are legally unfit, twice the national average.

Regeneration schemes in recent years at Wecock Farm and the John Pound Centre at Portsea have provided invaluable information and expertise about creating mixed and sustainable communities – and new housing - which will be applied to future projects at Somerstown and Leigh Park.

FINANCE AND RESOURCES

Resources for this Strategy are summarised on pages 26 to 30 and presented by two main themes:

- Community housing – many activities including new homes provision, Portsmouth Housing Register, homelessness, housing renewals etc
- Managing the city council's stock of housing.

OUR PRIORITIES FOR ACTION

Our proposals for implementation are presented as five themes which commence on page 33 of the Strategy. The subject matter and objectives are wide ranging and backed up by operational detail in a number of business planning documents. Readers wanting an understanding of where responsibility lies for particular functions may wish to refer to the tables commencing on page 46.

Affordable housing and regeneration

The immediate priority is to ensure a greatly increased supply of housing of all kinds to meet the undoubted gap between demand and supply in the housing market. However the city council, as strategic housing authority, must ensure an increased supply of *affordable* homes. By affordable we mean social renting at lower, usually subsidised, prices by the city council and housing associations. It can also mean *intermediate* tenures of which shared ownership purchase is just one example.

We therefore aim to commission at least 2,000 affordable homes in the six years to March 2011, an average of at least 300 each year. We will expect a significant proportion of these homes to be created for larger families. Delivering this programme will require the co-operation and good will of many, including our housing association partners and house builders. But the city council will contribute in a number of ways for example by revising its planning policies to create more opportunities for affordable housing using planning agreements. Regeneration programmes will be the catalyst and vehicle for achieving more homes. Inter authority working across the south Hampshire sub region will also create opportunities which have become more evident with publication of the Regional Housing Strategy in 2005. Principal actions and targets are listed on page 35.

Private housing renewal & standards

Using the long established home improvement agency, the city council will continue assisting with repairing and improving Portsmouth's private housing, work that is mainly focused on older home owners with limited incomes. It is a long term programme with the aim of reducing the percentage of legally unfit dwellings or those in serious disrepair. Monitoring the health and safety of privately rented housing will also continue, as will grant aided works for disabled customers. **A key priority for this Strategy is to attain the Decent Homes standard by 2011: so that 70 percent of vulnerable households live in homes that reach the decency standard.** One of the tools for achieving this will be a new home loans scheme created with the South Coast Money Line, a community bank, and a number of South Coast local councils. Principal actions and targets are itemised on page 37.

Managing our council homes

The Stock Options Appraisal has been completed and the city council's report submitted to the Office of the Deputy Prime Minister. However the outcome of this process will not be known for some time. Nevertheless our plans for the housing management service have been devised against the background of extensive consultation with residents during 2004 in which they expressed a preference for their homes to remain in the city council's ownership. Our proposals for this Strategy are based on this premise. Central to our planning is continuous service improvement managed in close consultation with residents. **The repair and maintenance of over 17,000 tenanted and leasehold dwellings is an essential element in this programme of activities, linked to attaining the Decent Homes standard by 2010.** We have identified the cost of works and have the necessary financial resources within the Housing Revenue Account budget. Principal actions and targets are listed on page 41.

Supported and special housing

The planning and provision of housing and support services is a growth area, in part due to the substantial *Supporting People* programme, and this Strategy has assessed the current and future requirements of many specialist needs. They are too diverse and complex to summarise here but the reader may wish to review our proposals on pages 42 and 43. Principal actions and targets are listed on pages 47 and 48.

Housing Choices

This is the term we have chosen to describe a collection of services managed for everyone in Portsmouth who requires affordable housing (sometimes with support), or help with the upkeep of their existing home. The gateway to these services is often through the city council's Housing Options team which is part of a network of organisations who have specialist expertise in their particular field.

Our proposals in this Strategy cover a range of activities: advice and assistance in obtaining accommodation; the homelessness service; managing the Portsmouth Housing Register; improving access to private renting; and giving support to people in their home with services such as Home Check and community alarms. **A key proposal over the next two years will be to design and implement a *Choice Based Lettings* system which will be more flexible and quicker for many applicants than the present housing register.** Other plans include

- An on-line Internet housing information service
- Preparing a new Homelessness Strategy
- A lettings agency for private accommodation.

Principal actions and targets are listed on page 45.

HHSC BUDGET PRINCIPLES – 2008/9 to 2010/11 Budgets

Budgets to be driven by HHSC Strategies to meet PCC Corporate Priorities with particular emphasis on regeneration & creation of sustainable communities to achieve safe, secure, independent & healthy living for our residents, tenants & leaseholders, including the following:

- ensuring there is appropriate home care for those who need it
- offering access to respite care and other support for carers and service users
- assessing individuals needs and developing care/support to those needs
- contributing to effective rehabilitation for people leaving hospital
- promoting healthy eating and lifestyles & improving young people's health
- enabling and contributing to the provision of good quality low cost homes with well-planned infrastructure
- delivering and promoting high quality house design combined with exceptional environmental performance.
- tackling fuel poverty
- working to reduce carbon emissions and to eliminate negative environmental impacts from all areas of work.

Budgets to be prepared in consultation with residents, tenants & leaseholders & reflect their views

Balanced budgets to be prepared for a minimum 3 years for revenue budgets & 5 years for capital budgets

Work with suppliers & partners, particularly the Health Service, to try & co-ordinate services in the best interests of residents, tenants & leaseholders.

Support effective preventive measures wherever possible

Maintain & improve homes by:

- Tackling disrepair in private housing to meet the target of 70% of vulnerable people housed in decent homes by 2011.
- Reducing the number of unfit and inaccessible private sector homes
- Maintaining the cycle of planned external inspection & repair of council dwellings.
- Improving the quality of council dwellings to meet decent homes standards by the 2010 Government target.
- Working towards a "Decent Environment" for all council dwellings.
- Improving energy efficiency and opportunities for microgeneration.
- Encouraging the reduction, reuse and recycling of materials.

Maintain high management standards for council dwellings

To be affordable and avoid an unreasonable burden on rents, charges and Council Tax.

Get the best return possible from non-core activities i.e. provision of garages

Achieve continuous improvement through systems thinking methods, designing services against customer demand

Comply with the law.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	Description	2006/07 Actual	This year 2007/8		2008/9		2009/10		2010/11		2011/12		2012/13		2013/14		TOTAL CHANGE 2007/8 TO 2013/24		
2					2.80%	3.90%	2.80%	2.90%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	16.80%	18.00%	1.20%
3					5.03%	4.71%	4.82%	4.67%	4.70%	4.80%	4.70%	4.78%	4.70%	4.74%	4.70%	4.70%	28.65%	28.40%	-0.25%
4					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	0.50%	0.50%	1.00%	1.00%	0.00%
5			Feb-07	Feb-08	Feb-07	Feb-08	Feb-07	Feb-08	Feb-07	Feb-08	Feb-07	Feb-08	Feb-07	Feb-08	Feb-07	Feb-08	Feb-07	Feb-08	Difference
6	Rent % increase	5.21%	5.03%	5.03%	5.02%	4.97%	4.65%	5.01%	3.93%	4.50%	3.45%	3.67%	3.30%	3.40%	3.30%	3.34%	23.65%	24.89%	1.24%
7	Average rent	-60.31	-£63.33	-£63.33	-£66.51	-£66.48	-£69.60	-£69.81	-£72.34	-£72.95	-£74.83	-£75.63	-£77.30	-£78.20	-£79.85	-£80.81	-£440.43	-£443.88	-£3.45
64	INCOME																		
65	Government Grants																		
66	Supporting People Tenancy Support grant	(481)	-447	-441	-447	-459	-447	-459	-447	-459	-447	-459	-447	-459	-447	-459	-3,129	-3,195	-66
69	Supporting People Sheltered Housing Grant	(1,025)	-706	-781	-784	-855	-806	-880	-829	-905	-852	-931	-876	-958	-900	-985	-5,754	-6,296	-542
70	Rents																		
72	Dwellings - exc Mobile Homes - Rent less void	(48,270)	-49,996	-49,996	-52,250	-52,162	-54,371	-54,500	-56,193	-56,664	-57,803	-58,378	-59,361	-59,983	-60,949	-61,593	-390,923	-393,275	-2,352
73	Garages, Parking sites	(854)	-1,067	-914	-1,162	-883	-1,194	-961	-1,228	-961	-1,262	-988	-1,297	-1,015	-1,334	-1,044	-8,543	-6,766	1,777
74	Mobile Home sites (included above Feb 2007)	(146)	0	-153	0	-161	0	-198	0	-235	0	-282	0	-290	0	-298	0	-1,619	-1,619
75	Shops	(503)	-577	-521	-593	-562	-610	-578	-627	-595	-644	-611	-662	-628	-681	-646	-4,395	-4,142	253
76	Land Rents	(30)	-4	-31	-4	-6	-4	-6	-4	-6	-5	-6	-5	-6	-5	-6	-31	-67	-36
77	Fees and Charges																		
79	General Charge	(1,843)	-1,936	-1,936	-2,190	-2,429	-2,440	-2,882	-2,697	-3,362	-2,960	-3,857	-3,229	-4,395	-3,504	-4,947	-18,955	-23,808	-4,853
80	Heating Charges	(349)	-408	-408	-490	-509	-588	-610	-705	-732	-846	-879	-1,015	-903	-1,044	-929	-5,095	-4,970	125
81	Sheltered Housing Service Charge	(552)	-592	-572	-608	-664	-625	-683	-643	-703	-661	-722	-679	-742	-698	-763	-4,507	-4,850	-343
82	Supporting People Service Charge	(1,046)	-959	-1,084	-986	-1,195	-1,014	-1,230	-1,042	-1,264	-1,071	-1,300	-1,101	-1,336	-1,132	-1,373	-7,307	-8,782	-1,475
83	Collection of Council Tax Income	(96)	-113	-113	-116	-102	-119	-105	-122	-108	-126	-111	-129	-114	-133	-117	-857	-770	88
84	Admin of RTB - DCLG	864	-85	-85	-87	-88	-90	-90	-92	-93	-95	-95	-97	-98	-100	-101	-647	-650	-3
85	L/H Charges for Services & Facilities	(627)	-844	-844	-889	-659	-936	-695	-986	-731	-1,037	-769	-1,090	-808	-1,146	-800	-6,927	-5,355	1,572
86	Other Charges for Services & Facilities	(478)	-383	-495	-394	-312	-405	-321	-416	-330	-428	-339	-440	-349	-452	-358	-2,919	-2,504	415
87	Interest																		
89	Mortgage Interest from sold homes	(11)	-2	-2	0	-5	0	-4	0	-3	0	-2	0	-1	0	-1	-2	-18	-16
91	Recharges to other services																		
92	SS Wardens Welfare & Sheltered Costs	(222)																	
94	Recovery of Overpaid Housing Benefit		-162	0	0	0	0	0	0	0	0	0	0	0	0	0	-162	0	162
96	TOTAL INCOME	-55,669	-58,280	-58,375	-61,000	-61,050	-63,649	-64,203	-66,031	-67,149	-68,237	-69,731	-70,431	-72,087	-72,526	-74,471	-460,154	-467,065	-6,911
97	SUMMARY OF HRA																		
100	Total Expenditure including payments to Government	56,794	59,132	59,428	63,195	62,604	65,014	65,284	66,278	65,901	68,767	69,299	70,845	72,108	72,977	74,841	407,077	410,037	2,960
101	Total Income from Government	(1,505)	-1,153	-1,222	-1,231	-1,314	-1,253	-1,339	-1,276	-1,364	-1,299	-1,390	-1,323	-1,417	-1,347	-1,444	-7,730	-8,268	-538
102	Total other income	(54,164)	-57,127	-57,153	-59,769	-59,736	-62,396	-62,864	-64,755	-65,785	-66,938	-68,340	-69,108	-70,670	-71,178	-73,027	-394,144	-400,422	-6,278
103	Interest on balances	(694)	-266	-382	-162	-248	-50	-119	-54	-149	-87	-210	-95	-249	-89	-272	-537	-1,247	-709
105	Deficit (Surplus) for the year	431	586	671	2,033	1,306	1,315	963	193	-1,397	443	-642	319	-229	363	98	4,666	100	-4,566
107	General Balance																		
109	Balance at 1st April	(4,849)	-4,152	-4,418	-3,566	-3,748	-1,533	-2,441	-218	-1,478	-25	-2,876	418	-3,517	737	-3,746	737	-3,746	-4,483
110	Less Deficit or Add (Surplus)	431	586	671	2,033	1,306	1,315	963	193	-1,397	443	-642	319	-229	363	98	363	98	-265
112	Balance at 31st March - General	-4,418	-3,566	-3,748	-1,533	-2,441	-218	-1,478	-25	-2,876	418	-3,517	737	-3,746	1,100	-3,648	1,100	-3,648	-4,748
114	Balance at 31st March - reserved for HIP	-3,828	-1,315	-3,935	-202	-638	-169	-641	-1,931	-1,372	-2,253	-1,245	-3,057	-2,262	-2,653	-2,170	-2,653	-2,170	483
116	TOTAL OF ALL BALANCES AT 31 MARCH	-8,246	-4,882	-7,682	-1,735	-3,080	-387	-2,119	-1,957	-4,248	-1,836	-4,763	-2,320	-6,008	-1,553	-5,818	-1,553	-5,818	-4,265

A B C D E F G H I J K

HOUSING REVENUE ACCOUNT SUBSIDY/PAYMENTS TO GOVERNMENT

Note these are NOT real income & expenditure figures. They are amounts determined by the Government & bear little, if any, relationship to the real Housing Revenue Account budgets

	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	Total for 30 years
SUMMARY OF PAYMENTS FROM/(TO) GOVERNMENT & GENERAL FUND										
	£million	£million	£million	£million	£million	£million	£million	£million	£million	£million
Management Allowance	9.4	9.9	10.6	11.1	11.3	11.6	11.9	12.2	12.4	
Maintenance Allowance	15.5	16.5	17.7	17.8	18.2	18.6	19.1	19.5	20.0	
Major Repairs Allowance	11.0	11.0	11.2	11.1	11.4	11.6	11.9	12.2	12.5	
Admissible Allowance	0.3	0.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Interest on debt	4.4	4.4	4.1	4.0	4.5	4.7	4.7	4.7	4.7	
Notional Rent	(39.9)	(43.3)	(46.3)	(48.6)	(50.6)	(52.7)	(54.9)	(57.1)	(59.4)	
Total Subsidy/(Payment) to Government	0.7	(1.4)	(2.7)	(4.6)	(5.2)	(6.2)	(7.3)	(8.5)	(9.8)	(492.7)
Payment of receipts from sales to Government	(5.2)	(5.9)	(4.7)	(4.9)	(5.1)	(5.3)	(5.6)	(5.8)	(6.1)	(233.4)
Net payment from(to) Government	(4.5)	(7.3)	(7.4)	(9.5)	(10.3)	(11.5)	(12.9)	(14.3)	(15.9)	(726.1)
Rent Rebate Limitation paid to General Fund	(1.4)	(1.2)	(1.3)	(1.5)	(1.8)	(2.0)	(1.9)	(1.6)	(1.3)	(15.1)

Billion pound tenant tax

Housing revenue account set for £194m surplus by next year

The complex way the government finances council housing is set to turn into a multimillion pound tax on tenants next year, shock new figures have revealed.

Projections released to Parliament by the Communities and Local Government department have shown that in 2008/09 the housing revenue account could tip £194 million into surplus.

This means that tenants will pay £194 million more into government coffers via their rents than councils will receive to manage and maintain their homes.

Over the next 15 years, £7.5 billion could be taken out of the HRA by the Treasury - with no guarantees that any of it will be spent improving tenants' homes.

The figure represents the equivalent of virtually the entire national affordable housing programme over the next three years. At current Housing Corporation grant rates the money would fund 121,827 new homes.

By 2022/23 the tenant tax would be worth a staggering £894 million every year. Under the current system the Treasury could use rents to subsidise government spending on other areas such as education, health and defence.

The figures were published after a request for information from MP Austin Mitchell, a member of Parliament's committee of public accounts.

The CLG is understood to be concerned about the findings. Housing minister Yvette Cooper launched a review of the entire housing subsidy system last year

John Perry, policy advisor at the Chartered Institute of Housing, said that the figures reflected a general trend.

The HRA review must 'address the issue of how we move to a new revenue system for council housing that is both sustainable and fair to tenants', he said. 'The housing revenue account system has always robbed Peter to pay Paul but these figures confirm that some tenants might soon be paying what is, in effect, a new tax.'

Over the last 18 months six councils have been working on a pilot project to look at the cost of them opting out of the subsidy system altogether.

Mike Owen, chief executive of Carrick Homes, took part in the project. He said its calculations revealed Carrick Council tenants would pay out £70 million more than the council received back in subsidy over the next 30 years. The latest revelation showed why there was now 'impetus' in the CLG to look at the future of the subsidy system, Mr Owen added.

Professor Steve Wilcox, of the University of York, said the central problem was 'finding a way out that is financially neutral' for the Treasury.

Key Delivery Target – SD Lead – Margaret Geary
Campaign/Lobby against Government “tax” on Council rents

Milestones (and dates)

1. Produce a plan, in consultation with Residents, the Leader of the Council & Portsmouth/Havant MP's and preferably in partnership with other Council's with similar interests, identifying the most effective ways to lobby for change to:
 - The Housing Revenue Account Subsidy System (HRASS) &
 - The requirement to pay 75% of the proceeds of all “right to buy” council housing sales to the Government.

– By March 2008.
2. Implement the plan in time to reduce the burden on tenants in 2009/10 - tentative date by June 2008.
3. Decide in consultation with Residents whether to “Buy out” of the HRASS (as recently piloted by DCLG with six authorities) – to Government timetable, if pilot is deemed successful & DCLG decide to go ahead, probably circa summer 2008.

Budget

Milestones 1 & 2 estimated to cost less than £10,000 – met by Housing Revenue Account (Council Housing) budgets for 2007/8 & 2008/9. Milestone 3 may require a major exercise on Life Cycle Costing &/or external verification of financial models - recommend to Exec & Residents £50,000 provision be included in the 2008/9 Housing Revenue Account budgets.

Contribution to strategic priorities

Corporate Plan 2007 to 2010 – Decent Affordable Housing

Links to other plans and projects

Housing Strategy. Council Housing Business Plan to 2034. Neighbourhood Management Pilot.

Local Area Agreement:

- Priority Issue – Develop affordable, quality housing & communities that meet local needs.
- Priority Issue – Protect our more vulnerable residents by shaping public services to meet their needs

Key indicators

From 2009/10 onwards resident's rents & charges rise by less than predicted in February 2007 financial model.

HRASS no longer the key dependency in 30 year Council Housing B/Plan.

Residents Consortium and Resident Panels positive feedback

Lead Member - Hugh Mason

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT)
BUDGET FOR 2008/09

RENTS BELOW GOVERNMENT "RENT RESTRUCTURING" RENT ASSUMED TO RISE TO THAT LEVEL AS FAST AS POSSIBLE. RENTS ABOVE "RENT RESTRUCTURING" RENT ASSUMED TO MOVE ONE NINTH OF THE WAY TOWARDS "RENT RESTRUCTURING" LEVEL.

Row -->	A	B	C
LINE NUMBER	RENT CALCULATION	RENT NOW ABOVE GOVERNMENTS RENT RESTRUCTURING LEVEL 2 bed flat Weekly rent £ p	RENT NOW BELOW GOVERNMENTS RENT RESTRUCTURING LEVEL 3 bed house Weekly rent £ p
1	General Service Charge now	3.06	1.44
2	Rent now	72.08	68.32
3	ADD 4.4% (Inflation 3.9% plus 0.5% increase)	3.17	3.01
4	Rent before adjustment to Government rent	75.25	71.33
5	Government's "Rent Restructuring" rent	70.89	73.50
6	Rent is above Government Rent Restructuring Rent so moves one ninth of the way towards the Government's Formula rent	0.48	
7	Rent is below Government Formula Rent so moves all the way to Government's Formula rent		2.17
8	Rent before limits applied	74.77	73.50
9	New General Service Charge, say	3.84	1.84
10	Rent & General Service Charge before limits applied	78.61	75.34
11	Limit, cannot increase by more than inflation (3.9%) plus 0.5% plus £2 Maximum Rent & General Service Charge = limits	80.45	74.83
12	New Rent & General Service Charge after limits applied	78.61	74.83
13	New Rent 2008/09 before 5% Cap adjustment	74.77	72.99
14	All rent limited to 5% increase	73.92	72.16
15	Increase in rent (Line 13 - line 2)	1.84	3.84

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT)
BUDGET FOR 2008/09

5.0%

5% RENT INCREASE - AVERAGE CHANGES 2008/09
RESTRUCTURING BY 2016

	A	B	C	D	E	F	G	H	I
1	Property type & number of beds	Bedsit	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED	Grand Total
2									
3	Bedsit/Studio	488	94	5					587
4	Bungalow		194	14	13				221
5	Flat		3,921	3,411	698	16	6		8,052
6	House		1	1,311	2,692	364	45	3	4,416
7	Maisonnette		2	575	1,381	24	4		1,986
8									
9	Grand Total	488	4,212	5,316	4,784	404	55	3	15,262
10									
11									
12	Average weekly rent after increase	Bedsit	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED	Grand Total
13									
14	Bedsit/Studio	51.45	56.52	65.24					52.37
15	Bungalow		61.41	72.87	75.91				62.99
16	Flat		58.33	65.45	72.16	73.34	72.44		62.59
17	House		64.24	69.31	74.71	82.96	88.18	104.03	73.94
18	Maisonnette		59.83	65.56	72.02	78.56	82.22		70.24
19									
20	Grand Total	51.45	58.43	66.44	73.56	82.32	86.03	104.03	66.48
21									
22									
23	Average weekly increase in rent in £	Bedsit	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED	Grand Total
24									
25	Bedsit/Studio	£2.59	£2.48	£2.71					£2.58
26	Bungalow		£3.46	£3.30	£3.96				£3.48
27	Flat		£2.89	£2.83	£3.21	£3.64	£3.80		£2.90
28	House		£3.60	£3.62	£3.79	£4.01	£4.08	£4.25	£3.76
29	Maisonnette		£3.19	£2.97	£3.20	£3.55	£3.85		£3.14
30									
31	Grand Total	£2.59	£2.91	£3.04	£3.54	£3.97	£4.03	£4.25	£3.17
32									
33									
34	Average weekly increase in rent in %	Bedsit	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED	Grand Total
35									
36	Bedsit/Studio	5.3%	4.6%	4.3%					5.2%
37	Bungalow		6.0%	4.7%	5.5%				5.9%
38	Flat		5.2%	4.5%	4.7%	5.3%	5.5%		4.9%
39	House		5.9%	5.5%	5.4%	5.1%	4.9%	4.3%	5.4%
40	Maisonnette		5.6%	4.8%	4.7%	4.7%	4.9%		4.7%
41									
42	Grand Total	5.4%	5.3%	4.8%	5.0%	5.1%	4.9%	4.2%	5.0%

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT) BUDGET FOR 2008/09

GENERAL SERVICE CHARGE

to be read in conjunction with a 5% average rent increase

1	A	B	C	D	E			F			G	H			I	J	K
	Year of increase	Total cost of services (Note 2)	% recovered (Note 4)	Amount recovered via service charge	Properties with lower level of services			Properties with higher level of services			Annual growth in income over inflation						
					Weekly cost	Increase (Note 3)		Weekly cost	Increase								
2		£'000	%	£'000	£ .. p	£ .. p	%	£ .. p	£ .. p	%	£'000						
3	April 2006 - actual	4,980	32%	1,617	1.30			2.32									
4	April 2007 - actual	4,959	39%	1,954	1.44	0.14	11%	3.06	0.74	32%							
5	April 2008 proposed	5,218	46%	2,419	1.84	0.40	28%	3.84	0.78	25%	375						
6	April 2009 - proposed	5,075	57%	2,884	2.18	0.34	18%	4.60	0.76	20%	387						
7	April 2010 - proposed	5,242	64%	3,380	2.44	0.26	12%	5.46	0.86	19%	400						
8	April 2011 - proposed	5,415	72%	3,904	2.52	0.08	3%	6.48	1.02	19%	413						
9	April 2012 - proposed	5,594	80%	4,476	2.60	0.08	3%	7.60	1.12	17%	427						
10	April 2013 - proposed	5,778	88%	5,070	2.69	0.09	3%	8.76	1.16	15%	441						

NOTES

1 Criteria for service charges

- Charge is eligible for Housing Benefit i.e. it is appropriate and related to the property and is less than or equal to the cost of providing services.
- Charge helps meet the 30 year Council Housing business plan objectives (previous assumption was an annual £200,000 rise until 80% recovery achieved)
- Any change in charge is taken into account in the caps and limits that apply to the calculation of the combined rise in rent and general service charge.
- Where possible any loss via the Government's HRA subsidy clawback and Rent Rebate Subsidy Limitation impact is minimised.

2 Eligible items included in charge & costs taken into account

The net costs of these services after taking account of leaseholder contributions are taken into account.

anti-social behaviour team
resident participation

money advice team
estate services officers

electricity for lighting
cleaning and bulk refuse

grounds maintenance
concierge

3 % increases

To maintain the financial viability of the Council Housing Accounts increases in future years well above RPI levels are projected - except in later years for properties with lower levels of service as by 2011 we have reached full recovery for the services received by these properties.

4 % recovery

This is the overall recovery for all service charges. Each eligible item has been recovered at a different rate to keep the balance of increases between higher & lower service properties as even as possible.

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT)

BUDGET FOR 2008/09

6.5%

6.5% RENT INCREASE - AVERAGE CHANGES 2008/09

RESTRUCTURING BY 2016

	A	B	C	D	E	F	G	H	I
1	Property type & number of beds	Bedsit	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED	Grand Total
2									
3	Bedsit/Studio	488	94	5					587
4	Bungalow		194	14	13				221
5	Flat		3,921	3,411	698	16	6		8,052
6	House		1	1,311	2,692	364	45	3	4,416
7	Maisonnette		2	575	1,381	24	4		1,986
8									
9	Grand Total	488	4,212	5,316	4,784	404	55	3	15,262
10									
11									
12	Average weekly rent after increase	Bedsit	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED	Grand Total
13									
14	Bedsit/Studio	£52.24	£57.22	£65.98					53.15
15	Bungalow		£62.32	£73.72	£76.97				63.90
16	Flat		£59.21	£66.29	£73.14	£74.34	£73.50		63.46
17	House		£65.17	£70.27	£75.73	£84.07	£89.36	£105.36	74.95
18	Maisonnette		£60.72	£66.47	£73.00	£79.61	£83.58		71.20
19									
20	Grand Total	£52.34	£59.31	£67.31	£74.56	£83.42	£87.21	£105.36	67.40
21									
22									
23	Average weekly increase in rent £	Bedsit	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED	Grand Total
24									
25	Bedsit/Studio	£3.38	£3.17	£3.45					£3.35
26	Bungalow		£4.37	£4.15	£5.03				£4.40
27	Flat		£3.78	£3.67	£4.20	£4.64	£4.86		£3.77
28	House		£4.53	£4.57	£4.81	£5.12	£5.26	£5.58	£4.77
29	Maisonnette		£4.08	£3.88	£4.17	£4.60	£5.21		£4.10
30									
31	Grand Total	£3.38	£3.79	£3.92	£4.54	£5.07	£5.22	£5.58	£4.09
32									
33									
34	Average weekly increase in rent %	Bedsit	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED	Grand Total
35									
36	Bedsit/Studio	6.9%	5.9%	5.5%					6.8%
37	Bungalow		7.6%	6.0%	7.0%				7.4%
38	Flat		6.8%	5.9%	6.1%	6.7%	7.1%		6.4%
39	House		7.5%	7.0%	6.8%	6.5%	6.3%	5.6%	6.8%
40	Maisonnette		7.2%	6.2%	6.1%	6.1%	6.6%		6.1%
41									
42	Grand Total	6.9%	6.8%	6.2%	6.5%	6.5%	6.4%	5.6%	6.5%

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT) BUDGET FOR 2008/09
GENERAL SERVICE CHARGE *to be read in conjunction with a 6.5% average rent increase*

1	A	B	C	D	E	F	G	H	I	J	K
	Year of increase	Total cost of services (Note 2)	% recovered (Note 4)	Amount recovered via service charge	Properties with lower level of services			Properties with higher level of services			Annual growth in income over inflation
		£'000	%	£'000	Weekly cost	Increase (Note 3)		Weekly cost	Increase		
2					£ .. p	£ .. p	%	£ .. p	£ .. p	%	£'000
3	April 2006 - actual	4,980	32%	1,617	1.30			2.32			
4	April 2007 - actual	4,959	39%	1,954	1.44	0.14	11%	3.06	0.74	32%	
5	April 2008 proposed	5,218	43%	2,233	1.68	0.24	16%	3.56	0.50	16%	193
6	April 2009 - proposed	5,075	54%	2,758	2.10	0.42	25%	4.39	0.83	23%	450
7	April 2010 - proposed	5,242	63%	3,299	2.35	0.25	12%	5.36	0.97	22%	450
8	April 2011 - proposed	5,415	71%	3,865	2.52	0.17	7%	6.40	1.04	19%	450
9	April 2012 - proposed	5,594	79%	4,447	2.60	0.08	3%	7.54	1.14	18%	450
10	April 2013 - proposed	5,778	87%	5,041	2.69	0.09	3%	8.70	1.16	15%	450

NOTES

1 Criteria for service charges

- a) Charge is eligible for Housing Benefit i.e. it is appropriate and related to the property and is less than or equal to the cost of providing services.
- b) Charge helps meet the 30 year Council Housing business plan objectives (previous assumption was an annual £200,000 rise until 80% recovery achieved)
- c) Any change in charge is taken into account in the caps and limits that apply to the calculation of the combined rise in rent and general service charge.
- d) Where possible any loss via the Government's HRA subsidy clawback and Rent Rebate Subsidy Limitation impact is minimised.

2 Eligible items included in charge & costs taken into account

The net costs of these services after taking account of leaseholder contributions are taken into account.

anti-social behaviour team
resident participation

money advice team
estate services officers

electricity for lighting
cleaning and bulk refuse

grounds maintenance
concierge

3 % increases

To maintain the financial viability of the Council Housing Accounts increases in future years well above RPI levels are projected - except in later years for properties with lower levels of service as by 2011 we have reached full recovery for the services received by these properties.

4 % recovery

This is the overall recovery for all service charges. Each eligible item has been recovered at a different rate to keep the balance of increases between higher & lower service properties as even as possible.

GARAGES/PARKING SPACES REVIEW - SUMMARY OF RECOMMENDATIONS:

Background

- Demand for reasonably-priced parking in Portsmouth is high
- Many of our garage and parking space sites – currently around 900 garages (40%) and 425 parking spaces (30%) - are unlet.
- Our parking forum (parkingforum@portsmouthcc.gov.uk) consistently records residents' unhappiness with the shortage and cost of parking in the city.
- Around 1200 parking spaces are 'free for all'. These spaces are thus used free on a first-come-first-served basis, in areas of high demand, usually by shoppers or workers who drive into the city.
- Comments of residents "Why don't you let us park here? We'd happily pay if we had a guaranteed space".
- Stock condition varies widely from Area To Area. Some sites, especially at Leigh Park, are derelict and should be developed or sold.
- Parking posts are unpopular with residents, are prone to vandalism, and are expensive.
- A parking site "permit and tow-away" scheme at Landport has met with some success, whereby a customer buys a permit for a specific car to occupy a specific space.

PROPOSALS - GARAGES

- Base the charging structure on demand with two bands - on-island and off-island.
- Consider reductions for living close to a garage to replace the current tenant/leasehold/private split, which has resulted in garages being sub-let.
- Consider locally-agreed discounts based e.g. on reductions for essential needs like disability vehicle.
- 'Potential development sites' consider for sale / development

PROPOSALS - PARKING SPACES

- Replace parking posts with a permit and tow-away system
- Bring 1200+ "off charge" parking spaces into the permit system, so that local residents can park cheaply.
- Charge for the new permits annually Offer Direct Debit only for instalment payments allowed at any reasonable frequency (fortnightly, monthly, etc) for convenience and cheapness. Of the 1000+ parking spaces currently let, under 100 are currently paid for fortnightly.

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT)
BUDGET FOR 2008/09

FORTNIGHTLY RENTS - MOBILE HOMES, GARAGES & PARKING SITES

	A	B	C	D	E
1				2008/09	
2	DESCRIPTION	OLD RENT Fortnight	RISE	NEW RENT Fortnight	% increase
3	<u>MOBILE HOMES</u> (3.9% as RPI @ Sept 2007) <u>FORTNIGHTLY RENTS</u>	£ p	£ p	£ p	%
4	Single Site	47.06	1.84	48.90	3.9%
5	Single Site (larger)	53.26	2.08	55.34	3.9%
6	Double Site	59.24	2.32	61.56	3.9%
7	<u>GARAGES FORTNIGHTLY RENTS</u>				
8	Council tenants (No VAT)				
9	- inside city	14.58	3.42	18.00	23.5%
10	- outside city	14.58	0.42	15.00	2.9%
11	Leaseholders (No VAT)				
12	- inside city	25.34	1.66	27.00	6.6%
13	- outside city	25.34	0	25.34	0.0%
14	Non-council tenants (VAT is charged on top of this rent)				
15	- inside city	29.02	0.76	29.78	2.6%
16	- outside city	29.02	0	29.02	0.0%
17	<u>PARKING SITES FORTNIGHTLY RENTS</u>				
18	Underground cages				
19	Tenants	3.06	0.12	3.18	3.9%
20	Leaseholders	3.60	0.14	3.74	3.9%
21	Non-council tenants (VAT is charged on top of this rent)	3.60	0.14	3.74	3.9%
22	Open air spaces	Annual		Annual	
23	Tenants	72.54	2.83	75.37	3.9%
24	Leaseholders	85.23	3.32	88.55	3.9%
25	Non-council tenants (VAT is charged on top of this rent)	85.23	3.32	88.55	3.9%

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT) BUDGET FOR 2008/09

FORTNIGHTLY SHELTERED SERVICE CHARGES & SUPPORTING PEOPLE CHARGES 2008/09

	1	2	3	4	5	6	7	8	9	10	11	12
A	Charges for 2007/8					Proposed charges for 2008/09					Increase %	
B	Sheltered Housing Service charges	S/People charges not protected	S/People discount If protected	Total charges if protected	Total charges not protected	Sheltered Housing Service charges	S/People charges not protected	S/People discount If protected	Total charges if protected	Total charges not protected		
C	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p		
D	<u>Category 1</u>	3.96	17.96	(6.92)	15.00	21.92	4.52	18.16	(7.13)	15.55	22.68	3.5%
	<u>Category 2</u>	22.84	35.76	N/A	N/A	58.60	25.36	36.36	N/A	N/A	61.72	5.3%
	<u>Category 2.5</u>	43.36	81.72	(42.48)	82.60	125.08	44.32	87.12	(43.75)	87.69	131.44	5.1%

NOTES

If a tenant is in receipt of any amount of Housing Benefit, no matter how small, they will not have to pay the Supporting People Charge. They will have a Supporting People (SP) credit to their account equal to the full SP charge.

Tenants just outside the Housing Benefit limits may ask for a Financial Assessment & Benefits (FAB) Team assessment which may show that they do not have to pay the Supporting people charge.

Tenants who don't qualify for Housing Benefit but were in their tenancy at 1st March 2003 should pay no more in total for both the Supporting People & Sheltered Housing Service Charge than the amount they pay now plus an allowance for inflation. They will therefore have a credit posted to their accounts that reduces the full SP charge down to the protected level.

No protection is required for Category 2 schemes as the full charge is less than the original 2003 charge plus inflation.

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT) - BUDGET FOR 2008/09

FORTNIGHTLY HEATING CHARGES - Increase Limited To 15 %

ELECTRIC HEATING

1 BED DWELLINGS

2 BED DWELLINGS

EDGBASTON HOUSE
MILLGATE HOUSE
RUSTINGTON HOUSE
SARAH ROBINSON HOUSE
TIPTON HOUSE

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
10.00	11.50	1.50	15.00
12.70	12.12	-0.58	-4.57
8.86	8.86	0.00	0.00
12.60	14.50	1.90	15.00
11.56	13.30	1.74	15.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
12.66	14.56	1.90	15.00
16.22	15.48	-0.74	-4.56
15.92	18.30	2.38	15.00
14.72	16.92	2.20	15.00

GAS HEATING

1 BED DWELLINGS

2 BED DWELLINGS

3 BED DWELLINGS

ARTHUR DANN COURT
HALE COURT
IAN GIBSON COURT
JOHN MARSHALL COURT
NICHOLSON GARDENS
HORATIA/LEAMINGTON

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
11.08	12.72	1.64	14.80
9.50	10.92	1.42	15.00
10.02	9.34	-0.68	-6.79
8.64	7.36	-1.28	-14.81
11.38	9.64	-1.74	-15.29
8.08	9.30	1.22	15.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
14.28	16.40	2.12	14.85
12.30	14.14	1.84	15.00
13.18	12.28	-0.90	-6.83
11.00	9.36	-1.64	-14.91
14.50	12.30	-2.20	-15.17
10.32	11.86	1.54	15.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
16.82	19.30	2.48	14.74
14.26	16.40	2.14	15.00
12.22	14.06	1.84	15.00

Combined Heat and Power

BEDSITS

1 BED DWELLINGS

2 BED DWELLINGS

3 BED DWELLINGS

PICKWICK/COPPERFIELD*
WELLER & CHEERYBLE
BLACKWOOD/BRISBANE
NICKLEBY/BARKIS HSE*

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
5.80	6.68	0.88	15.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
6.56	7.54	0.98	15.00
8.26	9.50	1.24	15.00
7.02	8.08	1.06	15.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
7.82	9.00	1.18	15.00
6.14	7.06	0.92	15.00
10.64	12.24	1.60	15.00
7.16	8.24	1.08	15.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
6.34	7.30	0.96	15.00
12.58	14.46	1.88	15.00

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT) - BUDGET FOR 2008/09

FORTNIGHTLY HEATING CHARGES - Increase Limited To 20 %

ELECTRIC HEATING

1 BED DWELLINGS

2 BED DWELLINGS

EDGBASTON HOUSE
MILLGATE HOUSE
RUSTINGTON HOUSE
SARAH ROBINSON HOUSE
TIPTON HOUSE

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
10.00	11.64	1.64	16.40
12.70	12.12	-0.58	-4.57
8.86	8.86	-6.04	-68.17
12.60	15.12	2.52	20.00
11.56	13.88	2.32	20.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
12.66	14.72	2.06	16.27
16.22	15.48	-0.74	-4.56
15.92	19.10	3.18	20.00
14.72	17.66	2.94	20.00

GAS HEATING

1 BED DWELLINGS

2 BED DWELLINGS

3 BED DWELLINGS

ARTHUR DANN COURT
HALE COURT
IAN GIBSON COURT
JOHN MARSHALL COURT
NICHOLSON GARDENS
HORATIA/LEAMINGTON

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
11.08	12.72	1.64	14.80
9.50	11.40	1.90	20.00
10.02	9.34	-0.68	-6.79
8.64	7.36	-1.28	-14.81
11.38	9.64	-1.74	-15.29
8.08	9.70	1.62	20.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
14.28	16.40	2.12	14.85
12.30	14.76	2.46	20.00
13.18	12.28	-0.90	-6.83
11.00	9.36	-1.64	-14.91
14.50	12.30	-2.20	-15.17
10.32	12.38	2.06	20.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
16.82	19.30	2.48	14.74
14.26	17.12	2.86	20.00
12.22	14.66	2.44	20.00

Combined Heat and Power

BEDSITS

1 BED DWELLINGS

2 BED DWELLINGS

3 BED DWELLINGS

PICKWICK/COPPERFIELD*
WELLER & CHEERYBLE
BLACKWOOD/BRISBANE
NICKLEBY/BARKIS HSE*

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
5.80	6.96	1.16	20.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
6.56	7.88	1.32	20.00
8.26	9.92	1.66	20.00
7.02	8.42	1.40	20.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
7.82	9.38	1.56	20.00
6.14	7.36	1.22	20.00
10.64	12.76	2.12	20.00
7.16	8.60	1.44	20.00

CURRENT CHARGE 2007/08 £	PROPOSED CHARGE 2008/09 £	RISE/ FALL £	%
6.34	7.60	1.26	20.00
12.58	15.10	2.52	20.00