

TO: Cabinet Member for Housing

3rd Feb 2009

**REPORT BY: Head of Housing Management and
Strategic Director and S.151 Officer**

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COUNCIL HOUSING BUDGET FOR 2009/10

PURPOSE OF THIS REPORT

1. The City Council has delegated to the Cabinet member for Housing 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 2008/09 & 2009/10.

RECOMMENDED THAT:

- I. All new rents & charges to be effective from 6th April 2009 or such other date as determined by the Head of Housing Management (HHM) in consultation with the Head of Financial Services (HFS).
- II. Dwelling rents & the General Charge 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 5% in line with the "RPI all items" measure of inflation for September 2008 as shown on Appendix page 16.
- IV. Garage & parking site rents as shown on Appendix page 16 be approved and authority to let garages at reduced rents where demand is low be delegated to HHM in consultation with the HFS.
- V. Sheltered Housing Service Charges & Supporting People Charges as shown on Appendix page 17 be approved.
- VI. Heating to be set in accordance with the options in Appendix pages 18 & 19.
- VII. The council continue working with residents & other councils to achieve "Fair & Local Housing Finance" via the Government's review of Housing Finance.
- VIII. Authority to bid to the DCLG to bring forwards Major Repairs Allowance from 2010/11 to 2009/10 be delegated to HHM in consultation with the HFS.
- IX. Revenue budgets for 2008/09 & 2009/10 be approved & authority given to the HHM in consultation with the HFS to amend the budgets to reflect the latest available information prior to finalising budgets for 2009/10.
- X. The relevant Managers be authorised to incur expenditure in 2009/10.
- 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
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FINAL POSITION FOR 2007/08

1. Excluding the capital reserve the actual balance on the Housing Revenue Account at 31 March 2008 was £3.1million, around £0.6 million less than that anticipated in the Revised Budget. Total balances including the capital reserve were £5.7 million, see Appendix page 6, lines 110 to 114, column B.

REVISED BUDGET FOR THIS YEAR 2008/09

2. This time last year the main changes made to rents & charges in setting the original budget for 2008/09 were:

- Rents up on average 5% or £3.17 per dwelling per week.
- General charge increases per dwelling per week:
 - Homes receiving cleaning & other special services up 78p to £3.84
 - All other dwellings up 40p per week to £1.84
- Mobile home rents up 3.9%.
- Garages as below, Parking sites all up 3.9%
 - Tenants inside City 23.5%, outside City 2.9%
 - Leaseholders inside City 6.6%, outside City 0%
 - Non-Tenants inside City 2.6%, outside City 0%
- Sheltered Housing Service Charges & Supporting People Charges
 - Category 1 up 3.5%
 - Category 2 up 5.3%
 - Category 2.5 up 5.1%
- Heating charges – rises capped at 15%.

3. In any budget of this size it is necessary to maintain a safe level of balances to avoid the possibility of falling into deficit. When the budget was approved last year the balance as at 31 March 2009, excluding the capital reserve, was forecast to be £2.4 million. The revised forecast is £4 million, (£8.2 million including capital reserve) a safe level of balances which underpins the assumptions (described later in the report) upon which the 2009/10 budgets have been prepared. The revenue budget sheets attached at pages 5 and 6 of the Appendix, columns C & D, show the Original & Revised budgets for 2008/09.

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 Cabinet Member for Housing 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” (RRSL). 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 2023 when rent restructuring (see below) is achieved. If subsidy limitation did not apply each 1% rent increase would raise around £500,000 in 2009/10. With limitation however each 1% increase will raise only around £195,000, the balance being lost through increased grant payments to Government and RRSL.

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 last year the Government decided to extend the period over which Rent Restructuring is to be achieved from 2012 to 2016. This year the Government has further extended the period from 2016 to 2022. The main effects of this are to prolong the period for which “rent rebate subsidy limitation” (RRSL) will apply and reduce the amounts payable to Government via the Housing Revenue Account Subsidy System (HRASS). Appendix page 7 shows the estimated costs of RRSL on line 12 and HRASS on line 9.

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, 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 2009/10.
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 20% of the income generated in 2009/10 and 10% of income in 2010/11.

BUDGET 2009/10

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 Cabinet member for Housing, the Head of Housing Management (HHM) and the Head of Financial Services (HFS) 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 HHM & HFS would like to place on record their thanks for the invaluable help given by our Residents.**

BUDGET 2009/10 (Continued)

Government Grant

15. The calculation of 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. If there is no change to the system it is estimated that the HRA would have to pay over to the Government almost **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 Rent Rebate Subsidy Limitation (RRSL) is that whilst an extra 1% rent increase would raise circa £0.5 million income next year that is largely offset by a £0.3 million increase in payments to Government. In other words **61% of the extra rent paid by tenants will effectively be taken by central government.**
17. The Department of Communities & Local Government have confirmed that from this year 2008/09 the HRASS ceased to contribute net resources into housing nationally & instead will withdraw £200 million, effectively becoming a national "Tenant Tax" on council tenants. For next financial year 2009/10 the Government will withdraw around £300 million from council housing.
18. Following these revelations & also the outcome of a pilot scheme looking at how high performing councils might "buy their way out" of the HRASS with a once off multi-million pound payment, in December 2007 Ministers announced a review of Housing Finance. The review will commence soon but is unlikely to take effect before the financial year 2011/12, meaning there are two years still to go under the current system.
19. In addition to the effects of HRASS described above for every council home sold under the "Right To Buy" (RTB) 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 £200 million over the course of 30 years as shown at Appendix page 7, line 11.
20. The City Council has approved a "Key Delivery Target which aims to bring pressure to bear on Parliament to achieve a fairer approach to Housing Finance and so reduce the burden on our tenants. We have now linked up with over 70 other councils following an initiative proposed by Waverley Borough Council. Around 30 of the councils have contributed £900 each to fund the appointment of "Political Lobbyists" to strengthen our campaign for "Fair & Local Housing Finance". The campaign seeks to mobilise tenants & politicians in all the authorities in order to get the best possible outcome from the Governments review. Plans are in hand to deliver our 4000+ residents petition to 10 Downing Street. See Appendix pages 8/9 for more details of the campaign.
21. The Government have indicated that they will invite applications from councils to defer part payment of the "Tenant Tax" next year where the resources brought forwards can be used for "appropriate major works". It is recommended that authority to bid to Government be delegated to the HHM in consultation with the HFS.

BUDGET 2009/10 (Continued)

Government Grant (Continued)

22. The top key aims of the campaign include the following:

- HRASS “Tenant Tax” abolished - councils retain all rents paid by tenants
- RRSL abolished – Housing Benefit fully funded by the Government
- “Pooling” arrangements abolished - councils retain all RTB receipts
- Tenants have a real say in setting local spending priorities through Council’s being able to achieve a stable long term financial future.
- Councils can plan confidently for the future, freed of the unpredictable effects of annual Government decisions & can build new affordable homes.

23. It is anticipated that whatever the outcome of the Government’s Review of Housing Finance it is almost sure to deliver a better financial future for Portsmouth’s council housing than would be the case if the present arrangements were to continue.

Rents & General Service charge 2009/10

24. 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 2023 convergence date, but no increase will be more than inflation plus 0.5% plus £2 per week. Rents currently above the Government’s “Rent Restructuring” rent should move to that rent in even stages between now & the 2023 deadline for implementation of Rent Restructuring. Appendix page 10 shows example calculations to illustrate how this would be done.

25. The “Credit Crunch” has materially altered the financial environment for everyone, including our tenants. Unemployment is rising. Interest rates have been reduced to an historic low, disadvantaging those who rely on interest income from savings. Clearly in these difficult times it is up to the City Council to do what it can to help offset the effects of the Credit Crunch on our tenants.

26. Accordingly two options for Rents & General Charges are shown below for our Cabinet Member & residents to consider, both of which are affordable. Option 1 reflects rents (calculated as described in para 24 above) based on the Government’s “Rent Restructuring” rents as used by in calculating how much we have to pay them via HRASS. General charge increases are shown at the level required to help offset the increased HRASS payments & minimise the operating deficit for the year.

OPTION 1

- 7% rent increase
- 22p/week increase in General charge for properties receiving few services
- 1.34p/week increase in General charge for properties receiving services such as cleaning

BUDGET 2009/10 (Continued)

Rents & General Service charge 2009/10 (Cont'd)

27. Option 2 would set rents & service charges as low as is safely achievable to give as much help as possible to our tenants during this difficult time. The average saving for a three bed flat would be £2.62/week, or over £11/month.

OPTION 2

- 5% rent increase
- 8p/week increase in General charge for properties receiving few services
- 16p/ week increase in General charge for properties receiving services such as cleaning

28. Appendix pages 11 (7% increase) & 13 (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 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.

29. For 2009/10 it is estimated that Portsmouth's rents will still be low compared with other adjacent Councils and Housing Associations, for example Housing Association average rents in Portsmouth for the current year are estimated to be over £80 per week, over £10/week higher than our average council rents.

30. The Cabinet Member for Housing's decision is requested on the level of rents and service charges for next year.

Mobile homes

31. Following extensive consultation with residents last year rent increases for mobile homes were linked to the "Retail Price Index, all items" for the preceding September. This gives a rise of 5% for 2009/10, as shown on Appendix page 16.

Garage and Parking Site rents

32. Last year a review of garages & parking sites was 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". A summary of progress and proposed charges for next year based on continuing to implement the review proposals are shown on Appendix pages 15 & 16. It is recommended that authority to let garages at reduced rents where demand is low be delegated to HHM in consultation with the HFS.

BUDGET 2009/10 (Continued)

Heating Charges

33. 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, four 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 step in the increases over up to 3 years was agreed.
34. Over the last three years 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 7 years at 15% increases per annum before income from charges to residents matches the costs incurred. At 20% per annum it would take 5 years. In the meantime the shortfall of over £200,000 on the HRA between total electricity & gas costs & income from charges made to residents falls as a net cost to the Housing Revenue Account.
35. The Cabinet Member for Housing's decision is requested on the level of heating charges for next year.

Sheltered Housing Service Charges and Supporting People Charges

36. 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.
37. Attached at Appendix page 17 is a statement showing the existing charges for Category 1, Category 2 and Category 2.5 accommodation for 2008/09 & the recommended charges for 2009/10 which include increases of 1.4%, 4.6% & 5% respectively. For Category 1 & 2 homes these increases reflect actual costs, however for category 2.5 homes the increase in charges to reflect full costs would have been over 10%. At the request of the Head of Housing Management & after discussion with Residents Representatives a proposal to limit the increase to 5% this year & look to recover the shortfall in future years is recommended. Note that over 75% of tenants in sheltered accommodation receive Housing Benefit on their Sheltered Housing charges & therefore pay nothing towards Supporting People charges. A further 7%, whilst not receiving Housing Benefit, were in their current tenancy in March 2003 & so their Supporting People charges will increase only by inflation.

BUDGET 2009/10 (Continued)

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

38. 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 has been provided for in the budgets shown at Appendix page 6.

Support Service, Front Line Service & City Government charges.

39. 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 10th 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

40. Following a review of the systems for repair & maintenance of council homes a number of changes were made last year 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. Recommended budgets (Appendix page 5, lines 48 and 55) reflect that change in use of resources, though it is estimated that the switch can be reversed over time as repairs are dealt with in a more timely and efficient fashion.

41. At the beginning of this financial year 2008/09 the John Pounds scheme was substantially completed so 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).

“Decent Homes” & Repairs and Maintenance

42. 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 Head of Housing Management 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.

BUDGET 2009/10 (Continued)

Other budget issues

43. The City's Council Tax (General Fund) budgets will not be set until the Council meeting 10th February 2009. 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 Head of Housing Management in consultation with the Head of Financial Services to amend the budgets to reflect the latest available information prior to finalising budgets for 2009/10.
44. The Local Pay Review, a process required by the government which seeks to assess the relative complexities of every council job, has now been put to employees for consultation. Some jobs will be unaffected but for those where pay rises the change will come into effect from 1 April 2009 & where pay falls two years salary protection to March 2011 must be offered. Pay related budgets have therefore had to be increased to reflect the increased costs arising.
45. Employers pension contributions – following the 0.4% increase this financial year increases of 0.5% respectively are assumed over the next two years starting in 2009/10; again a very significant increase in overall costs to the HRA.
46. 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 the Cabinet Member for Housing.
47. A contingency provision of £300,000 per annum for the three years 2009/10 to 2011/12 has been provided to cover any unforeseen costs that cannot be met by reducing other budgets or by generating extra income.

TRANSFER OF COMMUNITY FACILITIES INTO THE COUNCIL HOUSING ACCOUNT

48. The full Cabinet has approved in principle the transfer (“appropriation”) of a number of Community Facilities into the council housing account and the required Secretary of State's permission has been received. Provision has been made in the Housing Investment Programme budgets reported separately to this meeting to bring the Community facilities up to a decent standard. The terms of the report approved by full Cabinet provided that the transfers are conditional upon a financial appraisal on each property to see if the HRA & HIP can afford to take them on.

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

49. Financial appraisals on a property by property basis show that for the majority of facilities there is no significant adverse effect on the financial stability of the Housing Revenue Account. The budgets recommended therefore include provision for the appropriations to take place from the beginning of this financial year 2008/09.

CONSULTATION WITH RESIDENTS CONSORTIUM

50. 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 2008/09 & the base estimate 2009/10. Also shown for comparative purposes are the estimated budgets through to 2014/15 both as they were at the time of the report on last years budget in February 2008 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.

51. A meeting was held with the full Residents Consortium on 15th January 2009 to brief them on the 2009/10 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 Cabinet Member for Housing on 29 January 2009 giving the views of those they represented on the proposed budget changes.

FUTURE YEARS BUDGETS & THE LEVEL OF BALANCES IN HAND

52. 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 £4.7 million at 31st March 2010, including the earmarked capital reserves, so unless unforeseen significant costs or losses of income arise this requirement will be achieved for 2009/10.

53. The financial models maintained by the Head of Financial Services 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.

54. 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 model shows that after reflecting nearly £1 billion 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 assumptions as to what the Government will do for future years and takes no account of the changes that will result from the Government's "Review of Housing Finance".

FUTURE YEARS BUDGETS & THE LEVEL OF BALANCES IN HAND (Continued)

55. 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.

56. 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 re-profiled & reduced by almost £600,000 over the seven years compared with the budgets reported last February. Details of the resultant reductions in the HIP spending proposals are covered in the separate report on this agenda “Housing Investment Programme (HIP) 2008/09 to 2014/15.
- 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 Head of Financial Services will determine the sum to be repaid up to an overall maximum of 2% per annum of overall council housing debt.
- The policy of increasing service charges over the next 6 years to fully recover the actual costs of special services be held in abeyance for this financial year, but reviewed in a years time, see illustrative effects on Appendix page 14.

AUTHORITY TO INCUR REVENUE EXPENDITURE

57. It is proposed that subject to the City Council approving the revenue budgets on 10th February 2009, Heads of Service 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

58. 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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Head of Housing Management

ROGER CHING
Strategic Director responsible
for financial administration
(S.151 Local Government Act 1972)

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 With the exception of 6 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 Cabinet Member for Housing.

Housing Strategy 2005-10 Executive Summary and Budget Principles

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 Pidea 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.

Housing Strategy 2005-10 Executive Summary and Budget Principles

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.

Housing Strategy 2005-10 Executive Summary and Budget Principles

BUDGET PRINCIPLES HOUSING HEALTH & ADULT SOCIAL CARE 2008/9 to 2010/11

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.

Housing Revenue Account Budget Sheets 2008/09 to 2014/15

1	2	3	4	A		B		C		D		E		F		G		H		I		J		K		L		M		N		O		P		Q		R		S				
				Description	2007/08	2008/9		2009/10		2010/11		2011/12		2012/13		2013/14		2014/15		TOTAL CHANGE 2008/9 TO 2014/15		Difference																						
					Actual	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Difference																				
		5.21%	4.97%	4.97%	5.01%	4.99%	4.50%	5.23%	3.67%	6.00%	3.40%	4.37%	3.34%	2.26%	3.29%	4.99%	24.89%	27.83%	2.94%																									
		Average rent	£66.48	£66.48	£69.81	£69.80	£72.95	£73.45	£75.63	£77.86	£78.20	£81.26	£80.81	£83.10	£83.48	£87.25	£443.88	£451.95	£8.07																									
			£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000				
		GENERAL MANAGEMENT																																										
		Employees		6,694	6,694	7,074	6,619	7,353	6,831	7,558	7,042	7,770	7,288	7,988	7,543	8,205	7,805	52,642	49,822	-2,820																								
		Premises		161	161	161	183	165	189	170	194	175	201	180	208	184	215	1,196	1,352	157																								
		Transport	7,402	55	55	57	70	59	72	60	74	62	77	64	79	65	82	422	510	88																								
		Supplies and Services		590	590	610	521	630	537	648	553	666	573	685	593	699	609	4,528	3,976	-552																								
		Agency and Contract Services		205	205	212	189	218	195	224	201	230	208	237	215	242	221	1,568	1,433	-135																								
		Income		-8	-8	-8	-9	-8	-9	-8	-9	-8	-10	-9	-10	-9	-10	-57	-64	-7																								
		Admin. Buildings/Support Service Charges	2,870	3,321	3,122	3,800	3,251	4,194	3,331	4,312	3,448	4,433	3,569	4,557	3,694	4,092	3,798	28,709	24,212	-4,497																								
		Front Line Services		94	79	126	81	83	134	86	138	88	143	91	148	148	152	656	993	337																								
		Legal Expenses		134	130	130	134	138	141	141	146	145	151	149	156	152	159	989	1,018	29																								
		Insurances		103	99	99	108	111	131	114	136	111	141	121	146	124	151	794	928	134																								
		Home Loss and Disturbance		41	41	41	42	53	43	55	44	57	46	59	47	61	48	310	388	78																								
		Tenant under occupation scheme		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																								
		Other General Expenses & Residents Costs		374	221	226	174	138	143	142	148	146	153	150	159	154	164	1,127	1,370	243																								
		Total General Management	11,018	11,589	11,442	12,444	11,667	13,125	11,749	13,492	12,128	13,870	12,552	14,259	12,992	14,105	13,409	92,884	85,939	-6,945																								
		SPECIAL MANAGEMENT																																										
		Communal Heating	933	1,223	1,223	1,258	1,390	1,294	1,439	1,330	1,489	1,367	1,542	1,405	1,596	1,445	1,651	9,323	10,330	1,008																								
		Communal Lighting	98	136	136	140	154	144	160	148	165	152	171	156	177	161	183	1,037	1,148	111																								
		Lifts	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	8	9	1																								
		Estate Service Officers	885	960	962	993	978	1,012	1,012	1,041	1,047	1,070	1,084	1,100	1,122	1,131	1,161	7,306	7,365	59																								
		Sheltered staff	1,829	1,798	1,798	1,860	1,952	1,897	2,020	1,950	2,091	2,004	2,164	2,061	2,240	2,118	2,318	13,688	14,585	896																								
		Community Warden	30	26	26	27	27	27	28	29	29	30	30	30	31	30	32	197	205	8																								
		Tenancy Support	442	502	502	519	449	530	465	545	481	560	498	576	515	592	533	3,824	3,444	-379																								
		Concierge	283	278	278	288	289	294	299	302	310	310	320	319	332	328	343	2,119	2,172	52																								
		Cleaning	2,414	2,659	2,899	2,741	3,441	2,806	3,562	2,885	3,686	2,966	3,815	3,049	3,949	3,134	4,087	20,241	25,441	5,200																								
		Grounds Maintenance & Open Spaces	560	641	401	659	404	678	418	697	433	716	448	736	464	757	480	4,884	3,047	-1,837																								
		Laundry	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																								
		Mobile Homes	90	45	45	46	91	47	94	49	97	50	100	51	104	53	108	341	638	297																								
		Roads and Sewers	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																								
		TV Relay	4	4	4	4	7	4	7	5	7	5	7	5	8	5	8	32	48	16																								
		Insurance of Flats	106	110	110	120	161	123	169	127	175	130	181	134	188	138	194	881	1,180	299																								
		Centralised Communication	86	83	83	85	82	88	85	90	88	93	91	95	94	98	97	633	618	-15																								
		Landport Community Garden (HRA)	26	32	32	34	36	35	37	36	39	37	40	38	41	39	43	253	268	15																								
		Total Special Management	7,789	8,499	8,501	8,777	9,463	8,981	9,796	9,232	10,139	9,491	10,494	9,756	10,862	10,029	11,242	64,764	70,497	5,733																								
		OTHER EXPENDITURE																																										
		Repairs & maintenance	19,891	18,766	18,916	18,146	20,893	17,488	19,936	17,952	19,653	18,428	19,538	18,916	20,233	19,322	20,851	129,018	140,019	11,001																								
		Rent, Rates, Taxes and Other Charges	113	84	84	86	129	89	133	91	138	94	143	96	148	99	153	640	928	288																								
		Rent Rebates Limitation	1,371	1,544	1,001	1,860	761	2,012	1,037	1,882	1,542	1,611	1,552	1,266	803	863	1,066	11,038	7,762	-3,276																								
		Bad Debt provisions	245	551	552	585	584	617	622	640	659	662	690	684	724	703	757	4,442	4,589	146																								
		Supporting People Benefit	898	920	920	947	962	973	996	1,000	1,031	1,028	1,067	1,057	1,104	1,087	1,143	7,013	7,221	208																								
		Cost of Capital Charges	1,574	2,085	1,548	2,157	1,694	2,309	1,883	2,346	2,040	2,326	2,125	2,307	2,076	2,293	2,026	15,823	13,392	-2,431																								
		Revenue transfer to capital reserve	3,135	2,856	1,551	3,779	1,500	2,635	3,000	3,522	3,600	3,911	4,300	4,200	4,700	3,332	5,000	24,234	23,651	-583																								
		Major Repairs Allowance to capital reserve	11,206	11,178	11,178	11,432	11,547	11,692	11,850	11,984	12,158	12,255	12,448	12,531	12,736	12,814	13,031	83,886	84,948	1,062																								
		Transfer re O/P HB	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																								
		Subsidy payable to the Government	2,772	4,531	4,589	5,072	5,991	5,980	7,308	7,157	8,004	8,432	9,203	9,768	10,733	11,154	12,331	52,093	58,159	6,066																								
		Contingency Provision	0	0	0	0	300	0	300	0	300	0	0	0	0	0	0	0	900	900																								
		Total Other Expenditure	41,128	42,515	40,340	44,064	44,362	43,796	47,064	46,575	49,123	48,747	51,065	50,826	53,258	51,665	56,357	328,188	341,569	13,381																								
		TOTAL EXPENDITURE	59,934	62,604	60,282	65,284	65,491	65,901	68,610	69,299	71,390	72,108	74,112	74,841	77,111	75,800	81,008	485,836	498,005	12,168																								

Housing Revenue Account Budget Sheets 2008/09 to 2014/15

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
	Description	2007/08	2008/9		2009/10		2010/11		2011/12		2012/13		2013/14		2014/15		TOTAL CHANGE 2008/9 TO 2014/15		
		Actual	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Feb-08	Feb-09	Difference
		5.21%	4.97%	4.97%	5.01%	4.99%	4.50%	5.23%	3.67%	6.00%	3.40%	4.37%	3.34%	2.26%	3.29%	4.99%	24.89%	27.83%	2.94%
	Average rent	-60.31	£66.48	£66.48	£69.81	£69.80	£72.95	£73.45	£75.63	£77.86	£78.20	£81.26	£80.81	£83.10	£83.48	£87.25	£443.88	£451.95	£8.07
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
64	INCOME																		
65																			
66	Government Grants																		
67																			
68	Supporting People Tenancy Support grant	-413	-459	-459	-459	-456	-459	-456	-459	-456	-459	-456	-459	-456	-472	-472	-3,226	-3,211	15
69	Supporting People Sheltered Housing Grant	-916	-855	-855	-880	-949	-905	-927	-931	-960	-958	-994	-985	-1,030	-1,013	-1,066	-6,528	-6,780	-252
70																			
71	Rents																		
72	Dwellings - exc Mobile Homes - Rent less void	-49,131	-52,162	-52,215	-54,500	-54,750	-56,664	-57,469	-58,378	-60,683	-59,983	-63,064	-61,593	-64,217	-63,223	-67,136	-406,502	-419,534	-13,032
73	Garages, Parking sites	-1,069	-883	-883	-961	-891	-961	-895	-988	-927	-1,015	-959	-1,044	-993	-1,073	-1,028	-6,925	-6,576	349
74	Mobile Home sites (included above Feb 2007)	-469	-161	-161	-198	-179	-235	-185	-282	-192	-290	-198	-298	-205	-307	-212	-1,772	-1,332	440
75	Water	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
75	Shops	-476	-562	-562	-578	-538	-595	-557	-611	-576	-628	-597	-646	-617	-664	-639	-4,285	-4,087	198
76	Land Rents	-51	-6	-6	-6	-5	-6	-5	-6	-5	-6	-6	-6	-6	-7	-6	-43	-39	3
77																			
78	Fees and Charges																		
79	General Charge	-1,948	-2,429	-2,427	-2,882	-2,526	-3,362	-2,924	-3,857	-3,240	-4,395	-4,031	-4,947	-6,191	-5,083	-6,421	-26,956	-27,760	-805
80	Heating Charges	-408	-509	-398	-610	-375	-732	-450	-879	-540	-903	-647	-929	-777	-955	-932	-5,517	-4,119	1,399
81	Sheltered Housing Service Charge	-608	-664	-664	-683	-685	-703	-709	-722	-734	-742	-760	-763	-786	-785	-814	-5,062	-5,152	-90
82	Supporting People Service Charge	-1,083	-1,195	-1,195	-1,230	-1,290	-1,264	-1,335	-1,300	-1,382	-1,336	-1,430	-1,373	-1,480	-1,412	-1,532	-9,110	-9,644	-534
83	Collection of Council Tax Income	-97	-102	-102	-105	-106	-108	-110	-111	-114	-114	-118	-117	-122	-120	-126	-778	-796	-19
84	Sale of Electricity	-84	0	-111	0	-80	0	-83	0	-86	0	-89	0	-92	0	-95	0	-635	-635
85	Admin of RTB - DCLG	0	-88	0	-90	0	-93	0	-95	0	-98	0	-101	0	-104	0	-669	0	669
86	L/H Charges for Services & Facilities	-787	-659	-659	-695	-758	-731	-803	-769	-850	-808	-900	-850	-952	-892	-1,007	-5,404	-5,929	-526
87	Other Charges for Services & Facilities	-310	-312	-312	-321	-270	-330	-279	-339	-289	-349	-299	-358	-310	-368	-321	-2,377	-2,080	297
88																			
89	Interest																		
90	Mortgage Interest from sold homes	-7	-5	-5	-4	-4	-3	-2	-2	-2	-1	-1	-1	-1	-1	-1	-17	-15	1
91																			
92	TOTAL INCOME	-58,113	-61,050	-61,014	-64,203	-63,862	-67,149	-67,189	-69,731	-71,035	-72,087	-74,549	-74,471	-78,235	-76,479	-81,808	-485,169	-497,691	-12,522
93																			
94	SUMMARY OF HRA																		
95																			
96	Total Expenditure inc payments to Government	59,934	62,604	60,282	65,284	65,491	65,901	68,610	69,299	71,390	72,108	74,112	74,841	77,111	75,800	81,008	485,836	498,005	12,168
97	Total Income from Government	-1,329	-1,314	-1,314	-1,339	-1,405	-1,364	-1,383	-1,390	-1,416	-1,417	-1,450	-1,444	-1,486	-1,485	-1,538	-9,754	-9,991	-237
98	Total other income	-56,784	-59,736	-59,695	-62,864	-62,453	-65,785	-65,804	-68,340	-69,617	-70,670	-73,098	-73,027	-76,749	-74,994	-80,269	-475,416	-487,685	-12,269
99	City Government (in line 14 for Feb '08 budgets)	181	0	175	0	182	0	188	0	195	0	202	0	209	0	214	0	1,365	1,365
100	Interest on balances	-848	-248	-368	-119	-480	-149	-186	-210	-171	-249	-138	-272	-175	-376	-222	-1,622	-1,740	-117
101																			
102	Deficit (Surplus) for the year	1,155	1,306	-918	963	1,335	-1,397	1,425	-642	381	-229	-373	98	-1,090	-1,055	-806	-955	-46	910
103																			
104	BALANCE OF HRA																		
105																			
106	General Balance																		
107	Balance at 1st April	-4,296	-3,748	-3,089	-2,441	-4,007	-1,478	-2,672	-2,876	-1,247	-3,517	-866	-3,746	-1,239	-3,648	-2,329			
108	Less Deficit or Add (Surplus)	1,207	1,306	-918	963	1,335	-1,397	1,425	-642	381	-229	-373	98	-1,090	-1,055	-806			
109																			
110	Balance at 31st March - General	-3,089	-2,441	-4,007	-1,478	-2,672	-2,876	-1,247	-3,517	-866	-3,746	-1,239	-3,648	-2,329	-4,703	-3,135			
111																			
112	Balance at 31st March reserved for HIP	-2,621	-638	-4,172	-641	-2,024	-1,372	-1,773	-1,245	-815	-2,262	-589	-2,170	-575	-1,466	-648			
113																			
114	TOTAL ALL BALANCES AT 31 MARCH	-5,710	-3,080	-8,180	-2,119	-4,696	-4,248	-3,020	-4,763	-1,681	-6,008	-1,828	-5,818	-2,904	-6,169	-3,783			
			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

A B C D E F G H I J L

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	2014/15	Total for 30 years
SUMMARY OF PAYMENTS FROM/(TO) GOVERNMENT & GENERAL FUND											
	£million	£million	£million	£million	£million	£million	£million	£million	£million	£million	£million
Management Allowance	9.4	9.9	10.6	11.1	11.4	11.6	12.0	12.2	12.5	12.8	
Maintenance Allowance	15.5	16.5	17.7	17.8	18.7	19.2	19.7	20.2	20.7	21.1	
Major Repairs Allowance	11.0	11.0	11.2	11.1	11.5	11.9	12.2	12.4	12.7	13.0	
Admissible Allowance	0.3	0.1	N/A	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	3.7	3.6	4.3	4.5	4.4	4.3	
Notional Rent	(39.9)	(43.3)	(46.3)	(48.6)	(51.3)	(53.7)	(56.1)	(58.5)	(61.0)	(63.6)	
Total Subsidy/(Payment) to Government	0.7	(1.4)	(2.7)	(4.6)	(6.0)	(7.3)	(8.0)	(9.2)	(10.7)	(12.3)	(976.0)
Payment of receipts from sales to Government	(5.2)	(5.9)	(5.4)	(1.4)	(1.1)	(3.1)	(3.9)	(4.1)	(4.3)	(4.5)	(218.6)
Net payment from(to) Government	(4.5)	(7.3)	(8.1)	(6.0)	(7.1)	(10.5)	(11.9)	(13.3)	(15.0)	(16.7)	(1,194.6)
Rent Rebate Limitation paid to General Fund	(1.4)	(1.2)	(0.9)	(1.0)	(0.9)	(0.9)	(0.8)	(0.7)	(0.7)	(0.6)	(14.3)

A clear and powerful message

- ★ Clear identity
- ★ “A campaign for fair and local housing finance.”
- ★ Core message
 - “We want Government to end the broken system of housing subsidy, which penalises the majority of councils, and allow us to spend the rent our tenants pay on improving their housing and their communities, rather than paying it as an extra tax to the Treasury”
- ★ Fit with Government priorities - efficiency, investment, affordability

Bringing it all together - operational plan

Work Programme	2008		2009	
	December	January	February	March
Messaging/identity				
* Agree key messages and brand				
* Get agreement of group				
* Draft core script				
Mobilise coalition				
* Put together stakeholder list				
* Letter to 75 councils and stakeholders				
* Respond to feedback				
* Organise campaign day				
* Campaign mailing				
Developing diverse proposals				
* Initial meetings with think tank and policy experts				
* Draft policy paper				
* Organise policy conference/event				
* Respond to feedback				
High level political support				
* Meetings with MPs				
* Meetings with Special Advisers				
* Meetings with Ministers				

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT)
BUDGET FOR 2009/10

5%

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 FIFTEENTH OF THE WAY TOWARDS "RENT RESTRUCTURING" LEVEL.

A		B	C
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	3.84	1.84
2	Rent now	73.92	72.18
3	ADD 5.5% (Inflation 5% plus 0.5% increase)	4.07	3.97
4	Rent before adjustment to Government rent	77.99	76.15
5	Government's "Rent Restructuring" rent	74.79	77.54
6	Rent is above Government Rent Restructuring Rent so moves one fifteenth of the way towards the Government's Formula rent	0.21	
7	Rent is below Government Formula Rent so moves all the way to Government's Formula rent		1.39
8	Rent before limits applied	77.77	77.54
9	New General Service Charge, say	4.00	1.92
10	Rent & General Service Charge before limits applied	81.77	79.46
11	Limit, cannot increase by more than inflation (5.0%) plus 0.5% plus £2 Maximum Rent & General Service Charge = limits	84.04	80.09
12	New Rent & General Service Charge after limits applied	81.77	79.46
13	New Rent 2009/10 before 5% Cap adjustment	77.77	77.54
14	All rent limited to 5% increase	75.94	75.78
15	Increase in rent (Line 14 - line 2)	2.02	3.60

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT)

BUDGET FOR 2009/10

7%

7% RENT INCREASE - AVERAGE CHANGES 2009/10

	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	487	94						581
4	Bungalow		193	14	13				220
5	Flat	1	3910	3406	697	16	6		8036
6	House		1	1302	2680	363	45	3	4394
7	Maisonnette		3	573	1378	24	4		1982
8									
9	Grand Total	488	4201	5295	4768	403	55	3	15213
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	£55.28	£60.21						£56.08
15	Bungalow		£66.57	£77.49	£81.72				£68.16
16	Flat	£57.18	£62.48	£69.59	£77.01	£77.47	£76.38		£66.79
17	House		£69.06	£74.56	£80.25	£88.67	£94.35	£110.64	£79.42
18	Maisonnette		£63.43	£70.04	£76.90	£83.76	£88.40		£75.00
19									
20	Grand Total	£55.28	£62.62	£70.88	£78.81	£87.94	£91.96	£110.64	£71.12
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	£3.81	£3.70						£3.79
26	Bungalow		£5.17	£4.61	£5.81				£5.17
27	Flat	£3.50	£4.15	£4.14	£4.85	£4.12	£3.93		£4.21
28	House		£4.82	£5.25	£5.54	£5.92	£6.16	£6.59	£5.49
29	Maisonnette		£3.64	£4.48	£4.87	£5.19	£6.16		£4.76
30									
31	Grand Total	£3.81	£4.19	£4.45	£5.24	£5.80	£5.92	£6.59	£4.65
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	7.4%	6.6%						7.3%
37	Bungalow		8.4%	6.3%	7.7%				8.2%
38	Flat	6.5%	7.1%	6.3%	6.7%	5.6%	5.4%		6.7%
39	House		7.5%	7.6%	7.4%	7.1%	7.0%	6.3%	7.4%
40	Maisonnette		6.1%	6.8%	6.8%	6.6%	7.5%		6.8%
41									
42	Grand Total	7.4%	7.2%	6.7%	7.1%	7.1%	6.9%	6.3%	7.0%

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT) BUDGET FOR 2009/10
GENERAL SERVICE CHARGE

1	A	B	C	D	E			F		G	H		I	J	
	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		Weekly cost	Increase (Note 3)	Properties with higher level of services		Weekly cost	Increase
					Weekly cost	Increase	%	Weekly cost	Increase						
		£'000	%	£'000	£ .. p	£ .. p	%	£ .. p	£ .. p	%	£ .. p	£ .. p	%		
2	April 2006 - actual	4,980	32%	1,617	1.30			2.32							
3	April 2007 - actual	4,959	39%	1,954	1.44	0.14	11%	3.06	0.74	32%					
4	April 2008 - actual	5,218	46%	2,414	1.84	0.40	28%	3.84	0.78	25%					
5	April 2009 - proposed	5,605	57%	3,189	2.06	0.22	12%	5.18	1.34	35%					
6	April 2010 - proposed	5,790	71%	4,124	2.24	0.18	9%	6.94	1.76	34%					
7	April 2011 - proposed	5,981	86%	5,122	2.44	0.20	9%	8.82	1.88	27%					
8	April 2012 - proposed	6,178	100%	6,181	2.64	0.20	8%	10.80	1.98	22%					
9	April 2013 - proposed	6,382	100%	6,384	2.72	0.08	3%	11.16	0.36	3%					

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
- 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
conciierge

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 as by 2012/13 we have reached full recovery for the services received.

4 % recovery

This is the overall recovery for all service charges.

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT)

BUDGET FOR 2009/10

5%

5% RENT INCREASE - AVERAGE CHANGES 2009/10

	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	487	94						581
4	Bungalow		193	14	13				220
5	Flat	1	3910	3406	697	16	6		8036
6	House		1	1302	2680	363	45	3	4394
7	Maisonnette		3	573	1378	24	4		1982
8									
9	Grand Total	488	4201	5295	4768	403	55	3	15213
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	£54.22	£59.07						£55.00
15	Bungalow		£65.33	£76.07	£80.18				£66.89
16	Flat	£56.20	£61.31	£68.30	£75.58	£75.98	£74.94		£65.55
17	House		£67.66	£73.18	£78.76	£87.01	£92.60	£108.54	£77.95
18	Maisonnette		£62.27	£68.73	£75.45	£82.21	£86.72		£73.59
19									
20	Grand Total	£54.22	£61.45	£69.56	£77.34	£86.29	£90.24	£108.54	£69.79
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	£2.75	£2.57						£2.72
26	Bungalow		£3.93	£3.19	£4.27				£3.91
27	Flat	£2.52	£2.99	£2.85	£3.41	£2.64	£2.48		£2.97
28	House		£3.42	£3.86	£4.05	£4.25	£4.41	£4.49	£4.01
29	Maisonnette		£2.47	£3.17	£3.42	£3.64	£4.48		£3.35
30									
31	Grand Total	£2.75	£3.02	£3.14	£3.77	£4.15	£4.20	£4.49	£3.32
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	5.0%	4.7%						5.0%
37	Bungalow		6.8%	4.9%	6.0%				6.6%
38	Flat	5.1%	4.6%	4.4%	4.7%	3.2%	2.3%		4.5%
39	House		6.0%	6.0%	5.8%	5.6%	5.4%	4.8%	5.8%
40	Maisonnette		3.8%	4.6%	4.7%	4.7%	4.6%		4.7%
41									
42	Grand Total	5.0%	4.7%	4.8%	5.4%	5.4%	5.1%	4.8%	5.0%

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT) BUDGET FOR 2009/10 GENERAL SERVICE CHARGE

1	A	B	C	D	E			F			G			H	I	J	
	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			Weekly cost	Increase (Note 3)	Weekly cost	Increase	Weekly cost	Increase	%
					Weekly cost	Increase	%	Weekly cost	Increase	%							
					£ .. p	£ .. p	%	£ .. p	£ .. p	%							
2	April 2006 - actual	4,980	32%	1,617	1.30			2.32									
3	April 2007 - actual	4,959	39%	1,954	1.44	0.14	11%	3.06	0.74	32%							
4	April 2008 - actual	5,218	46%	2,414	1.84	0.40	28%	3.84	0.78	25%							
5	April 2009 - proposed	5,605	46%	2,554	1.92	0.08	4%	4.00	0.16	4%							
6	April 2010 - proposed	5,790	51%	2,966	2.06	0.14	7%	4.74	0.74	19%							
7	April 2011 - proposed	5,981	55%	3,301	2.18	0.12	6%	5.34	0.60	13%							
8	April 2012 - proposed	6,178	67%	4,135	2.64	0.46	21%	6.72	1.38	26%							
9	April 2013 - proposed	6,382	100%	6,384	2.72	0.08	3%	11.16	4.44	66%							

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
- 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
conciierge

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 as by 2013/14 we have reached full recovery for the services received.

4 % recovery

This is the overall recovery for all service charges.

GARAGES/PARKING SPACES REVIEW – UPDATE FEBRUARY 2009

Background from investigations – as at last year February 2008

- Demand for reasonably-priced parking in Portsmouth was and remains high but around 900 garages (40%) and 425 parking spaces (30%) were unlet and around 1200 parking spaces were ‘free for all’, used free on a first-come-first-served basis in areas of high demand, usually by shoppers or workers who drive into the city.
- Our parking forum (parkingforum@portsmouthcc.gov.uk.) consistently recorded residents’ unhappiness with the shortage and cost of parking in the city. Residents have commented “Why don’t you let us park here? We’d happily pay if we had a guaranteed space”.
- Stock condition varied widely from Area to Area. Some sites, especially at Leigh Park, were derelict and were identified for development or sale.
- Parking posts were unpopular with residents, prone to vandalism, and expensive to maintain.
- A parking site “permit and tow-away” scheme at Landport, whereby a customer buys a permit for a specific car to occupy a specific space, had met with some success.

PROGRESS IN PROPOSALS - GARAGES

- Base the charging structure on demand with two bands - on-island and off-island.

This is what is recommended. For this financial year off-island charges rose at a little below inflation and on-island charges at well above inflation for tenants. For next year 2009/10 recommended on-island charges for tenants rise at slightly above inflation levels and off island charges for leaseholders & non-tenants at Leigh Park and Paulsgrove are reduced significantly to stimulate demand which it is hoped will also help reduce vandalism.

- Consider reductions for living close to a garage to replace the current tenant/leasehold/private split, which has resulted in garages being sub-let.

Not yet addressed. Efforts so far have been based on getting the charges to reflect general demand levels. More work will be done on this next financial year, when we hope to be charging site-by-site rather than area-by-area

- Consider locally-agreed discounts e.g. based on reductions for essential needs like a disability vehicle.

This has been done and is ongoing – for example some garages in Eastney are being let at a discount as they proved hard-to-let, and a space in Landport has had a discount agreed for a disabled user.

- ‘Potential development sites’ consider for sale / development

This has begun, with some Leigh Park sites already in the sale or development process

PROPOSALS - PARKING SPACES

- Replace parking posts with a “permit and tow-away” system

Trial system started in Landport involving 75+ parking spaces. Extensive statutory consultation / advertising process gone through. No objections and several letters of support. Working with Parking Office who will erect signage next month ready for patrols to start soon after that. The whole of Portsea area to come within scheme in 2009.

- Bring 1200+ “off charge” parking spaces into the permit system, so that local residents can park cheaply.

Delayed because the statutory consultation process takes much longer than anticipated. Start will be dependant on Landport trial completing successfully.

- 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).

Direct debit now available for parking spaces, at several different frequencies. We are also still allowing other methods of payment to fit in with what we have learned from the rents intervention process.

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT) BUDGET 2009/10

WEEKLY RENTS - MOBILE HOMES, GARAGES & PARKING SITES

A	B	C	D	E	F	G	H
1	DESCRIPTION			OLD RENT Weekly	Change	NEW RENT Weekly	% Change
2	MOBILE HOMES (5% as RPI @ Sept 2008) WEEKLY RENTS			£ p	£ p	£ p	%
3	Single Site			24.45	1.22	25.67	5.0%
4	Single Site (larger)			27.67	1.38	29.05	5.0%
5	Double Site			30.78	1.54	32.32	5.0%
6	<u>GARAGES WEEKLY RENTS</u>						
7	Council tenants (No VAT)						
8	- inside city			9.00	0.50	9.50	5.6%
9	- outside city			7.50	0.50	8.00	6.7%
10	Leaseholders (No VAT)						
11	- inside city			13.50	0	13.50	0.0%
12	- outside city - Leigh Park			12.67	-4.67	8.00	-36.9%
13	- outside city - Paulsgrove			12.67	-1.67	11.00	-13.2%
14	Non-council tenants (VAT is charged on top of this rent)						
15	- inside city			14.89	0	14.89	0.0%
16	- outside city - Leigh Park			14.51	-6.51	8.00	-44.9%
17	- outside city - Paulsgrove			14.51	-3.03	11.48	-20.9%
18	<u>PARKING SITES WEEKLY RENTS</u>						
19	Underground cages						
20	Tenants			1.59	0.41	2.00	25.8%
21	Leaseholders			1.87	0.13	2.00	7.0%
22	Non-council tenants (plus VAT)			1.59	0.41	2.00	25.8%
23	Underground gated						
24	Tenants			1.59	0.31	1.90	19.5%
25	Leaseholders			1.87	0.03	1.90	1.6%
26	Non-council tenants (plus VAT)			1.59	0.31	1.90	19.5%
27	Open air spaces						
28	Tenants - no gate			1.45	0.15	1.60	10.4%
29	Tenants - gated			1.45	0.25	1.70	17.3%
30	Leaseholders - no gate			1.45	0.15	1.60	10.4%
31	Leaseholders - gated			1.45	0.25	1.70	17.3%
32	Non-council tenants - no gate (plus VAT)			1.45	0.15	1.60	10.4%
33	Non-council tenants - gated (plus VAT)			1.45	0.25	1.70	17.3%

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT) BUDGET FOR 2009/10

WEEKLY SHELTERED SERVICE CHARGES & SUPPORTING PEOPLE CHARGES 2009/10

	A	B	C	D	E	F	G	H	I	J	K	L
1	CATEGORY	Charges for 2008/9				Proposed charges for 2009/10					Increase %	
	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		
	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p	£ p		
2	<u>Category 1</u>	2.26	9.08	(3.57)	7.78	11.34	2.30	9.20	(3.67)	7.83	11.50	1.4%
3	<u>Category 2</u>	12.68	18.18	N/A	N/A	30.86	12.68	19.60	N/A	N/A	32.28	4.6%
4	<u>Category 2.5</u>	22.16	43.56	(21.88)	43.85	65.72	23.27	45.74	(22.54)	46.47	69.01	5.0%

NOTES

- 1 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.
- 2 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.
- 3 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.
- 4 No protection is required for Category 2 schemes as the full charge is less than the original 2003 charge plus inflation.
- 5 Category 2.5 scheme charges would have been increased by 10.7% but have been capped at 5%. The reduction in income is to be taken into account at the time of setting the 2010/11 charges.

COUNCIL HOUSING (HOUSING REVENUE ACCOUNT) - BUDGET FOR 2009/10

WEEKLY HEATING CHARGES - Increase Limited To 15 %

Appendix page 19

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q																																																																			
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