



**NORTHAMPTON
BOROUGH COUNCIL**

Name of Committee	CABINET
Directorate:	Citizens, Finance, and Governance
Corporate Manager / Director:	Ian Thompson
Date:	5 th March 2007

Report Title	Housing Revenue Account Budgets 2007/08 to 2009/10
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Key Decision	Yes
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1. Recommendations

That Cabinet considers and approves changes to the overall HRA budgets for 2007/08 and the forecast budgets for 2008/09 and 2009/10.

2. Summary

At its meeting on 29th January, Cabinet approved the following, and appropriate notices have been forwarded to tenants:

- 1.1 That an average rent increase of 4.76%, in line with the Government's rent restructuring regime, to take effect from 1 April 2007, be approved
- 1.2 That Warden and Call Care charges (excluding Eleanore House) are increased in line with the Sheltered Housing Review
- 1.3 That Heating and Eleanore House service charges are increased by 3.6%
- 1.4 That garage charges are increased by 5%
- 1.5 Cabinet also approved the HRA budgets for 2007/08 subject to the results of the HRA re-basing exercise being brought back to a future meeting of Cabinet; and
- 1.6 Potential re-prioritisation of services was also considered

3. Report Background

Background

The Housing Revenue Account (HRA) Budget for 2007/08 and the forecasts for 2008/2010 were approved at Cabinet's meeting on 29th January. Work on these budgets has continued since that meeting and changes are included within the enclosed schedules.

Rents and Service Charges

The Housing Revenue Account budget includes the effect of rent increases and charges increases. The detailed budget figures are contained in Appendices 1 to 2. These have been increased to reflect the fact that 2007-08 is a 53 week year (ie 53 Mondays)

HRA Budget 'Re-basing' exercise

An HRA budget re-evaluation exercise is currently underway. Some effects of this have been built into the budgets shown within this report. For service areas where the re-basing exercise has not been finalised, an allowance for the anticipated impact has been built in

The incidence of charges between the HRA and the General Fund is still under review and there may be some effects to budgets arising from this which will impact in future years.

Summary of Significant Changes

A summary of the changes to the budget approved by Cabinet on 29th January is set out below:

	2007/08	2008/09	2009/10
	£'000	£'000	£'000
Improved Opening Balance	-161	-912	-849
General Management	147	151	155
Sheltered Housing	-25	-25	-25
Housing Rents and Other Income	-773	37	-79
Reduction in Contingency	-100	-100	-100
Improved Closing Working Balance	-912	-849	-900

Capital Programme

The budget for 2007/08 includes £7.6m for the Major Repairs Allowance. This can only be used to finance HRA capital expenditure. Also included within the HRA budgets within the Interest and Financing Costs budget for 2007/08 to 2009/10 is an annual amount of £2m Revenue Contribution to Capital Expenditure (RCCE). A number of proposed schemes are being reviewed as part of the capital appraisal process and, when that appraisal is complete, will be submitted to a future meeting for approval.

4. Options and Evaluation of Options

N/a

5. Resource Implications (including Financial Implications)

Included above

6. Risk and Opportunity Issues

N/a

7. Consultees (Internal and External)

Internal	
External	

8. Compliance Issues

A: How Proposals Deliver Priority Outcomes

Recovery Plan
N/a
Corporate Plan
N/a

B: Other Implications

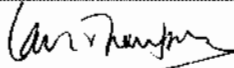
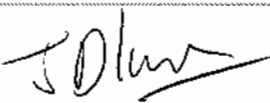
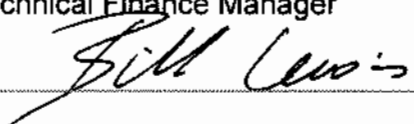
Other Strategies
N/a

Finance Comments
None additional to the above.

Legal Comments

9. Background Papers

Title	Description	Source

Name	Signature	Date	Ext.
Author	Bill Lewis Technical Finance Manager	28/02/07	7167
Corporate Manager	N/a		
Director	Ian Thompson 	28/02/07	8744
Monitoring Officer or Deputy (Key decision only)		1.3.07	7335
Section 151 Officer or Deputy (Key decision only)	Bill Lewis Technical Finance Manager 	28/02/07	7167

**Appendix 1:
Housing Revenue Account**

	2007/08 £000's	2008/09 £000's	2009/10 £000's
<u>Housing Services - Appendix 2</u>			
Rent, Rates and Taxes	139	144	148
General Management	3658	3738	3831
Communal Heating and Lighting	545	567	581
Caretaking and Cleaning	322	333	341
Lifts	63	65	67
Maintenance of Greens and Shrubs	146	150	154
Environmental Enhancement	119	123	126
Television and Wireless	94	97	99
Single Persons Accomodation	71	73	75
Transfer to Housing Repairs Account	8,726	9,172	9401
	13,883	14,462	14,823
Targetted Dwellings	104	107	110
Sheltered Housing	1,787	1,844	1890
Housing Rents and Other Income	-42,823	-43,126	-44,258
Rent Rebates Subsidy Limitation	1,800	1,440	1,080
HRA Subsidy	8,729	9,763	10,797
	-16,520	-15,510	-15,558
<u>Regeneration, Growth and Community Development - Appendix 2</u>			
Community Development	85	87	89
Contingency	800	800	800
Potential Re-prioritisation Items	187	62	62
	987	862	862
Net Expenditure	-15,448	-14,561	-14,607
Net Recharges to the General Fund	6,015	6,165	6,320
Major Repairs Allowance	7,611	7,801	7,996
Interest & Financing Costs	1,772	1,772	1,772
<u>Net Transfer From / (To) Working Balance</u>	-50	1,177	1,481
Working Balance b/f	-4,677	-4,727	-3,550
Working Balance as at 31st March	-4,727	-3,550	-2,069

Appendix 2
Housing Revenue Account
Housing Services

	2007/08 £000's	2008/09 £000's	2009/10 £000's
<u>Housing Services</u>			
H086 Rent, Rates and Taxes	139	144	148
H087 General Management	3,658	3,738	3,831
H088 Communal Heating	305	317	325
H089 Communal Lighting	240	250	256
H090 Caretaking and Cleaning	322	333	341
H091 Lifts	63	65	67
H092 Maintenance of Greens and Shrubs	146	150	154
H093 Environmental Enhancement	119	123	126
H095 Television and Wireless	94	97	99
H097 Single Persons Accomodation	71	73	75
Transfer to Housing Repairs Account	8,726	9,172	9,401
	13,883	14,462	14,823
<u>Targetted Dwellings</u>			
H102 Targetted Dwellings	104	107	110
	104	107	110
<u>Sheltered Housing</u>			
H098 Community Rooms	77	80	82
H099 Supporting People	1,681	1,734	1,777
H100 Wardens	29	30	31
	1,787	1,844	1,890
<u>Housing Rents and Other Income</u>			
H021 Dwelling Rents	-39,908	-40,133	-41,186
H024 Non Dwelling Rents	-1,366	-1,400	-1,435
H026 Charges for Services	-1,749	-1,793	-1,837
H108 Provision for Bad Debts	200	200	200
H420 Rent Rebate Subsidy Limitation	1,800	1,440	1,080
	-41,023	-41,686	-43,178
<u>HRA Subsidy</u>			
H031 HRA Subsidy	8,729	9,763	10,797
	8,729	9,763	10,797
Total Housing Services	-16,520	-15,510	-15,558

Appendix 2
Housing Revenue Account
Regeneration, Growth and Community Development

Community Development

H083 Tenant Participation

2007/08 £000's	2008/09 £000's	2009/10 £000's
85	87	89
85	87	89

Appendix 3**Potential Service Re-Prioritisation**

	2007/2008	2008/2009	2009/2010
	£000	£000	£000
Tenants Handbook	25	0	0
Service Training Budgets	20	20	20
NTACT Mystery Shopping	10	10	10
Satisfaction Survey	5	5	5
Advertising for Rent Income	15	15	15
Ombudsman Complaints	12	12	12
HRA Asset Management Strategy	100	0	0
Total Potential Re-Prioritisation	187	62	62