

BABERGH DISTRICT COUNCIL

FROM: Director of Finance and Head
of Community Development

REPORT NUMBER **K199**

TO: **OVERVIEW AND SCRUTINY
COMMITTEE (COMMUNITY
SERVICES)**

DATE OF MEETING 1 February 2011

NOTE FOR HOUSING PANEL 28 JANUARY 2011 AND OVERVIEW AND SCRUTINY (COMMUNITY SERVICES) COMMITTEE – 1 FEBRUARY 2011

1. The following amendments are included in the attached revised HRA Budget for 2011/12 compared to Papers K171 and K171A that were considered by the Strategy Committee on 13 January:

Line no.	Item	K171 £000	K171A £000	HP243 £000	Change £000
1	Rent income	-13,571	-13,327	-13,391	64 increase
2	Garages and other income	-207	-207	-229	22 increase
3	Service and Facility charges	-580	-580	-505	75 reduction
8	General Management	1,766	1,766	1,760	6 reduction
9	Special Services	1,531	1,531	1,568	37 increase
21	Revenue contrn. to capital	850	680	728	48 increase
22 and 23	Transfers/other movements	-1,211 245	-1,211 245	-1,198 198	13 -47
Total change compared to Paper K171A					31

2. The main reasons for these amendments are set out below:

- The reduction in rent income between Papers K171 and K171A of £244k reflected the impact of reducing the rent increase from 6.5% to 4.5%. The recommendation from Strategy to increase rents by 5% results in £64k more rent income, making the net reduction of a 5% compared to a 6.5% increase £180k

- Final calculation on garage/other rent income results in an increase of £22k
 - Final evaluation of Supporting People (SP) grant income results in a reduction of £75k that reflects the reduced service level
 - Adjustments to General Management and Special Services costs reflecting other adjustments including the reallocation of some costs in relation to SP
 - Transfers/other movements reflect the final Subsidy Determination, allowance for Major Repairs, and a revised presentation of the Pensions Deficit.
3. The result of these amendments (and changes to the 2010/11 Revised Budget – see below) has made a further £79k available for funding of the capital programme, specifically in relation to installing heat pumps to reduce energy costs for tenants.
 4. Given the estimated balance on the HRA at end of next year of nearly £1.3m, which is over £250k more than envisaged when the Original Budget for 2010/11 was approved a year ago, Members could further increase the capital programme in 2011/12. The Head of Contract & Asset Management will report further.
 5. In relation to HRA charges for Supporting People and Accommodation, these for 2011/12 will change only marginally as a result of these changes, and Strategy Committee will be updated on the position on the 10th February. Charges for heat and light will remain as reported at Strategy Committee on 13th January and it is proposed that charges for garages let to council tenants will increase by 5% and those casually let to private tenants will increase by 6.5%.

Revised Budget 2010/11

6. Some of the amendments that affect the 2011/12 Budget also affect the 2010/11 Revised Budget e.g garage income increased by £22k compared to the original budget proposed in Paper K171.
7. In addition, a budget of £50k has been provided in 2010/11 for consultation on housing integration with Mid Suffolk and work on other housing reform requirements, although some of this cost is likely to fall in 2011/12 – in which case the budget can be carried forward at the year-end.
8. These together with other minor accounting adjustments have resulted in an increase to the surplus for 2010/11 of £31k which could be made available for further revenue funding of the capital programme in 2011/12. This would result in the same balance on the HRA as at the 31 March 2012 of £1.281m as reported in paper K171a.

Appendices

A - Amended Council Housing Revenue Budget Summary and supporting details

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AMENDED COUNCIL HOUSING REVENUE BUDGET SUMMARY.....
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Line	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
Income:			
1 Dwellings Rents	(12,732)	(12,790)	(13,391)
2 Garages and Other	(206)	(219)	(229)
3 Service and Facility Charges	(704)	(697)	(505)
4 Heating Charges and Other Income	(214)	(221)	(222)
5 Contributions towards expenditure	(141)	(133)	(133)
6 Total Income	(13,997)	(14,060)	(14,480)
Expenditure:			
7 Planned and Responsive Repairs	2,148	2,099	2,130
8 General Management	1,735	1,670	1,760
9 Special Services	1,604	1,570	1,568
10 Rent, Rates and Debt Provision	75	76	78
11 HRA Subsidy Payable to Government	4,960	5,049	5,390
12 Transfer to General Fund re HB Costs	75	45	46
13 Depreciation	2,986	3,342	3,479
14 Reduced Staffing Costs	(142)	0	(40)
15 Total Expenditure	13,441	13,851	14,411
16 Net Cost Of Services	(556)	(209)	(69)
17 Impairment & Asset Management Account	197	146	160
18 Premiums and Discounts, and Investment Income	257	257	212
19 Net Operating Expenditure	(102)	194	303
20 Appropriations:			
21 Revenue contribution to capital	616	616	728
22 Transfer to / (from) Major Repairs Reserve	(717)	(1,095)	(1,198)
23 Pensions Deficit	186	186	198
24 Deficit / Surplus (-)	(17)	(99)	31
HRA Reserve			
25 Balance at 1 April	1,001	1,213	1,312
26 Surplus / Deficit (-) for the year	17	99	(31)
27 Balance at 31 March	1,018	1,312	1,281

Planned and Responsive Repairs

Summary Planned and Responsive Repairs

Line	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
Expenditure			
28 Premises Expenses	1,849	1,850	1,842
29 Supplies & Services	52	51	49
30 Direct Staffing Costs	245	197	236
31 Total Expenditure	2,146	2,098	2,127
32 Back Office Staffing Costs	2	1	3
33 Net Cost to HRA	2,148	2,099	2,130

Detailed Breakdown of Planned and Responsive Repairs

	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
Responsive Repairs (4571)			
34 General Works	847	872	872
35 Insurance Excess	21	21	21
36 Other Costs	8	7	5
37 Net Cost of Service	876	900	898
Planned Maintenance (4578 & 4579)			
38 Pre-painting Repairs & External Painting	337	257	326
39 Net Cost of Service	337	257	326
Tenancy Changes (4573)			
40 Redecoration Grants to Tenants	47	47	47
41 Internal Repairs	311	488	410
42 Net Cost of Service	358	535	457

Planned and Responsive Repairs (Cont.)

Detailed Breakdown of Planned and Responsive Repairs (cont.)			
	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
Special Items (4601 - 4699)			
43 External Walls	2	2	2
44 Garage Repairs	15	10	10
45 Dampness & Condensation	21	16	16
46 Stairlifts	4	4	4
47 Electrical Works	40	46	46
48 Internal Plumbing	6	6	6
49 Asbestos Removal	7	7	7
50 Total Programmed Work	95	91	91
51 Estate Maintenance	17	18	18
52 Tidying Gardens	50	39	39
53 Internal Decorations for the Elderly	76	6	10
54 Garden Paths	22	22	22
55 Sheltered Units	7	7	7
56 Fences/Gates	29	22	22
57 Other	33	4	1
58 Total Non-Programmed Work	234	118	119
59 Net Cost of Service	329	209	210
Administration and Supervision (4577)			
60 Direct Staffing Costs	245	197	236
61 Direct Costs / Income	245	197	236
62 Back Office Staffing Costs	2	1	3
63 Net Cost of Service	247	198	239
64 Total Planned and Responsive Repairs	2,147	2,099	2,130

General Management

Summary of General Management			
Line	2010/11 Original £000's	Revised £000's	2011/12 Budget £000's
Expenditure			
65 Premises Expenses	0	3	3
66 Supplies & Services	72	134	75
67 Direct Staffing Costs	1,275	979	1,060
68 Income	(88)	(93)	(93)
69 Total Expenditure	1,259	1,023	1,045
70 Back Office Staffing Costs	501	647	704
71 Capital Charges	(25)	0	0
72 Net Cost to HRA	1,735	1,670	1,749

Detailed Breakdown of General Management			
Line	2010/11 Original £000's	Revised £000's	2011/12 Budget £000's
Policy & Management & Allocation of Tenancies			
73 Insurance & Stationery	3	0	0
74 Other Costs	42	117	44
75 Direct Staffing Costs	1,046	776	823
76 Income	(16)	(26)	(15)
77 Grant Income	(25)	0	0
78 Direct Costs / Income	1,050	867	852
79 Back Office Staffing Costs	288	348	384
80 Net Cost of Service	1,338	1,215	1,236
Rent Collection and Accounting (4502)			
81 Contracted Services	16	13	13
82 Other Costs	9	5	19
83 Direct Staffing Costs	229	203	237
84 Legal Costs & Fees Recovered	(40)	(34)	(40)
85 Direct Costs / Income	214	187	229
86 Back Office Staffing Costs	22	16	22
87 Net Cost of Service	236	203	251
Democratic Process (4505)			
88 Other Miscellaneous	2	2	2
89 Corporate Costs Rechargeable to Supporting	(32)	(33)	(38)
90 Contribution to Democratic Process	191	283	298
91 Net Cost of Service	161	252	262
92 Total General Management	1,735	1,670	1,749

Special Services

Summary of Special Services			
Line	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
Expenditure			
93 Premises Expenses	461	412	441
94 Supplies & Services	252	254	246
95 Transport Expenses	10	13	13
96 Direct Staffing Costs	496	480	431
97 Agency and Contracted Services	222	232	226
98 Income	(1,035)	(1,028)	(838)
99 Direct Costs / Income	406	363	519
100 Back Office Staffing Costs	163	178	213
101 Net Cost to HRA	569	541	732

Detailed Breakdown of Special Services			
	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
Sheltered Units (Non Supporting People) (42*)			
102 Premises - Repairs & Maintenance	59	71	68
103 Premises - Energy	209	164	188
104 Premises - Other Running Costs	63	49	54
105 Premises - Furniture and Equipment	22	17	13
106 Premises - Grounds Maintenance	24	18	19
107 Community Alarm System	37	41	41
108 Other Costs	169	176	172
109 Direct Staffing Costs	397	346	295
110 Service Charges	(216)	(216)	(144)
111 Energy Charges	(209)	(217)	(218)
112 Other Income	(6)	0	0
113 Recharges to Supporting People Schemes	(297)	(297)	(297)
114 Direct Costs / Income	252	152	191
115 Back Office Staffing Costs	86	97	114
116 Net Cost of Service	338	249	305

Special Services (cont.)

Detailed Breakdown of Special Services (cont.)			
	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
Homeless Units (Non Supporting People) (4541, 4542 & 4543)			
117 Premises - Repairs & Maintenance	13	10	8
118 Premises - Energy	2	5	6
119 Premises - Other Running Costs	13	10	11
120 Premises - Furniture and Equipment	2	1	1
121 Supplies and Services	1	1	1
122 Direct Staffing Costs	21	73	74
123 Service Charges	(3)	0	0
124 Energy Charges	(1)	(1)	(1)
125 Other Income	(1)	(3)	(3)
126 Direct Costs / Income	47	96	97
127 Back Office Staffing Costs	14	13	14
128 Net Cost of Service	61	109	111
Sheltered Units (Supporting People) (4318-4352)			
129 Government Grant	(342)	(342)	(244)
130 Community Alarm Charges	(98)	(98)	(77)
131 Recharges from Non-Supporting People Schemes	297	297	297
132 Direct Costs / Income	(143)	(143)	(24)
133 Back Office Staffing Costs	58	59	69
134 Net Cost of Service	(85)	(84)	45
Communal Services & Community Alarms (4586 & 4387)			
135 Repairs, Maintenance and Equipment	10	15	14
136 Energy and Other Premises Costs	32	27	32
137 Community Alarm Phone Costs	1	1	1
138 Direct Costs / Income	43	43	47
139 Back Office Staffing Costs	3	4	8
140 Net Cost of Service	46	47	55

Special Services (cont.)

Detailed Breakdown of Special Services (cont.)			
	2010/11		2011/12
	Original £000's	Revised £000's	Budget £000's
Estate Sewerage (4562)			
141 Premises - Repairs and Maintenance	6	6	6
142 Premises - Other Running Costs	6	6	6
143 Other Costs	8	9	10
144 Direct Staffing Costs	5	5	5
145 Income	(17)	(17)	(17)
146 Direct Costs / Income	8	9	10
147 Back Office Staffing Costs	2	4	6
148 Net Cost of Service	10	13	16
Amenity Areas (4561)			
149 Grounds Maintenance Contracts	198	213	205
150 Repairs and Maintenance	8	8	8
151 Other Running Costs	37	38	37
152 Plants, Trees, Shrubs, Stakes etc.	7	3	7
153 Playground Equipment	8	12	8
154 Other Costs	1	1	1
155 Direct Staffing Costs	69	53	54
156 Contribution from General Fund	(141)	(133)	(133)
157 Direct Costs / Income	187	195	187
158 Back Office Staffing Costs	0	1	2
159 Net Cost of Service	187	196	189
Roads and Footpaths (4400)			
160 Premises Expenses	3	3	3
161 Supplies and Services	5	5	5
162 Direct Staffing Costs	4	3	3
163 Net Cost of Service	12	11	11
164 Total Special Services	569	541	732