

Report

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Report to:	Housing and Technical Resources Committee (Special)
Date of Meeting:	12 February 2009
Report by:	Executive Director (Housing and Technical Resources) Executive Director (Finance and Information Technology Resources)

Subject:	Housing Revenue Account Budget 2009/2010
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ outline the Revenue Estimate proposals for the Housing Revenue Account (HRA) for 2009/2010.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the Revenue Estimate proposal for the HRA as set out below be accepted, and the proposed rent increase of 4.0% be applied to all council houses, travelling person sites and lock-ups. This increase equates to an average council house rent rise of £1.99 per week.
- (2) that the recommendations be referred to the Executive Committee.

3. Background

- 3.1. The Housing Revenue Account budget submission, outlined in Appendix 1, has been prepared in line with the 30 year Business Plan which was developed and approved for the retention of the housing stock.
- 3.2. The plan has been updated to reflect forecasts for Right to Buy based on recent trends and the level of investment required as a result of the introduction by the Scottish Executive of the Scottish Quality Housing Standards. The movement from the 2008-2009 revenue budget is also detailed in Appendix 1.
- 3.3. The HRA Revenue Estimate proposals include the rent increase formula previously agreed with tenants for a 10 year period as part of the Housing Investment Business Plan, of Retail Price Index (R.P.I.) plus 1 %. Tenants Groups were presented with options to increase rents higher than R.P.I. + 1% to allow increased investment. During the period of the consultation process R.P.I. was taken to be 3%. However the majority of the groups voted to adhere to the agreed rent increase formula and the Business Plan agreed level of capital investment £35.5m, resulting in a rent rise of 4% which equates to an average rise of £1.99 per week on the current average rent of £49.91.

- 3.4 In line with the Housing Business Plan efficiency savings of £1.044m have also been included within these budgets. The savings will be achieved through a variety of measures including a review of current arrangements for weekend cover for the Warden Service and a review of operational arrangements for the delivery of repairs.
- 3.5 An additional £2.097m will be used to increase the funds available for routine repairs and Aids and Adaptations to council houses to accommodate current rises in demand.
- 4. Estimated Surplus**
- 4.1. The budget for 2009/2010 is for a break even position in the Housing Revenue Account at the end of that financial year.
- 5. Employee Implications**
- 5.1. None
- 6. Financial Implications**
- 6.1. As detailed above.
- 7. Other Implications**
- 7.1. None
- 8. Equalities Impact Assessment and Consultation Arrangements**
- 8.1. An initial impact assessment is underway.
- 8.2. Extensive consultation has previously taken place with both tenants and members to agree the annual rent rises required to fund the Housing Business Plan. This has been built on this year with specific consultation with forums in relation to the proposed rent increase for 2009/2010.

Jim Hayton
Executive Director (Housing and Technical Resources)

Linda Hardie
Executive Director (Finance and Information Technology Resources)

5 February 2009

Link(s) to Council Objectives

- ◆ “Improve the Quality, Access and Availability of Housing”

Previous References

None

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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**SOUTH LANARKSHIRE COUNCIL
HOUSING REVENUE ACCOUNT
REVENUE ESTIMATES YEAR 2009-2010**

2008-2009 £m		2009-2010 £m	Movement £m
	<u>Income</u>		
66.724	House Rents	69.235	(2.511)
1.900	Other Rents	1.900	0.000
0.600	Interest	0.853	(0.253)
10.105	Other Income	9.366	0.739
79.329	Total Income	81.354	(2.025)
	<u>Expenditure</u>		
27.347	Supervision and Management	28.711	1.364
29.020	Housing Repairs etc.	31.117	2.097
1.129	Void Rents	1.422	0.293
0.250	Financing Costs		
	Leasing	0.100	(0.150)
11.905	Loan Charges	8.929	(2.976)
12.104	Contribution to Capital Programme	11.075	(1.029)
81.755	Total Expenditure	81.354	(0.401)
(2.426)	-Surplus Used/+ Generated	0.000	2.426
	Surplus brought forward	0.000	
	Surplus carrying forward	0.000	