

Overview and Scrutiny Committee

THURSDAY, 18TH DECEMBER, 2008 at 19:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE. **PLEASE NOTE REVISED START TIME**

MEMBERS: Councillors Bull (Chair), Adamou (Vice-Chair), Aitken, Alexander, Dodds, Egan and Winskill

Co-Optees: Ms. F. Kally plus 2 Vacancies (parent governors), L. Haward plus 1 Vacancy (church representatives)

AGENDA

1. WEBCASTING

Please note: This meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. The images and sound recording may be used for training purposes within the Council.

Generally the public seating areas are not filmed. However, by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

If you have any queries regarding this, please contact the Committee Clerk at the meeting.

2. APOLOGIES FOR ABSENCE

3. URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business. (Late items will be considered under the agenda item where they appear. New items will be dealt with at item 7 below).

4. DECLARATIONS OF INTEREST

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest **and** if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct **and/or** if it relates to the determining of any approval, consent, license, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

To consider any requests received in accordance with Part 4, Section B, paragraph 29 of the Council's constitution.

6. BUDGET SCRUTINY - REVIEW OF PRE-BUSINESS PLAN REVIEWS 2009/10 TO 2011/12 (PAGES 1 - 50)

(Report of the Chief Financial Officer and Director of Corporate Resources) To update Members on the financial planning position and to consider the Pre Business Plan Review (PBPR) for 2009/10 to 2011/12 in respect of the portfolios for:

- Regeneration and Enterprise
- Housing Services
- Environment and Conservation

7. NEW ITEMS OF URGENT BUSINESS

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9 December 2008



Haringey Council

Agenda item:

[No.]**Overview and Scrutiny Committee****18th December 2008****Budget Scrutiny – Review of Pre Business Plan Reviews 2009/10 to 2011/12**Report of the **Chief Financial Officer and Director of Corporate Resources**Report authorised by : **Gerald Almeroth, Chief Financial Officer**

Contact Officer : **Kevin Bartle, Head of Corporate Finance**

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Wards(s) affected: **ALL**Report for: **[Key / Non-Key Decision]****1. Purpose of the report (That is, the decision required)**

- 1.1. To update Members on the financial planning position and to consider the Pre Business Plan Reviews (PBPR) 2009/10 to 2011/12 in respect of the portfolios for Regeneration and Enterprise, for Housing Services, and for Environment and Conservation.

2. Recommendations

- 2.1. To note the latest financial planning position as set out in the report.
- 2.2. To consider and make recommendations to the Cabinet on the Pre-Business Plan Review documents, in particular the new savings and investment proposals. The recommendations of the Overview and Scrutiny Committee will be considered by the Cabinet in agreeing the Council's final budget for 2009/10 to 2011/12.

3. Reason for recommendation(s)

3.1. This is part of the statutory budget making process.

4. Summary

4.1. The report provides an update on the financial planning process and Pre-Business Planning documentation for scrutiny.

5. Background

5.1. The Cabinet on 15 July 2008 considered a comprehensive report on financial strategy for the period 2009/10 to 2011/12 and agreed a business planning and budget-setting process. At that time an overall budget gap of £7.6m was reported over the full three year planning period. This assumes the achievement of pre-agreed savings proposals of £14.8m in the first two years. The previous planning assumption for council tax was an increase of 3.0% in each of the three years. The Local Government grant settlement figures for the first two years are known (1.75% and 1.5%) as part of the multi-year settlement.

5.2. A further report was considered by the Cabinet on 18 November 2008 to release the pre-business plan reviews for scrutiny and a number of national and local updates were considered. Attached at Appendix 1 is the budget trail as reported to Cabinet in November.

5.3. As part of the pre-business plan review process, targets were set for directorates to identify potential savings opportunities. The targets took account of the level of savings already identified in current financial plans and previous years. The savings proposals will be required to fund the budget gap identified above and any additional investments that are agreed as part of this budget setting process. The final budget proposals will depend on the level of formula grant received from government, which is expected to be in line with the stated three-year settlement.

6. Pre Business Plan Reviews

6.1. Members will recall that the purpose of the Pre-Business Plan Review process is to :

- Ensure that the financial planning process is clearly linked with, and reflects, the full strategic agenda of the Council;
- Ensure that all budget options support the achievement of community strategy objectives;
- Ensure that proposals are considered in conjunction with the impact on service performance;
- Ensure that budget options enhance the achievement of value for money;
- Identify savings and investment opportunities both within and between business units;
- Support consultation activity with key stakeholders;

- Support the budget scrutiny process;
- Gather information to support a number of planning processes.

6.2. The reviews have been prepared in conjunction with relevant Cabinet Members and have been released for scrutiny.

6.3. Attached to this report at Appendices 2 and 3 are high level summaries of the savings and investments proposed analysed in Portfolios and Business Units respectively. Appendix 4s list relevant pre-agreed investments and Appendix 5s are extracts from the PBPRs summarising all new revenue investment and savings proposals and pre-agreed savings. The summaries show the proposals over the three year planning period to give Members a view of the overall scale of the proposals.

6.4. Members are asked to consider these proposals in relation to 6.1 above.

6.5. The following sections of the report summarise the key service issues and objectives and highlight key PBPR proposals over the planning period. These sections are arranged by Cabinet Portfolio in the order that they are scheduled for consideration by the Overview and Scrutiny Committee.

7. REGENERATION AND ENTERPRISE – Issues and Budget Proposals

7.1 Key objectives

Planning

- To deliver a targeted key sites programme
- To plan for sustainable communities through the Local Development Framework (LDF)
- To continue to ensure effective high quality Development and Building Control services
- To deliver highly performing and continually improving services.
- To engage with our customers and partners in providing our services.

Regeneration

- Delivering our Regeneration Strategy

Key objectives at the heart of the strategy are:

- People – to unlock the potential of Haringey residents through increasing skills levels, and raising employment so they can benefit from being part of one of the most successful cities in the world.
- Places – to transform Haringey into a place in which more people want to

live and invest by using the opportunity of its major sites and key location to create positive change.

- Prosperity – to develop a 21st century business economy that offers opportunities for sustainable employment and enterprise to help make Haringey a place where people want to work and visit.

7.2 Key Planning Issues

Building Control

- New Building Regulations due in 2010 which will include changes to the thermal regulations as well as possibly including sustainability into the regulations. This will have a dramatic effect for Building Control with increased workload. This will possibly link into the Green Borough Strategy and the work of the Policy Team.
- Influx of Eastern European builders making the usual workload harder with increased inspections for the same fee.
- Recruitment pressures due to (1) Olympics 2012 effect, and (2) Ageing profile of the profession especially in London and the South East.

Development Control (DC)

- Planning Bill
 - a) Changes concerning decision making in relation to National Infrastructure Projects. Unlikely to affect DC in Haringey except in providing statements in relation to large infrastructure projects such as WARME (improvements to Liverpool Street to Stansted rail link).
 - b) Community Infrastructure Levy – not clear how this will work and how it will effect or change the existing provisions or sums of money received in relation to current Section 106 provision. It could be a year before this will become clearer.
- Alterations to the London Plan - New Mayor with different emphasis on affordable housing. Industrial Land Review underway.
- New powers of the Mayor to decide planning applications (based on certain criteria).
- Killian/Pretty Review (following on from the Barker Review) – looking at ways of speeding up and simplifying the decision making process (a) large applications and (b) the 80% of the total of all applications made which are householder applications (Local Development Orders making more development 'P.D.' locally).

Policy

- There are a number of legislative and planning policy changes which will affect the way we work with our stakeholders and local communities, develop our plans and deal with planning applications in the coming months and years. These include the Planning Bill, White Paper on Empowerment, PPS 12, draft PPS4, and draft PPS6 and Climate Change Bill. The London Plan review is likely to start next year and the Mayor of London's better Planning for London document indicates that focus will be on issues such as affordable housing provision, outer London borough issues and vitality and viability of town centres.

7.3 Savings and Investment Proposals

Planning

- The development of the LDF is a statutory obligation and is monitored closely by the DCLG. Failure to deliver on the milestones contained within the Local development scheme will impact on the CPA and lead to a reduction in HPDG. The £100k will be used to resource the team and where necessary buy in expert advice. A comprehensive workplan is included in the LDS, which details the level of studies required.
- HPDG to be used to support and develop Planning Services.
- Introduction of Pre-Application advice charging regime.
- The savings proposed rely significantly on increased income streams from both an increase in workload, in particular major applications, and the introduction of a charging regime for pre application advice. The economic climate has changed and the recession is likely to have a negative impact on number of applications received and the level of fee income these will generate. The service is closely monitoring the situation and will put in place a contingency plan to address any shortfall should the need arise.

Regeneration

- Some of our long term employment opportunities revolve around the Olympics in 2012 and consolidating our links with other key regional employment sites (Stratford, Brent Cross, Kings Cross, Stansted Airport). These sites remain going concerns despite the economic down turn and as such should still yield substantial employment opportunities for our residents.
- Outside of these sites it is inevitable and already manifest that employment opportunities are being squeezed as consumer spending declines and business begin to cut spending and jobs. Throughout this period we will continue to deliver the Haringey Guarantee to support people in finding employment. This funding is secured for the next 2 years.

- In the economic downturn, it is to be expected that business will need support in finding more creative ways of approaching and developing their markets in order to survive.
- As a business unit we will need to maximise the funding opportunities open to us and to engage delivery partners who will be capable of delivering sustainable outcomes.
- Maximising opportunities from the Olympics will be a priority for economic regeneration.
- Key savings have been achieved through the redundancy of the Town Centre Management post in Wood Green. The impact of this is being mitigated through increased business support services.

8. HOUSING SERVICES – Issues and Budget Proposals

8.1 Key strategic issues and objectives

Objectives

- To halve the number of homeless households in temporary accommodation by March 2010, through effective homelessness prevention, smarter working, better partnerships and the provision of a range of housing options.
- To maximise the development of affordable housing.
- To ensure the efficient management and maintenance of the Council's Housing stock.
- To tackle homelessness, overcrowding and under occupation.
- To achieve the continuous improvement of Strategic and Community Housing Service.

Issues

- The Department of Work and Pensions has announced that it will be implementing changes to the Housing Benefit Subsidy arrangements relating to temporary accommodation. This is likely to have a significant impact on the income levels being generated by the service. Implementation is expected for April 2010. All indications are that the impact will be negative.
- By March 2010 the service wishes to be in a position where the types of units in which our homeless households are placed are the best for our clients and also the best in terms of income generation. Private Sector Leasing meets these requirements and the service will be trying to achieve an increase in the number of these units and a reduction in the number of Annexes.

- The service is using rent deposits to meet the Temporary accommodation reduction target. Additional funds were allocated for this function in 2008/09; further resources are likely to be required in 2009/10.
- The service is currently in the process of a restructure. Once this is complete, it will be a fit for purpose service.

8.2 Savings

- A number of savings are proposed which will be achievable as property Services start carrying out functions such as post clerks; security and facilities management, which are currently carried out by the service.

8.3 Housing Revenue Account (HRA)

Proposals in respect of the Housing Revenue Account are set out in Appendix 6 for the consideration of the Overview and Scrutiny Committee. The appended report was prepared jointly by the Council and Homes for Haringey and makes recommendations on:-

- The HRA Medium Term Financial Strategy;
- Proposals for housing rent increases for 2009/10;
- Proposals for increases to tenants' service charges 2009/10.

9. Environment and Conservation – Issues and Budget Proposals

9.1 The objectives for Frontline Services have been aligned to the Council priorities and key issues have been included for each.

Making Haringey one of London's greenest boroughs

- to improve the management of environmental resources
- to promote sustainable and safe travel and reduce congestion

Key issues include;

- Meeting Local Area Agreement indicator and stretch target on recycling
- Meeting the Climate Change agenda
- Alternative arrangements for the Traffic Management Act permit scheme.
- The North London Waste Authority (NLWA) contract cross-council strategy required.
- Relocation of the Western Road and Ashley Road depots to Marsh Lane, and of the Hornsey Reuse and Recycling Centre.

Creating a Better Haringey – cleaner, greener and safer

- to continue to improve cleanliness
- to improve road condition and street infrastructure
- to contribute to the reduction of crime and the fear of crime
- to contribute to Haringey's regeneration

Key issues include;

- Short term funding issues particularly Area Based Grant funding and TfL.
- Improve joint working with other agencies to respond to out of hour problems and deliver better coordinated interventions.
- Meeting Local Area Agreement indicator target on cleanliness
- Development of physical infrastructure with the promotion of sustainable travel to meet regeneration agenda.
- Further development of the Highways Asset Management plan
- Further investment is required in road condition and infrastructure to bring performance into the top quartile and improve resident perception.

Encouraging lifetime well-being at home, work, play and learning

- to contribute to the health of Haringey residents

Delivering excellent, customer focussed, cost effective services

- to improve customer satisfaction, perception and service performance
- to commission and procure excellent and value

Key issues include;

- The Public Realm commissioning strategy.
- Use of Resources Key Lines of Enquiry – including VfM issues, use of natural resources and participatory budgeting.
- Meet the requirements of CAA
- Place Survey – initial results stress environmental crime and cleanliness issues.
- Area based working and improved mobile working
- TMA emphasis appeals, need to improve infrastructure.

9.2 New Cashable Efficiency Savings Proposals

- New Statutory power under LLA & TfL Bill to recover cost from organisers of clearing up after major events - £23k – (2009/10)
- Estates Recycling Service savings - £24k – (2009/10)
- Traffic Management Order budget savings - £50k – (2009/10)
- Back office efficiency savings - £36k – (2009/10)
- Additional income to be generated through the Parking Plan (linked to capital bid) - £415k – (£115k in 2009/10 & £150k in 2010/11 & 2011/12)
- Spend to save, Replacement of illuminated bollards with solar powered bollards (linked to capital bid) - £57k – (£33k in 2011/12 & £24k in 2012/13)

9.3 New Revenue Investment Proposals

To deliver recycling target

To improve public satisfaction in the place shaping survey

Making Haringey one of London's greenest boroughs - to improve the management of environmental resources.

- Introduction of shops recycling service for 4,000 households in flats above commercial premises - £155k – (2009/10)
- Recycling Management to increase supervisory and management levels to improve service - £154k – (2009/10)
- Recycling vehicles investment to introduce mixed recycling service round to 2,500 properties on narrow roads, to introduce a tenth full sized mixed recycling service to meet demand and a trial of food waste collections from schools (linked to capital bid) - £265k – (£135k in 2009/10 & £130k in 2010/11)

10. Head of Legal Services Comments

10.1. The Council is under a statutory duty to set a balanced budget having regard to the report of its Chief Financial Officer as to the robustness of the estimates and the adequacy of proposed financial reserves. This must be preceded by robust and comprehensive financial planning.

11. Head of Procurement Comments –[Required for Procurement Committee]

11.1. Not applicable

12. Equalities &Community Cohesion Comments

12.1. This is considered as part of the individual pre-business plan review documents.

13. Consultation

13.1. This is part of the consultation of the business and financial planning process.

14. Use of appendices /Tables and photographs

Appendix 1 – Budget trail

Appendix 2 – Portfolio summary

Appendix 3 – Business Unit summary

Appendix 4 – Pre-agreed investments

Appendix 5 – Pre-agreed savings, new savings and investments

Appendix 6 – Housing Revenue Account proposals

15. Local Government (Access to Information) Act 1985

The following background papers were used in the preparation of this report:

Report of the Chief Financial Officer and Director of Corporate Resources to the Cabinet on 15 July 2008 – Financial Planning 2009/10 to 2011/12;

Report of the Chief Financial Officer and Director of Corporate Resources to the Cabinet on 18 November 2008 – Financial Planning 2009/10 to 2011/12 (including the detailed PBPR documents).

Gross Budget Trail	2009/10	2010/11	2011/12
	£'000	£'000	£'000
Budget brought forward	399,578	410,511	422,208
<u>Changes and variations</u>			
Inflation	8,090	8,510	8,900
Changes agreed in previous years budget process	(1,402)	4,495	0
Changes and variations agreed 15 July 2008	0	0	1,000
<u>Investments</u>			
2007/08 process	0	40	0
2008/09 process	1,030	530	0
Proposed investment fund	1,500	1,500	0
	<u>2,530</u>	<u>2,070</u>	<u>0</u>
<u>Savings</u>			
2007/08 process	(3,847)	(2,745)	0
2008/09 process	(4,512)	(3,722)	0
	<u>(8,359)</u>	<u>(6,467)</u>	<u>0</u>
<u>Dedicated schools grant (DSG)</u>			
Passporting of DSG	5,603	6,538	6,047
Prior year adjustment for actual pupil numbers			
	<u>5,603</u>	<u>6,538</u>	<u>6,047</u>
<u>Balances</u>			
Contribution to / (from) balances 2007/08 process	5,725	(2,645)	
Contribution to / (from) balances 2008/09 process	246	696	
Gross Council budget requirement	412,011	423,708	438,155
Less dedicated schools grant (specific grant)	(166,220)	(172,758)	(178,805)
Net Council budget requirement	245,791	250,950	259,350
Funding			
Council tax (see below)	101,771	104,825	107,968
Government support - formula grant and NNDR	142,520	144,625	146,795
	244,291	249,450	254,763
Resource shortfall/(excess)	1,500	1,500	4,587
Council tax			
	£	£	£
Council tax (LBH)	1,196.51	1,232.41	1,269.38
Council tax base (after provision for non-recovery)	85,056	85,056	85,056
Precept	101,770,355	104,823,865	107,968,385
Rate of council tax increase (Haringey element)	3.0%	3.0%	3.0%
GLA rate of council tax increase	n/a	n/a	n/a
Combined council tax increase	n/a	n/a	n/a
£ per week increase (Haringey element)	£0.67	£0.69	£0.71

Resource Shortfall Tracker	2009/10 £'000	2010/11 £'000	2011/12 £'000	Total £'000
Position at end of 2008/09 process	0	0	0	0
<u>Update for 2009/10 process</u>				
- inflation			8,900	8,900
- increase assumption in formula grant at 1.5%			(2,169)	(2,169)
- increase assumption in council tax at 3%			(3,144)	(3,144)
			<u>3,587</u>	<u>3,587</u>
<u>Changes and variations 15 July 2008</u>				
- pension fund employers contributions			1,000	1,000
	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Proposed investment fund	1,500	1,500	0	3,000
Position as at 18 November 2008	1,500	1,500	4,587	7,587
Net savings target	(1,500)	(1,500)	(4,587)	(7,587)
Projected balanced position	0	0	0	0

London Borough of Haringey
2009-10 PBPR Revenue Savings and Investments
Portfolio Summary

Appendix 2

Portfolio	Councillor	Pre-Agreed		Total New Revenue Savings Proposals £'000	Total Savings Submitted £'000	Pre-Agreed		Total New Revenue Investment Bids £'000
		Submitted Savings 2009/10 - 2011/12 £'000	Revenue Investments £'000					
Leader	TBC	456	661	205	661	300	424	
Community Cohesion and Involvement	Cllr. Reith	1,169	1,311	142	1,311	0	0	
Enforcement and Safer Communities	Cllr. Carver	272	337	65	337	0	150	
Children and Young People	TBC	1,918	3,484	1,566	3,484	160	1,240	
* Environment and Conservation	Cllr. Haley	2,979	3,560	581	3,560	(105)	574	
Resources	Cllr. Adje	2,244	3,396	1,152	3,396	(55)	(100)	
* Housing Services	Cllr. Bevan	536	701	165	701	(100)	0	
Leisure, Culture and Lifelong Learning	Cllr. Basu	746	1,382	636	1,382	0	265	
* Enterprise and Regeneration	Cllr. Amin	225	511	286	511	0	60	
Adult Social Care and Wellbeing	Cllr. Harris	1,940	2,922	982	2,922	1,400	922	
Total Portfolio		12,485	18,265	5,780	18,265	1,600	3,535	

* Portfolios to be discussed at the Overview & Scrutiny meeting on 18th December 2008

London Borough of Haringey
Summary of Savings and Investments by Business Unit
2009/10 - 2011/12

London Borough of Haringey - 2009/10 to 2011/12 PBPR Revenue Savings and Investments					
Business Unit	Pre-Agreed Submitted Savings	Total Proposed Savings Submitted	Pre-Agreed Investments	Total Proposed Revenue Investments	
	£'000	£'000	£'000	£'000	£'000
CORPORATE RESOURCES					
CR01 Director of Corporate Resources	0	0	0	0	0
CR02 Benefit & Local Taxation	292	239	0	0	0
CR03 Corporate Finance (inc. IA)	217	70	0	0	0
CR04 Corporate Procurement	115	20	0	0	0
CR05 Property	702	460	(55)	0	0
CR06 Legal Services	353	95	0	300	300
CR07 Access & Customer Focus	1,070	325	0	(100)	(100)
Total for Corporate Resources	2,749	1,209	(55)	200	200
PEOPLE & ORGANISATIONAL DEVELOPMENT					
PD01 Director of People & Organisational Development	0	0	0	0	0
PD02 Human Resources	228	68	0	0	0
PD03 Organisational Development & Learning	68	45	0	0	0
PD04 Local Democracy	65	17	0	0	0
Total for People & Organisational Development	361	130	0	0	0
ADULTS CULTURE & COMMUNITY SERVICE					
AC01 Director of Adults Culture & Community Service	0	0	0	0	0
AC02 Adult Social Care	1,762	365	1,400	922	922
AC03 Recreation Services	660	400	0	265	265
AC04 Adult Learning, Libraries & Culture	86	236	0	0	0
AC05 Strategic Services	178	617	0	0	0
Total for Adults Culture & Community Service	2,686	1,618	1,400	1,187	1,187
POLICY PERFORMANCE PARTNERSHIP & COMMS.					
PP01 Policy Performance & Partners	0	0	0	0	0
PP02 Community Safety	10	0	0	150	150
PP03 Partnerships	413	0	0	0	0
PP04 Performance & Policy	87	107	0	110	110
PP05 Communications	242	50	0	0	0
Total for Policy Performance Partnership & Comms.	752	157	0	260	260

London Borough of Haringey - 2009/10 to 2011/12 PBPR Revenue Savings and Investments					
Business Unit	Pre-Agreed Submitted Savings	Total Proposed Savings Submitted	Pre-Agreed Investments	Total Proposed Revenue Investments	
	£'000	£'000	£'000	£'000	£'000
CHILDREN & YOUNG PEOPLE'S SERVICE					
CY01 Director of Children & Young People's Service	117	149	0	0	
CY02 Children & Families	879	1,055	160	1,240	
CY03 School Standards & Inclusion	477	225	0	0	
CY04 Business Support & Development	445	137	0	0	
Total for Children & Young People's Service	1,918	1,566	160	1,240	
URBAN ENVIRONMENT					
UE01 Director of Urban Environment	0	0	0	0	
UE02 Planning Policy & Development	141	120	0	0	
UE03 Economic Regeneration	84	166	0	60	
UE06 Housing Services	536	165	(100)	0	
UE08 Frontline Services	3,241	646	(105)	574	
Total for Urban Environment	4,002	1,097	(205)	634	
CHIEF EXECUTIVE					
CE01 Chief Executive	17	3	300	14	
CE02 Electoral Services	0	0	0	0	
Total for Chief Executive	17	3	300	14	
SUB-TOTAL OF BUSINESS UNITS					
	12,485	5,780	1,600	3,535	

Regeneration and Enterprise

London Borough of Haringey
Pre-Agreed Savings
2009/10 to 2011/12

Regeneration and Enterprise

C PRE-AGREED SAVINGS		As Agreed by Council				Revised (if required)				Total £'000	Variance 2009/10 over 2008/09 £'000	Variance 2010/11 over 2009/10 £'000	Variance 2011/12 over 2010/11 £'000	Cumulative Variance (Agreed - Revised)
Directorate	Business Unit	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Progress	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000						
Urban Environment	UE02 Planning, Policy & Development	25	25	50	On target to achieve fees	25	25	0	50	0	0	0	0	
Urban Environment	UE02 Planning, Policy & Development	41		41	On target to achieve fees	41			41	0	0	0	0	
Urban Environment	UE02 Planning, Policy & Development	30		30	On target to achieve fees	30			30	0	0	0	0	
Urban Environment	UE02 Planning, Policy & Development	20		20	On target to achieve fees	20			20	0	0	0	0	
Urban Environment	UE03 Economic Regeneration		46	46	On target		46		46	0	0	0	0	
Urban Environment	UE03 Economic Regeneration		38	38	On target		38		38	0	0	0	0	
	Grand Total	116	109	225		116	109	0	225	0	0	0	0	

Regeneration and Enterprise

D - NEW INVESTMENTS									
Directorate	Business Unit	Proposed Use of Investment	Which Council priority does this support?	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	No. of Staff Affected	Impact on Service / Performance
Urban Environment	UE02 Planning, Policy & Development	Delivery of LDF and possible inquiry costs	Creating a better Haringey: Cleaner, Greener and Safer	100	(100)	0	0	0	Funding required to enable the policy team to deliver all planning documents required for The Local Development Framework including the core strategy.
Urban Environment	UE03 Economic Regeneration	Creating an Olympic investment fund to support and encourage Olympic activity and increase benefit to the borough of the Olympics, we will require £60k for each year for 3 years	Creating a better Haringey: Cleaner, Greener and Safer	60			60		Increased Olympic profile for the borough to resident. It will also increase the chances of drawing down future Olympic external funding.
Grand Total				160	(100)	0	60	0	

Regeneration and Enterprise

E - NEW SAVINGS PROPOSALS

Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	No. of Staff Affected	Posts Affected (FTE)	Impact on Performance (Service Delivery)	Impact on other Services	Dependent on Capital Investment?
Urban Environment	UE02 Planning, Policy & Development	Reduced legal expenditure (both internal and external)	10	10	10	30			No obvious impact on performance, although quality will need to be maintained.		No
Urban Environment	UE02 Planning, Policy & Development	Increased Pre application planning fees	10	10	10	30			To be managed within existing resources. Improved application processing performance, reduced refusal rate, improved customer satisfaction	Increased workload for technical support staff and Major sites officers	No
Urban Environment	UE02 Planning, Policy & Development	Increased BC fees	10			10			To be managed within existing resources. Improved application processing performance, reduced refusal rate, improved customer satisfaction	None	No
Urban Environment	UE02 Planning, Policy & Development	Efficiency savings from the impending merger of Planning and Regeneration	25	25		50			No impact	No impact	No
Urban Environment	UE03 Economic Regeneration	Charge a higher level of finance support in addition to project staff cost against external funding	25	25		50	2	2	No impact	No impact	No
Urban Environment	UE03 Economic Regeneration	Review physical regeneration team after the completion of the current programme, either reducing the team or charging more costs to new funding sources as we bid for them			30	30	1	1	If we do not secure additional external funding, this will reduce the capacity to support the team staff wise.	No impact	No
Urban Environment	UE03 Economic Regeneration	Efficiencies resulting from merger of Planning and Economic Regeneration	86	0	0	86	1	1	No impact on performance	No impact on other services	No
Grand Total			166	70	50	286	4	4			

Housing Services

B PRE-AGREED INVESTMENTS		As Agreed by Council		Revised (if required)			Variance (Agreed - Revised)
		2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	
Directorate	Business Unit	Area / Service	Planned Impact	Progress			
Urban Environment	UE06 Strategic & Community Housing Services	Housing Benefit staff	Increase income collection rate	On target	(100)	(100)	0

C PRE-AGREED SAVINGS														
Directorate	Business Unit	Details of Efficiency	As Agreed by Council			Progress	Revised (if required)			Total £'000	Variance 2009/10 over 2008/09 £'000	Variance 2010/11 over 2009/10 £'000	Variance 2011/12 over 2010/11 £'000	Cumulative Variance (Agreed - Revised)
			2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000		2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000					
Urban Environment	UE06 Strategic & Community Housing Services	Reducing temporary staff	89	180	180	These savings can be achieved although the Strategic and Community Housing Service has to deliver significant improvements in the coming year.	0	180	180	0	0	0	0	
Urban Environment	UE06 Strategic & Community Housing Services	Reduce absence levels	89	32	121	These savings can be achieved although the Strategic and Community Housing Service has to deliver significant improvements in the coming year.	89	32	121	0	0	0	0	
Urban Environment	UE06 Strategic & Community Housing Services	Home Connections joint procurement		60	60	These savings can be achieved although the Strategic and Community Housing Service has to deliver significant improvements in the coming year.	0	60	60	0	0	0	0	
Urban Environment	UE06 Strategic & Community Housing Services	Release of staff brought in to achieve 2 star service		155	155	These savings can be achieved although the Strategic and Community Housing Service has to deliver significant improvements in the coming year.	0	155	155	0	0	0	0	
Urban Environment	UE06 Strategic & Community Housing Services	Rationalisation of training	20		20	These savings can be achieved although the Strategic and Community Housing Service has to deliver significant improvements in the coming year.	20	0	20	0	0	0	0	
		Grand Total	109	427	536		109	427	0	0	0	0	0	

Housing Services

E - NEW SAVINGS PROPOSALS											
Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	No. of Staff Affected	Posts Affected (FTE)	Impact on Performance (Service Delivery)	Impact on other Services	Dependent on Capital Investment?
Urban Environment	UE06 Strategic & Community Housing Services	Estimated saving from relocation of Housing Services from Apex Hse to RPH Post & Facilities Mgt functions are provided corporately.	0	66		66	0	0	0 No impact on service delivery	Will impact on Property Services for whole amount	No
Urban Environment	UE06 Strategic & Community Housing Services	Review of number of posts following planned reduction of numbers in temporary accommodation			99	99	3	3	3 Will be managed as numbers in temporary accommodation fail.	No impact	No
Grand Total			0	66	99	165	3	3			

Environment and Conservation

London Borough of Haringey
Pre-Agreed Investments 2009/10 - 2011/12
Environment and Conservation

Appendix 4

B PRE-AGREED INVESTMENTS		Business Unit	Area / Service	As Agreed by Council			Planned Impact	Progress	Revised (if required)		
				2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000			2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000
Urban Environment	UE08 Frontline Services	External legal, technical and other professional support for public realm / waste strategy contracts	(200)	(150)	(350)	Effective procurement of Public Realm Strategic Contract.	Strategy agreed. Highways and Street lighting element on schedule. Programme Director recruited.	(200)	(150)	0	(350)
Urban Environment	UE08 Frontline Services	Expansion of doorstep recycling to all households on estates	15	0	15	Positive impact on NI 192 (recycling) and NI 191(waste) targets; plus LAA recycling stretch target for 2009/10. Improved customer satisfaction. This bid links to a previously submitted Capital Project (2008/9).	Recycling target for 2007/8 exceeded with performance of 25.5%. Customer satisfaction also improved in 2007/8 reaching 66% - an improvement of 6% from the last survey.	15	0	0	15
Urban Environment	UE08 Frontline Services	Review of parking enforcement policy and estimated reduction in income	150	0	150	To mitigate loss of income due to new TMA	The service is now projecting £1m income deficit.	150	0	0	150
Urban Environment	UE08 Frontline Services	CCTV Purchase and installation of new camera	40	40	80	This funding is required to support the maintenance of the additional CCTV cameras. Linked to capital bid. Subject to review of overall CCTV approach.	13 new cameras are now installed and operational. The warranty expires in April 2009.	40	40	0	80
Grand Total			5	(110)	(105)			5	(110)	0	(105)

London Borough of Haringey
Pre-Agreed Savings
2009/10 to 2011/12

Environment and Conservation

C PRE-AGREED SAVINGS		As Agreed by Council		Revised (if required)			Variance			Cumulative Variance (Agreed - Revised)											
Directorate	Business Unit	Details of Efficiency	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	
Urban Environment	UE08 Frontline Services	Integrated Waste Management & Transport Contract	1,165	1,165	1,165	0	0	1,165	0	0	1,165	0	0	1,165	0	0	1,165	0	0	1,165	0
Urban Environment	UE08 Frontline Services	Utility weekend FLS	50			50	0	0	50	0	0	50	0	0	50	0	0	50	0	0	50
Urban Environment	UE08 Frontline Services	Restructure within Sustainable Transport	250			250	0	0	250	0	0	250	0	0	250	0	0	250	0	0	250
Urban Environment	UE08 Frontline Services	Increased charges within Sustainable Transport	25			25	0	0	25	0	0	25	0	0	25	0	0	25	0	0	25
Urban Environment	UE08 Frontline Services	Review of Freedom Pass criteria	100			100	0	0	100	0	0	100	0	0	100	0	0	100	0	0	100
Urban Environment	UE08 Frontline Services	Re-tendering of contracts within Parking	300			300	0	0	300	0	0	300	0	0	300	0	0	300	0	0	300
Urban Environment	UE08 Frontline Services	Continued increase in the number of new CPZ's meeting the expected demand	70	80	150	70	80	0	150	0	0	150	0	0	150	0	0	150	0	0	150
Urban Environment	UE08 Frontline Services	Increase of 2.5% on fees and charges above inflation (RPI)	66	68	134	66	68	0	134	0	0	134	0	0	134	0	0	134	0	0	134
Urban Environment	UE08 Frontline Services	Increase of 1.5% on permit charges above inflation assumed in budget to be in line with RPI	22	23	45	22	23	0	45	0	0	45	0	0	45	0	0	45	0	0	45
Urban Environment	UE08 Frontline Services	Review staffing levels and service efficiency on the On-Street Parking FLS service		240	240	0	240	0	240	0	0	240	0	0	240	0	0	240	0	0	240
Urban Environment	UE08 Frontline Services	Replacing the Parking Automated Telephone (ATP) system	150			150	0	0	150	0	0	150	0	0	150	0	0	150	0	0	150

Progress

UE08 Frontline Services: Cabinet has approved that existing IWM&T contract will be extended through until Dec 2010. As a result it has been subsequently agreed that this savings will restated to 2011/12 in line with re-tendering the new Contract.

UE08 Frontline Services: Weekend enforcement has commenced and has proved successful in identifying over-running of utilities activities

UE08 Frontline Services: This is the second year of savings of a total of £450. The new structure should be completely in place by March 2009 allowing savings to go ahead.

UE08 Frontline Services: This is the second year of savings of a total of £100. This is still dependent on construction activity on the highway.

UE08 Frontline Services: Those savings were estimated on the existing apportionment. There is insufficient data available to determine potential savings under the revised apportionment

UE08 Frontline Services: The service expects to generate those savings

UE08 Frontline Services: This will be achieved if the CPZ extension is completed by March 2009.

UE08 Frontline Services: This will be achieved.

UE08 Frontline Services: Permit charges will not be increased due to members decision.

UE08 Frontline Services: This involves the outsourcing of the enforcement team, and if approved should generate those savings

UE08 Frontline Services: This is reliant on IT and is on schedule to deliver the savings

Environment and Conservation

C PRE-AGREED SAVINGS		As Agreed by Council		Revised (if required)		Variance		Variance		Variance		Cumulative Variance (Agreed - Revised)
		2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000		
Directorate	Business Unit	Details of Efficiency		Progress		Total		2009/10 over 2008/09		2010/11 over 2009/10		
Urban Environment	UE08 Frontline Services	100	100	100	100	100	0	0	0	0	0	0
		Sweeping of Headings		This saving arising from a reduction in the street cleansing service. This reduction is mitigated to a degree by the roll-out of the litter picking service to all residential roads in the borough.		100	0	0	0	0	0	0
Urban Environment	UE08 Frontline Services	150	150	150	150	150	0	0	0	0	0	0
		FLS of Trade Waste Abuse		Linked to activities under the Flytip Action Plan to reduce the volume of commercial waste disposed of by the Council where no recovery of cost is being made through Trade Waste Agreements with a licensed carrier.		150	0	0	0	0	0	0
Urban Environment	UE08 Frontline Services	70	70	70	70	70	0	0	0	0	0	0
		Commingled Recycling Bring Sites		Project being rolled out in 2008/9 enabling staffing efficiency measures to be made in 2009/10. This will be achieved by more efficient collection method (larger vehicles requiring less staffing).		70	0	0	0	0	0	0
Urban Environment	UE08 Frontline Services	50	50	50	50	50	0	0	0	0	0	0
		Improving and expanding all recycling collection services		Reduction in the budget through staffing efficiency measures made possible through proposed service change.		50	50	0	0	0	0	0
		Grand Total	1,353	1,626	2,979	1,353	461	1,165	0	(1,165)	1,165	0

London Borough of Haringey
Pre-Agreed Investments 2009/10 - 2011/12
Environment and Conservation

D - NEW INVESTMENTS											
Directorate	Business Unit	Proposed Use of Investment	Which Council priority does this support?	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	No. of Staff Affected	Posts Affected (FTE)	Impact on Service / Performance	Portfolio
Urban Environment	UE08 Frontline Services	Introduction of shops recycling service for 4,000 households in flats above commercial premises	Making Haringey one of London's greenest boroughs	155	0	0	155	3	3	Positive impact on NI 192 of 25 % over two years (recycling) and NI 191 of 10% over two years (waste) targets; as additional material would be collected, estimated to be 150-200 tonnes per year plus LAA recycling stretch target for 2009/10.	Environment and Conservation
Urban Environment	UE08 Frontline Services	Recycling Management to increase supervisory and management levels to improve service.	Making Haringey one of London's greenest boroughs	154	0	0	154	4	4	Positive impact on quality and development of the Recycling Service which will impact on customer satisfaction and recycling/waste targets (NI 191 and NI 192). The investment is intended to lead to reductions in waste minimisation by 10% over two years an	Environment and Conservation
Urban Environment	UE08 Frontline Services	Recycling Vehicles investment to introduce mixed recycling service round to 2,500 properties on narrow roads, to introduce a tenth full sized mixed recycling service to meet demand and a trial of food waste collections from schools.	Making Haringey one of London's greenest boroughs	135	130	0	265	8	8	Positive impact on NI 192 (recycling) and NI 191 (waste) targets; plus LAA recycling stretch target for 2009/10. Improved customer satisfaction. This bid links to a previously approved Capital Project (2008/9)	Environment and Conservation
Grand Total				444	130	0	574	15	15		Grand Total

Environment and Conservation

E - NEW SAVINGS PROPOSALS											
Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	No. of Staff Affected	Posts Affected (FTE)	Impact on Performance (Service Delivery)	Impact on other Services	Dependent on Capital Investment?
Urban Environment	UE08 Frontline Services	New statutory power under LLA & TfL Bill to recover cost from organisers of clearing up after major events.	23	0	0	23	0	0	0 No impact on performance/service delivery as existing mainstream funding will be replaced by external funding.	No impact on other services	No
Urban Environment	UE08 Frontline Services	Estates recycling service savings	24	0	0	24	1.2	1.2	1.2 No impact on performance as residents will receive an alternative and equivalent recycling service.	No impact on other services	No
Urban Environment	UE08 Frontline Services	Traffic Management Order budget savings	50	0	0	50	0	0	0 This budget was used to provide Traffic Orders for utility companies. This work is now charged to utilities. There should be no impact on service delivery.	We may have to charge other services for providing traffic orders but this is infrequent.	No
Urban Environment	UE08 Frontline Services	Back office efficiency savings	36	0	0	36	1	1	1 A Back Office Efficiency Review is underway in Urban Environment and Frontline Services is also reviewing its support structure in light of the merger of the services. It is anticipated that this will be achieved through realignment of roles and responsibilities and sharing of resources.	No impact on other services	No
Urban Environment	UE08 Frontline Services	Additional income to be generated through the Parking Plan	115	150	150	415	0	0	0 This will ensure better parking management in areas where residents are in conflict with non-residents due to parking pressures. To provide short stay parking provision at locations where parking demand is high.	No impact to other services	Yes
Urban Environment	UE08 Frontline Services	Spend to save, Replacement of illuminated bollards with solar powered bollards	0	0	33	33	0	0	0 Energy Saving based on October 2008 costs, full-year savings of £57k will only be achieved by 2012/13 when all of the bollards are replaced.	No impact to other services	Yes
Grand Total			248	150	183	581	2.2	2.2			

Report Title	Housing Revenue Account – Medium Term Financial Strategy 2009/10
Reporting Officer	Rowann Limond, Executive Director of Finance, HfH
Authorised by	Rowann Limond, Executive Director of Finance and Gerald Almeroth, Chief Financial Officer, Haringey Council
Meeting	The Council's Overview and Scrutiny Committee
Date	18 December 2008

1 RECOMMENDATIONS

- 1.1 To note the update to the Housing Revenue Account Medium Term Financial Strategy.
- 1.2 To note the proposals for housing rent increases for 2009/10 for the purposes of consultation.
- 1.3 To note the proposals for increases in tenant service charges for 2009/10 with the Increase in heating charges effective from February 2009. It should be noted that leaseholder service charges are charged at actual cost each year based on each individual lease and do not form part of this report.
- 1.4 To make comments as appropriate for consideration by Cabinet in the budget process.

2 INTRODUCTION

- 2.1 The report sets out the updated Medium Term Financial Strategy (MTFS) for the Housing Revenue Account (HRA), proposals for a 6.1% rent increase for 2009/10 and proposed increases in tenant service charges.
- 2.2 The Medium Term Financial Strategy is updated each year in order to provide an on-going financial plan for the organisation to operate within. As the level of subsidy and rental levels are controlled by central government the only flexibility available is within the expenditure items or additional income. One of the purposes of the MTFS is to ensure that the Housing Revenue Account (HRA) is financially viable.
- 2.3 The HRA is a self-financing account and therefore cannot be subsidised by the Council's General Fund, i.e. Council Tax. The strategy must therefore show the resources available to provide the service and remain in balance in conjunction with maintaining the working balance at a prudent level.
- 2.4 Due to government constraints on subsidy and rent levels, and a decrease in stock, the resources available to provide HRA services are reducing.

3 BACKGROUND

- 3.1 The MTFS financial plan for 2008/09 incorporated several elements:
 - Base budgets rolling forward from 2007/08
 - Pre-agreed growth and savings entries

- New growth and savings entries approved by Homes for Haringey and the Council
 - New efficiency savings agreed by Homes for Haringey and the Council.
- 3.2 Additional spending pressures which emerged after the budget was set, included both new demands (e.g., maintenance expenditure) and existing unavoidable expenditures where the budget is inadequate or absent (e.g. utilities costs). Reviews were also carried out by Homes for Haringey to test the deliverability of planned savings and efficiencies. Where there was insufficient evidence that these savings can be achieved, these were also included as budget pressures.

4 ASSUMPTIONS

- 4.1 In order to calculate the savings targets a number of assumptions were built in to the underlying MTFS. A number of these such as subsidy, stock numbers and inflation flow through the model in each of its years, but there were a number of other assumptions made which need to be highlighted due to the impact they may have on both the company and the HRA.
- 4.2 Savings of £444,000 were built in to the MTFS in 2008/09. These were based on the closure of the Broadwater Farm Office and the revised MTFS assumes that these savings may not be achieved.
- 4.3 In respect of performance the main area in which this impacts on the MTFS is in respect of the rent collection figures. The assumption which is currently built in to the model is that there will be a loss of income in respect of voids which amounts to 2% on general stock and 12% in respect of hostels voids, this is higher than our current voids loss of 1.29% and reflects the government's assumptions in respect of voids in the subsidy calculation. Current budget monitoring forecasts additional rent income of £384,000 reflecting current void loss and lower right to buy sales.
- 4.4 The model also assumes that 99% of the current rent, excluding arrears is collected and therefore a contribution to a bad debt provision equivalent to 1% is built in to the model as an expenditure item. This assumption is the same for both general stock and hostels. The current collection rate for rents is 98.4%. The impact of non-collection on the HRA is reflected in the increase in the actual contribution to the bad debt provision.

5 FINANCIAL PLANNING FOR 2008/09 AND BEYOND

- 5.1 In order to maintain HRA balances at a prudent level (considered by the Council's Chief Financial Officer to be not less than £5m over the planning period) Homes for Haringey and the Council need to identify additional income or reductions in expenditure. The Current MTFS for 2008/09 has been updated to take account of the final outturn for 2007/08 and the proposed variations in income and expenditure set out in the report. This is illustrated in the table below:

Updated HRA Balances	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2012/13 £000
Opening Balance	-4,724	-5,255	-4,860	-5,371	-4,692	-2,295
In Year Movements	-531	395	-511	679	2,397	1,911
Closing Balance	-5,255	-4,860	-5,371	-4,692	-2,295	-384

- 5.2 The detailed MTFS is set out in Appendix C with proposed budget movements in Appendix D.
- 5.3 The significant variations contained in the forecast are set out below.
- Efficiency savings of £1.1 million have been identified by Homes for Haringey following the re-tendering of the contracts for gas maintenance.
 - However, there are growth bids of £1.771 million proposed for 2009/10 that are detailed in Appendix D.
 - Savings of £444,000 were built in to the MTFS in 2008/09 based on the closure of the Broadwater Farm Office. An internal review of the tenancy management service is being carried out by Homes for Haringey and these savings may not be achieved.
 - The forecast of income Homes for Haringey will receive for works chargeable to Council departments is £1.064 million below the current budget and this lower level of income is assumed in MTFS. This will be reviewed in consultation with council departments and monitored during 2009/10.
 - Further efficiency savings of £2 million are to be identified by Homes for Haringey from 2010/11.
 - Supporting People Grant is forecast to be £566,000 below budget for 2008/09 with an ongoing financial impact into future years.
 - Saving from the expiry of long leases is forecast to be £600,000 in 2008/09 and in future years.

6 RISKS

- 6.1 The main risks to achieving the required HRA balances over the planning period are in relation to the potential growth bids still being considered. Approximately £1m of this growth relates to areas of high risk such as window maintenance and highway repairs which are the result of high profile cases over the previous year.
- 6.2 The draft subsidy determination has recently been received and is covered in more detail on section 7 of this report. The figures exemplified may still change when the final determination is received in late December, so subsidy remains a risk area.
- 6.3 The proposals still do not address the high level of capitalisation or the capital funding of revenue works which currently takes place in the HRA capital programme. Although this had been the original intention in this planning period, the high risk maintenance areas identified during this year have reduced the ability for this to happen. It is still a priority area however, as the level of capitalisation needs to be addressed over the period of decent homes funding in order to allow continued maintenance of the stock in the longer term.

7 HOUSING SUBSIDY 2009/10

- 7.1 The Department for Communities and Local Government (CLG) wishes to create some certainty in the level of rent increases over the next two years. The intention is to apply the same formulae and definitions used in the 2009-10 subsidy determination for the 2010-11 determination. CLG proposes to use fixed

average percentage guideline rent increases in both the 2009-10 determination and for 2010-11.

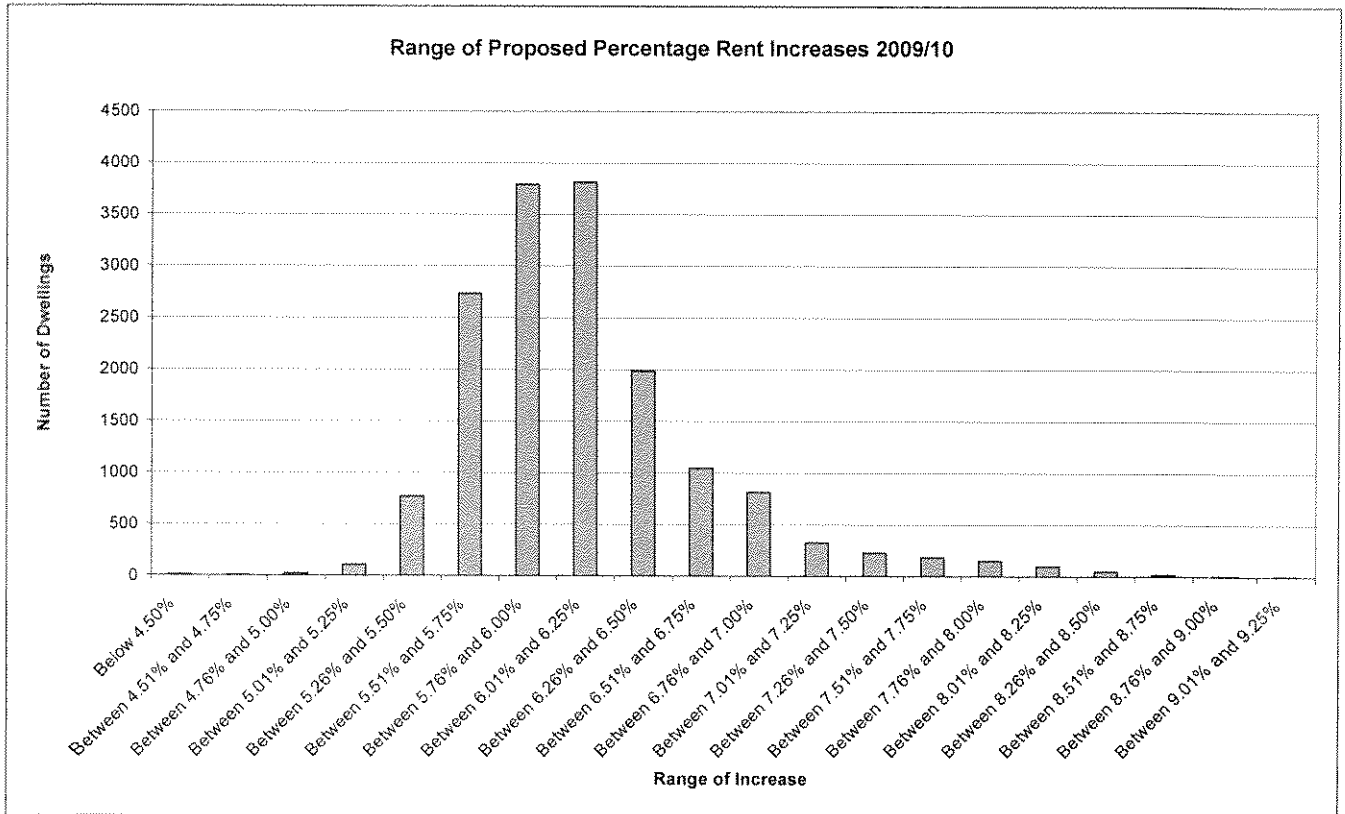
- 7.2 Consultation on the determinations mentioned above has commenced and ends on 9 December 2008.
- 7.3 The national draft HRA Subsidy Determination proposes two options for determining guideline rent.
- a) Based on the original assumption that guideline rents are increased to incorporate the 5% Retail Price Index increase at September 2008 with adjustments to achieve a convergence with formula rents by 2011/12.
 - b) Based upon a fixed increase of 6.2% in guideline rent. However, to achieve this the convergence with formula rent will be extended to 2024/25. The proposed guideline rent increase for 2010/11 is 6.1%.
- 7.4 The Council is in receipt of an allowance of £1.20 per dwelling per week (£1 million) to compensate for the containment of rents within the rent restructuring caps and limits in 2008/09.
- 7.5 A further measure is proposed to limit actual rent increases above 7% and compensate Councils for loss of income where government calculations show they would otherwise have been higher than 7%. This means that average actual rents for 2009/10 would not be increased by more than 7%. Details of how this would be calculated are awaited although it is unlikely that Haringey will qualify for this allowance.
- 7.6 Government has indicated that it prefers Option (b) in order to contain potentially high rent increases caused by the currently high levels of inflation. For Haringey the guideline rent increase would be 7.5% under option (a) and 6.2% under option (b).
- 7.7 Management and Maintenance Allowances are increased by 0.68% to £2,162.97 per dwelling. Taking into account the reduction in dwellings due to disposals, this represents a reduction in overall allowances of £313,000.
- 7.8 The Major Repairs Allowance for 2009-10 also incorporates a three-year average building cost adjustor but retains the original national base weights. It has increased by £1.054m from £11.354m in 2008/09 to £12.408m in 2009/10. These additional resources will be available to fund the capital programme.

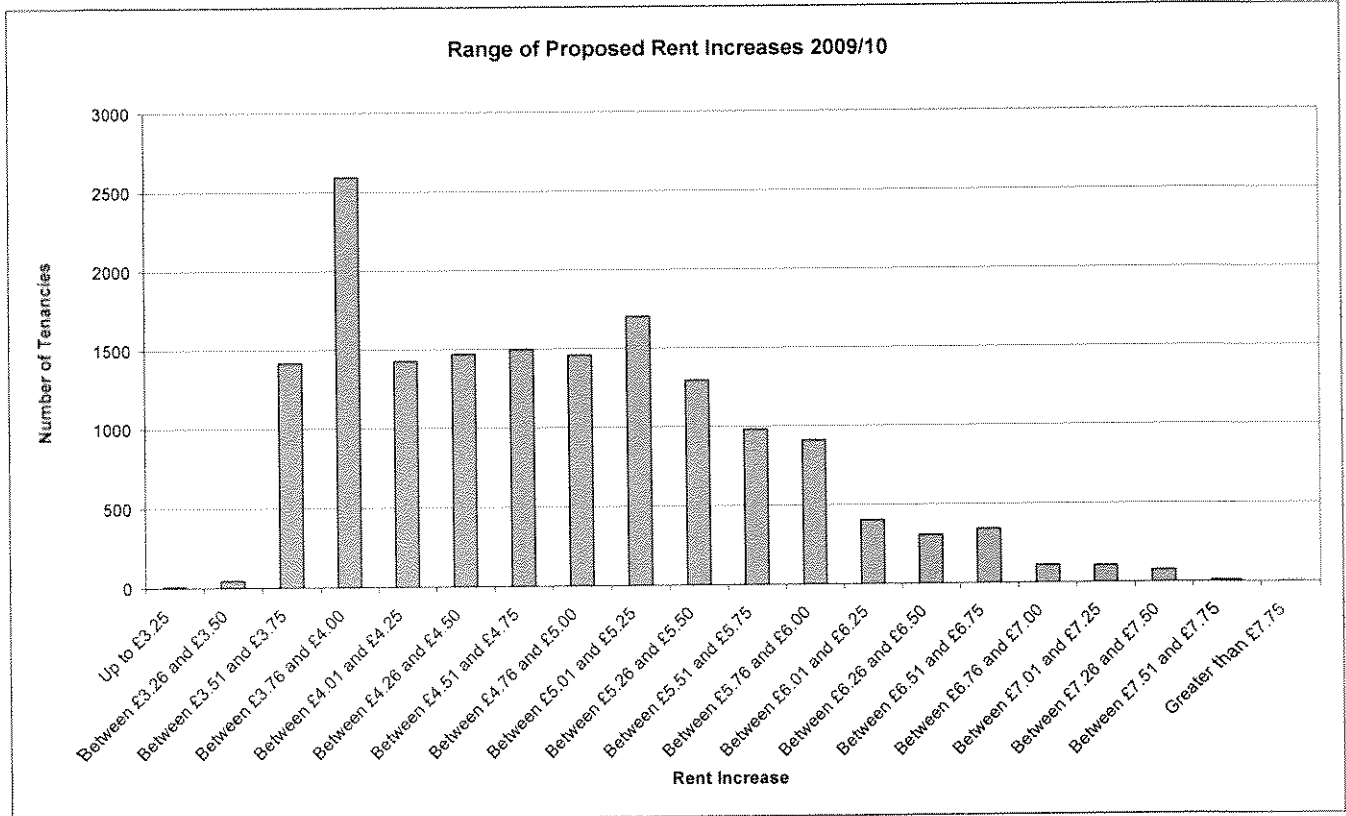
8 HOUSING RENTS 2009/10

- 8.1 As in previous years rents have been calculated in accordance with the government's rent restructuring formula. This is designed to make all social rents for similar properties 'converge' by 2011/12. Housing subsidy entitlement is based upon this rent restructuring formula.
- 8.2 The change to rents is based on the September Retail Price Index in the year prior to the rent increase. To this is added an element to progress rents towards a 'formula rent' by 2011/12. Caps and limits have been applied to contain rent increases at no more than Retail Price Index + ½% + £2.
- 8.3 However, with the September 2008 Retail Price Index at 5% government is proposing to retain the basic rent restructuring formula but extend the date for convergence to 2023/24 in order to reduce the impact on rents. Based on this proposal the average rent increase in Haringey would be **6.13% or £4.78 per**

week. This increases average rent to £82.95. The average rent increase would be 7.47% if the date for convergence with formula rents was retained at 2011/12.

- 8.4 Government is also proposing that rents for 2010/11 are set at 6.1% with the date of convergence with formula rents being changed to achieve this level of increase regardless of inflation rates prevailing at the time.
- 8.5 The range of increases for tenants with a 6.13% average increase is set out below.





8.6 The range of rents for 2009/10 with these increases is set out in the following table.

No. of Bedrooms	HOUSE			FLAT			ALL		
	Min	Max	Average	Min	Max	Average	Min	Max	Average
	£	£	£	£	£	£	£	£	£
1	68.21	103.17	80.69	39.74	119.95	69.08	39.74	119.95	70.81
2	77.64	118.58	89.04	65.91	121.24	78.95	59.89	121.24	82.83
3	68.60	130.22	99.60	55.53	125.00	89.28	55.53	130.22	95.71
3+	71.29	155.74	114.50	66.39	128.43	96.88	66.39	155.74	111.55

8.7 The charts demonstrate that a significant number of tenants will receive increases above £5.50 per week. It is therefore proposed that tenants are consulted on other options to apply the rent increase which will raise the same level of total rent income.

8.8 The options proposed for consultation are

- 1. Set the rents as the Government has asked.** This means that increases will be calculated according to the size and value of the home you live in. Generally, tenants with a high rent will have higher increases although the rent increase will be different for each dwelling. This is in line with the rent restructuring formula.
- 2. Set the rents as the Government has asked, but making sure that no rent increases by more than £6.00 per week.** This prevents anyone's rent rising by more than £6.00 a week. This option may require some tenants to receive a

higher increase than under the rent restructuring formula although it offers greater protection against high increases.

- 3. Set the rents by adding 6.1% to all dwellings.** This means that everyone's rent will increase by the same flat rate percentage. Homes with higher rents will increase the most.

8.9 The outcome of the consultation will be reported to Cabinet when recommendations for 2009/10 rent level are reported.

9 TENANT SERVICE CHARGES

9.1 When Rent Restructuring was introduced in 2003/04 the government also encouraged housing authorities to disaggregate rents between the basic rent, and special services provided on a discretionary basis. Rather than a single rent being charged to tenants, additional charges were introduced alongside a rent dependant upon the services received.

9.2 The reasons for encouraging this 'unpooling' of rents was to :-

- Bring the formula rent within the rent restructuring calculation closer to the actual rent being charged. This is because the formula rent does not take into account charges for additional services.
- Make rents and charges more closely reflect the level of service received.
- Make it easier to compare rents across the social housing sector.
- Housing subsidy management and maintenance allowances do not include any explicit funding for special services. Charging for these services creates a clear and specific funding source. Where income from service charges does not cover the cost of providing the service then it has to be met from other sources of funding from within the Housing Revenue Account.

9.3 The government gave authorities discretion over the services that should be unpooled. To date Haringey has separate service charges for

- Concierge services
- Caretaking
- Grounds Maintenance
- Street Sweeping
- Light and Power (Communal Lighting)
- Hostel Services
- Hostel – charges for costs ineligible for housing benefit.

In addition there are charges for heating where provided although these were charged separately from rent prior to the unpooling exercise in 2003/04.

9.4 Each of the above charges has been reviewed to establish the extent to which each covers the cost of provision of the service. The objective of the charges is to cover the cost of provision without penalties in housing subsidy.

9.5 This review has been carried out in accordance with External Income Policy agreed by the council. The two fundamental principles of this policy are :-

- services should raise income wherever there is the power or duty so to do; and

- the income should (at least) cover the full cost, including all overheads, of the service
- 9.6 The service charge recovery takes account of income from leaseholders and the same cost apportionment principles have been applied in calculating charges for both leaseholders and tenants.
- 9.7 Average costs take account of all residents (both leaseholder and tenant). Leaseholders pay the actual cost apportioned to their dwelling rather than the standard charge that is made to all tenants across the borough.
- 9.8 The proposed changes in Service Charges to recover costs are set out in the table below.

SUMMARY OF SERVICE CHARGE PROJECTIONS 2009-10

Option	Existing Charge per week 2008/09 £.p	Increase %	Increase £ .p.	Proposed New Charge 2009/10 £.p	Additional Income p.a. £
Concierge	14.56	2.6%	0.37	14.93	37,300
Grounds Maintenance	2.31	2.5%	0.06	2.37	24,200
Caretaking	5.48	2.0%	0.11	5.59	42,200
Street Sweeping	3.44	-15.1%	-0.52	2.92	- 225,100
Light and Power (Communal Lighting)	1.18	207.8%	2.45	3.63	1,027,600
District Heating	11.21	104.8%	11.74	22.95	391,400
Water	5.38	5.9%	0.32	5.70	269,300

9.9 Grounds Maintenance

The proposed increase in charges of 2.5% reflects expected inflation of 2.5% in 2009/10.

9.10 Caretaking

The proposed increase in charges of 2.0% reflects expected inflation and efficiencies in 2009/10.

9.11 Street Sweeping

A review of the charges to the Housing Revenue Account has identified a reduction of £350,000 reflecting standard refuse collection costs. These costs are to be met from the General Fund. Taking this into account, along with expected inflation in 2009/10, the charge has been reduced by 15.1%.

9.12 Light and Power (Communal Lighting)

New corporate contracts for gas and electricity supply have been negotiated from October 2008. These contracts reflect the substantial increases in energy costs experienced in the economy as a whole. The increase in electricity prices is 110% and gas prices 93%.

Due to the substantial increases in 2008/09 an increase in charges is proposed to recover the additional cost in both 2008/09 and 2009/10. In order to cover additional costs in these years an increase of £2.45 (208%) is proposed.

In view of the volatility of energy prices charges will be kept under review in 2009/10.

9.13 Heating Charges

The costs of providing heating is also affected by the increases in energy costs reported in paragraph 9.12 above. In order to recover the forecast of additional costs for 2008/09 and 2009/10 weekly charges in 2009/10 would need to increase by £13.78 (123%) to £24.99.

However, in view of this substantial increase it is recommended that charges are increased in February 2009 to spread the increased cost between February 2009 and March 2010. The increase, if effective from February 2009, would be £11.74 (105%) with a weekly charge of £22.95. The calculations are summarised in the following table.

	£	Per Resident Per Week
Estimated Costs 2008/09	533,000	15.99
Estimated Income 2008/09	-373,600	- 11.21
Estimated Deficit 2008/09	159,400	4.78
Estimated Costs 2009/10	673,500	20.21
Add Deficit 2008/09	159,400	4.78
	832,900	24.99
	£ p.	
Average Cost per resident 2009/10 (including increase to cover deficit 2008/09)	24.99	
Current Average Charge	11.21	
Increase	13.78	
% Increase	123%	
If Charges are implemented from February 2009 the increase average charge would be		
	£ p.	
Average Cost per resident 2009/10 (including increase to cover deficit 2008/09)	22.95	
Current Average Charge	11.21	
Increase	11.74	
% Increase	105%	

9.14 Hostel Charges

Hostel charges are being reviewed in consultation with the Council as they retain management of this service.

9.15 Water Charges

The increase in charges has not been formally notified by Thames Water although an increase of 5.9% on the 2008/09 charge is estimated. Charges will be adjusted to the actual increase notified by Thames Water when this is agreed.

9.16 Garage Rents

Garage rents have been retained at an average of £7.08 over the last few years because of weak demand with 50% of the 2,375 units being unlet. Occupancy rates have not significantly increased during 2008/09 and it is recommended that charges are retained at the existing level as increases in charges may further reduce demand and the total income collected.

9.17 A consultation process will be established whereby each of the tenants affected by the increase will be consulted by letter together with information supplied to Resident Panels.

9.18 The implementation of all the recommendations would generate an additional £1.292 million in 2009/10 and 2008/09. This additional income will accrue to the managed budgets within the Housing Revenue Account

9.19 The following table sets out the accumulated increase for tenants based upon the services received.

Analysis of Increases by Weekly Amount

Range of Increases	Number of Tenants
-£1 - £2	7,423
£2.01 - £5	8,024
£5.01 - £22.00	638
Total	16,085
Highest Increase	£21.16
Lowest Increase	-£0.52
Average Increase	£1.94

9.20 Although the average increase represents £1.94 (14%) tenants with heating charges are in receipt of substantial increases. The Income Collection team will provide guidance where tenants are experiencing difficulty in meeting the additional charges.

10 TENANT CONSULTATION

10.1 Prior to 2007 the consultation process had centred on a direct mailing to all 16,500 tenants in the borough. This had yielded a poor response and was expensive to administer.

10.2 Consequently the objective for consultation was to target tenants who were more likely to respond. This was achieved through a series of direct mailing to tenants who are active participants in resident consultation, leaflets, posters and newspaper advertising. This approach was relatively successful and produced a

higher response rate of 43 returns in respect of the 2007/08 consultation, but only 6 in respect of the 2008/09 consultation.

- 10.3 When reviewing why the number of responses dropped back to the previous levels it was identified that whereas the 2007/08 consultation gave options as to how the rent increase could be applied, the 2008/9 consultation did not.
- 10.4 It is proposed to adopt the a similar approach for 2009/10 where options are proposed for the increase and using the same methods of approach, enabling responses thorough return of FREEPOST tear off slips, email, letter and telephone with the addition of a web-based online survey that can be completed from any computer connected to the internet.
- 10.5 The proposed consultation period is Thursday 4th December 2008 to Monday 12 January 2009. This is earlier than last year and enables responses to be analysed sooner. Completion of the consultation before the Christmas break should maximise the opportunity to respond.
- 10.6 The methods of consultation proposed for 2009/10 are summarised as follows.

Consultation Method	Details	Ways to respond
Letters to Tenants active in resident involvement asking for comments on proposals. (approx 250 active tenants, 50 resident associations and 20 previous respondents)	<ul style="list-style-type: none"> All tenants who have previously attended consultation events. All recognised Residents' Associations. Previous respondents to rent increase consultations. Members of the Residents Finance Panels 	Email, telephone, letter, web-based online survey.
A meeting of the Residents Finance Panel	Presentation and discussion.	Resolution at the meeting
Leaflets with FREEPOST response tear off sheets.	Available at Customer Services Centres, Concierge stations	Tear of slip that can be returned by FREEPOST
Posters seeking tenant involvement in the consultation process,	To be displayed in Customer Services Centres, Concierge stations, Estate Notice boards.	Obtain leaflet and return, email, telephone, letter, web-based online survey
Haringey and Homes for Haringey Website	Tenants	Use of web-based online survey, email
Press Advertising	Advertisement in Free Local Newspaper.	Obtain leaflet and return, email, telephone, letter,

Consultation Method	Details	Ways to respond
		web-based online survey.

10.7 The estimated cost of the process is £3,000. Translation and interpreting services are available in the same way as other Homes for Haringey publications and consultations.

10.8 The proposed consultation document is set out at Appendix A.

11 FUTURE ACTIONS

11.1 The proposed Medium Term Financial Plan for 2009/10 is subject to change during the next few months as a final position is known in respect of the structural issues and assumptions and the final subsidy determination is received. This is not due until late December 2008.

11.2 The response to the draft consultation on rents and subsidy is required by 9 December 2008. Since the final determination is not expected for at least two weeks after this deadline a proposed timetable for the agreement of the MTFS is attached as Appendix B. This proposed timetable will allow for any changes between the draft and the final determination to be built in to the Medium Term Financial Strategy.

Rent Increase Consultation

Homes for Haringey are consulting tenants on the **2009/10 rent increase** on behalf of Haringey Council.

This leaflet tells you **what you need to know** about the change, and gives you **your chance to have a say** in how you are charged.

Why your rent is increasing

Haringey Council's housing budget comes from several sources. One of these is an amount of money from the government (this is called a subsidy); another is the rent paid by tenants.

This year the government wants to do two things:

1. Reduce the amount of money they give to Haringey Council.

and to make up the shortfall

2. Set the annual rent increase for council tenants in Haringey at 6.1% or an average of £4.78 per week.

This keeps the amount of money that we have to spend the same and we can continue to deliver the services we do now.

How much do others pay?

We believe Haringey Council's rent compares well with that charged by other landlords. Rents vary depending on the number of bedrooms, the type of property, and the location.

We have always tried to keep our rents lower than the average for London. For example, in 2008/09 the average weekly rent for a council home in London was £82.66*: in Haringey, it was £79.60. Most tenants who rent a one-bed flat from Haringey Council pay between £50 and £70 a week. Private sector tenants are more likely to pay between £140 and £230 a week.

What is my rent used for?

The rent money we collect helps to pay for services we provide, such as repairs, as well as environmental improvements and play facilities on estates.

When you sign your tenancy agreement, you agree to 'pay your rent regularly and promptly'.

What are your views on this proposal?

Your views on the proposed rent increase will be reported to the council. What you tell us now could affect the amount of rent you pay now and in the future.

Tell us what you think using the form on the back page of this leaflet.

All responses must be received by Homes for Haringey on or before 12 January 2009.

*(Source: Chartered Institute of Public Finance and Accountancy (CIPFA) Housing Rent Statistics 2008/09)

Getting help paying your rent

We want to help tenants who are struggling to pay their rent. If you are having difficulties, contact your Income Collection Officer or Housing Manager immediately. They will discuss the best way to deal with any arrears and will be able to check if you are entitled to any help. Do not ignore the problem – arrears increase quickly if you miss payments and can become hard to clear.

If you're having problems with rent and other debts, we can arrange for you to see a specialist adviser from Citizens' Advice.

Housing Benefit

Housing Benefit is a social security benefit scheme to help people pay for their rent and council tax. It is managed by Haringey Council and paid direct into your rent account. The amount of help you can get depends on your income, your savings and the size of your family. You can be working and still get Housing Benefit, if your wages are low.

How to claim

You will need to fill in a Housing Benefit and Council Tax Benefit claim form. New tenants will receive a Housing and Council Tax benefit form when they sign up for a tenancy.

How to get a claim form

- Haringey Council's website: www.haringey.gov.uk
- Call Haringey Council on **0845 071 2800**
- Write to:

**Benefits Service, PO Box 10505,
Wood Green, N22 7WJ**

- Email: benefits@haringey.gov.uk

If you need help filling in the form, visit one of the council's Customer Services Centres where staff will be pleased to help.

If you think you may be entitled to Housing Benefit or Council Tax Benefit, make sure you claim as soon as possible because claims cannot be backdated unless there is a good reason for your late claim.

Useful phone numbers

To make an appointment to see your Income Collection Officer, Housing Manager or Supported Housing Manager, call **0800 195 3404**.

To speak to someone about Housing Benefit or Council Tax Benefit, call Haringey Council on **0845 071 2800**. To speak to someone at Citizens' Advice, call **0870 126 4030**.

How can I get more information?

If you have any questions about the rent increase, please telephone the Homes for Haringey Finance team on **020 8489 2409**, or email finance@homesforharingey.org

Ways to tell us what you think

Post: Fill in the form and deliver to a Customer Services Centre, or post to:
Freepost RRBE-JGLA-ATLY
Finance Team, Homes for Haringey

13-27 Station Road
Wood Green, N22 6UW

Web: Fill in the form on the web at www.homesforharingey.org

Email: send in your name, address, preferred option and any comments to finance@homesforharingey.org

Phone: Call us on **020 8489 2409**. You will be asked to give your name and address. This information will be used only to check that you are a council tenant and enable us to reply to you. It will not be used for any other purpose.

The options

There are 3 options for how the rents can be calculated.

4. **Set the rents as the Government has asked.** This means that increases will be calculated according to the size and value of the home you live in. Generally, tenants with a high rent will have higher increases.
5. **Set the rents as the Government has asked, but making sure that no rent increases by more than £6.00 per week.** This prevents anyone's rent rising by more than £6.00 a week.
6. **Set the rents by adding 6.1% to all dwellings.** This means that everyone's rent will increase by the same percentage. Homes with higher rents will increase the most.

What the council will do next

Haringey Council's Cabinet will decide on what to do on **26 January 2009**. All of the opinions we get will be given to Councillors for them to consider when reaching their decision. They will also take account of increases in charges for services that you may have.

Everyone who lets us know their opinions will get a letter soon after the council makes its decision. This will give the overall responses to this consultation and what decision has been made. The results will also be reported in your magazine, Homes Zone.

Consultation response

Your name _____

Your address _____

Your email _____

I think the best option is (tick below)

Option 1 - Set the rents as the Government has asked.

Option 2 - Set the rents as the Government has asked, but making sure that no rent increases by more than £6.00 per week

Option 3 - Set the rents by adding 6.1% to all dwellings

Your comments on the proposed rent increase:

All responses to this consultation must be received by Homes for Haringey on or before **12 January 2009**.

Forms should be returned to any Customer Services Centre or by post to:

Freepost RRBE-JGLA-ATLY

Finance Team, Homes for Haringey
13 – 27 Station Road
Wood Green, N22 6UW

You can get help and advice on paying your rent, and hand in this response form, at your local Customer Services Centre.
Customer Services Centres

All the below centres are open **Monday to Friday**, from **8.45am – 5pm**.
You can also call **0800 195 3404** for more information.

Hornsey

Broadway Annexe
Hornsey Town Hall
Crouch End,
N8 9JJ

Opening times:

Monday: 9.00am – 12 noon
2.00pm – 4.45pm

Tuesday: 9.00am – 12 noon
2.00pm – 4.45pm

Wednesday: 4.00pm – 6.00pm

Thursday: 9.00am – 12 noon
2.00pm – 4.45pm

Friday: 9.00am – 12 noon

South Tottenham

Apex House
820 Seven Sisters Road
Tottenham,
N17 5PQ

North Tottenham

639 High Road
Tottenham,
N17 8BD

Wood Green

48 Station Road
Wood Green,
N22 7TY

Residents of Broadwater Farm can also visit their local office at set times:

Broadwater Farm

108c Gloucester Road,
Tottenham,
N17 6GZ

Opening times:

Monday: 9.00am – 12 noon
2.00pm – 4.45pm
Tuesday: 9.00am – 12 noon
2.00pm – 4.45pm

Wednesday: 4.00pm – 6.00pm

Thursday: 9.00am – 12 noon
2.00pm – 4.45pm

Friday: 9.00am – 12 noon

Proposed MTFS Timetable

Rent Consultation Begins	4 th December 2008
Homes for Haringey Executive Management Team to sign off draft MTFS	17 th December 2008
Deadline for response to the draft consultation	9 th December 2008
Overview and Scrutiny Committee reviews the HRA	18 th December 2008
Rent Consultation Ends	12 th January 2009
Final Subsidy Determination expected	Week beginning the 22 nd December 2008
HfH Board and Council Cabinet Agree Rent Increase and MTFS	26 th January 2009
A special Overview and Scrutiny Committee reviews the rent increase	Week beginning the 2 nd January 2009
Council agrees MTFS	9 th February 2009
Rent Notices Produced and Sent	27 th February 2009

HOUSING REVENUE ACCOUNT – MEDIUM TERM FINANCIAL STRATEGY 2009/10 TO 2013/14

HRA Summary	2008/09		2009/10		2010/11		2011/12		2012/13		2013/14	
	Budget £000s	Revised Budget after P7 Adj £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s
Company Income	(52,756)	(52,564)	(1,890)	(54,454)	358	(54,097)	(1,008)	(55,105)	(1,478)	(56,583)	(1,262)	(57,844)
Chief Executive	253	244	6	250	6	257	263	270	7	270	7	276
Housing Management	10,784	10,238	449	10,557	254	10,811	270	11,081	277	11,358	285	11,643
Business Improvement	2,680	2,965	336	3,331	65	3,396	(9)	3,386	86	3,472	94	3,566
Finance	2,007	20,495	1,518	22,093	552	22,645	566	23,212	580	23,792	595	24,386
Building Services	16,569	9,928	(629)	9,306	542	9,849	(4)	9,845	346	10,190	94	10,285
Asset Management	13,030	837	14	857	22	879	22	900	22	923	23	946
Corporate	7,433	7,863	197	8,060	(1,799)	6,261	157	6,418	160	6,578	165	6,743
Total Company Accounts		6										
Rental Income	(64,504)	(64,504)	(4,092)	(68,597)	(3,999)	(72,596)	(3,435)	(76,031)	(3,597)	(79,628)	(3,767)	(83,396)
Non Dwelling Rents	(2,127)	(2,127)	(89)	(2,216)	(46)	(2,308)	(47)	(2,308)	(48)	(2,356)	(49)	(2,405)
HRA Subsidy	(16,081)	(16,081)	(160)	(16,241)	627	(15,614)	285	(15,329)	457	(14,872)	1,787	(13,085)
Leasehold Service Charge Income	(4,730)	(4,730)	(128)	(4,858)	(132)	(4,990)	(135)	(5,125)	(138)	(5,263)	(142)	(5,404)
Tenant Service Charge Income	(8,585)	(8,585)	(1,239)	(9,823)	(227)	(10,050)	(232)	(10,282)	(238)	(10,521)	(244)	(10,765)
Miscellaneous Income	(5,626)	(5,626)	213	(5,413)	(128)	(5,541)	(131)	(5,672)	(134)	(5,806)	(138)	(5,943)
Housing Management Costs	6,824	6,824	494	7,318	176	7,494	180	7,674	185	7,859	189	8,048
Repairs & Maintenance	210	210	5	215	5	221	6	226	6	232	6	238
Bad Debt Provision	1,100	1,100	50	1,150	50	1,200	50	1,250	50	1,300	50	1,350
Service Charge Costs	7,178	7,178	788	7,966	199	8,165	204	8,369	209	8,578	214	8,792
Total Managed Accounts	(86,341)	(86,341)	(4,158)	(90,499)	(3,474)	(93,973)	(3,255)	(97,228)	(3,249)	(100,477)	(2,094)	(102,570)
Temporary Accommodation Income	(4,931)	(4,931)	455	(4,476)	(132)	(4,608)	(116)	(4,725)	(122)	(4,847)	(128)	(4,975)
Housing Management Direct Costs	1,435	1,435	36	1,471	37	1,507	38	1,545	39	1,584	40	1,623
Supported Housing Costs	3,175	3,175	(49)	3,126	81	3,206	83	3,289	85	3,373	87	3,460
Repairs & Maintenance	308	308	8	316	8	324	8	332	8	340	9	349
Capital Financing Charges	43,599	43,599	2,550	46,149	3,180	49,329	3,678	53,007	3,740	56,746	4,066	60,812
Other Property Costs	2,498	2,498	(553)	1,945	47	1,991	48	2,039	49	2,088	50	2,138
Bad Debt Provisions	31	31	10	41	10	51	10	61	10	71	10	81
ALMO Management Fee	39,690	39,690	2,633	42,323	(661)	41,662	698	42,359	1,159	43,518	935	44,453
Total Retained Accounts	85,804	85,804	5,089	90,893	2,569	93,462	4,445	97,907	4,967	102,874	1,608	104,482
TOTAL HOUSING REVENUE ACCOUNT	(537)	(531)	931	394	(905)	(511)	1,190	679	1,718	2,397	(486)	1,911
Planned Opening HRA Balance	(4,690)	(4,724)		(5,255)		(4,860)		(5,371)		(4,692)		(2,295)
In-Year Use of Balances	(537)	(531)		394		(511)		679		2,397		1,911
Planned Closing Balance	(5,227)	(5,255)		(4,860)		(5,371)		(4,692)		(2,295)		(384)

HOUSING REVENUE ACCOUNT – MEDIUM TERM FINANCIAL STRATEGY 2009/10 TO 2013/14

HRA Summary - Budget Variations					
Managed and Retained Budgets					
Change	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s	2013/14 over 2012/13 £000s
Rent Increase	-4,361	-4,307	-3,736	-3,914	-4,099
Service Charges	-549	0	0	0	0
Budget Pressures in 2008/09	406	0	0	0	0
ALMO Management Fee	2,633	-661	698	1,159	935
Capital Financing Charges	2,550	3,180	3,678	3,740	606
Inflation	177	11	11	12	12
Increase In Bad Debts Provision	60	60	60	60	60
Housing Stock Reduction	175	185	195	204	214
Subsidy	-160	627	285	457	1,786
Total Variations Managed and Retained	931	-905	1,190	1,718	-486
Company Budgets					
New Investment	1,771	281	-344	100	-153
New Efficiencies	-1,083	-2,000	0	0	0
Existing Efficiencies	-109	0	0	0	0
Budget Pressures in 2008/09	1,064	0	0	0	0
Inflation	990	1,058	1,042	1,059	1,088
ALMO Management Fee	-2,633	661	-698	-1,159	-935
Total Variations Company	0	0	0	0	0
Variations - All HRA					
Rent Increase	-4,361	-4,307	-3,736	-3,914	-4,099
Service Charges	-549	0	0	0	0
Capital Financing Charges	2,550	3,180	3,678	3,740	606
Inflation	1,166	1,069	1,053	1,071	1,100
Increase In Bad Debts Provision	60	60	60	60	60
Housing Stock Reduction	175	185	195	204	214
Subsidy	-160	627	285	457	1,786
New Investment	1,771	281	-344	100	-153
New Efficiencies	-1,083	-2,000	0	0	0
Budget Pressures in 2008/09	1,470	0	0	0	0
Existing Efficiencies	-109	0	0	0	0
Total Variations All HRA	931	-905	1,190	1,718	-486

HRA New Investment and Efficiencies**HRA Summary - New Investment**

Change	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s	2013/14 over 2012/13 £000s
Meet best practice standards for control of bacteria in water systems	60	0	0	0	-60
To establish an inspection regime for road and footpath maintenance	300	0	0	0	0
Review career development for Surveyors	40	0	0	0	0
Develop Resident Assoc. Project Grants	10	0	0	0	0
Central Ventilation maintenance	0	300	-250	0	0
Lighting inspection test and maintenance	200	0	0	0	0
Progress with Fire Risk Assessments and carry out required improvements/ routine maintenance.	250	0	0	0	0
Procurement of a contract to survey, contain or remove asbestos	0	0	0	0	0
Signing sheets for cleaning records	10	-10	0	0	0
Customer Service Excellence Award	37	-30	-7	0	7
Training & Development of Residents for Board Membership	10	0	0	0	0
Lightning protection maintenance	0	30	0	0	0
Letting of Gas Maintenance Contract	0	0	0	100	-100
Assist the business to develop and embed the information management strategy	10	0	0	0	0
Maintain accreditation under ISO9001 with BSI and review the Quality Management systems to ensure that they remain fit for purpose according to BSI standards. Extend BSI accreditation to the Feedback Team and the Repairs Client by end of quarter 2.	2	0	0	0	0
Engage and inform staff in preparation for Audit Commission re-inspection (3-stars!) in 2010.	10	0	0	0	0
Staff events to help build relationships and break down inter-departmental barriers	20	0	0	0	0
Produce printed annual report for all stakeholders by August 2009.	15	0	0	0	0
Renew door entry maintenance contract	20	-20	0	0	0
Vehicle re-indexing costs	4	0	0	0	0
Accord contractual inflation	4	0	0	0	0
To complete annual safety checks for work lodges and stores and implement follow up actions	4	0	0	0	0
Additional Support costs for parking	8	0	0	0	0
Maintain Investors In People	9	-9	0	0	0
Additional HR Support (2 additional staff)	75	0	0	0	0
Ensure compliance with Construction (Design Management) regulations	50	0	0	0	0

HRA New Investment and Efficiencies**HRA Summary - New Investment**

Change	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s	2013/14 over 2012/13 £000s
Develop youth engagement project & recruit more young people	30	-20	-10	0	0
Project Manage the preparation and inspection for Audit Commission inspection	22	-10	-12	0	0
To establish a complaints manager's post within the Repairs Client	0	0	0	0	0
Additional Accommodation - Ashley Rd	30	0	0	0	0
Increased Waste Costs	160	0	0	0	0
Implement programme of window inspections and repairs	200	0	0	0	0
Link 12 new lifts on BWF by phone to concierges, lift engineers etc in accordance with current legislation	5	0	0	0	0
Mobile estate monitoring working	8	0	0	0	0
Specialist Resident Estate Monitors	8	0	0	0	0
Audit Commission inspection	15	50	-65	0	0
Cleaning in Supported Housing	125	0	0	0	0
Additional Income Collection Support Costs	20	0	0	0	0
Total New Investment	1,771	281	-344	100	-153

HRA Summary - New Efficiencies

Change	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s	2013/14 over 2012/13 £000s
Gas Maintenance Contract	-1,083	0	0	0	0
Further Efficiencies	0	-2,000	0	0	0
Total New Efficiencies	-1,083	-2,000	0	0	0