

**HOUSING PORTFOLIO
GENERAL FUND
ESTIMATES 2007/08**

Housing

Revenue Budget 2007/08

Introduction

The Housing (General) Portfolio is responsible for the following services;

Homelessness
Bed and Breakfast Accomodation
Social Housing Grants
Housing Strategy
Private Sector Housing

Further details of the services and the related CSB growth and DDF items are shown on the appropriate budget page.

Capital Charges

In previous years accounting standards have required that a notional charge be made to service revenue accounts to reflect the cost of fixed assets used in the provision of services. These charges were then reversed through the asset management revenue account so that they had no effect on the Council Tax. The latest version of the Statement of Recommended Practice (SORP) that local authorities are required to follow in producing their budgets and accounts has removed the requirement for capital charges and the asset management revenue account.

Compliance with CIPFA Standards

The budget has been prepared in accordance with the latest CIPFA guidance, in particular the Best Value Accounting Code of Practice 2005. The code of practice has the status of statutory "proper practice". It is also expected that members of CIPFA will comply with all the requirements of the Code as it defines best professional practice in terms of financial reporting. The only divergence from the code in these budget papers occurs where the portfolio service groupings differ from those required by the Code of Practice. The portfolio groupings are given precedence in these papers.

Budget format

The format of the attached budget papers is the same as that adopted last year. The summary page is split into three groups: Direct Services, Regulatory Services and Support & Trading Services. Not all portfolios will have all three types of service grouping.

Direct Services – These are self-explanatory and reflect the headline services provided by the portfolio.

Regulatory Services –The Cabinet has no part to play in the exercise of regulatory functions such as planning and licencing. However the Cabinet is responsible for the totality of the Council's budget. The costs of the regulatory functions therefore have been included in the relevant portfolio budgets.

Support and Trading Services - Responsibility for support services and trading arrangements has been split across a number of portfolios. In order to be transparent about the costs associated with these areas, they have been included in the relevant portfoliios. However the net cost of these services is recharged to the direct and regulatory functions, either within the same portfolio or across a number of portfolios. To avoid double counting, these costs are reversed out, in order to show the net cost of the portfolio.

The summary page includes the traditional re-analysis of the budget in terms of its opening Continuing Services Budget, CSB growth and savings, and District Development Fund expenditure and savings.

Housing

General Fund Estimate Summary

2005/06	2006/07			2007/08		
Actual	Original	Revised		Gross	Gross	Net
£000	Estimate	Estimate		Expend	Income	Expend
	£000	£000		£000	£000	£000
Direct Services						
113	223	583	Private Sector Housing	1,668	967	701
262	251	238	Homeless	673	451	222
43	47	48	Housing Strategy	45	0	45
16	726	1,012	Affordable Housing Grants	722	0	722
0	0	0	Leasehold Services Administration	150	150	0
Portfolio Total						
(Transferred to GF Summary)						
434	1,247	1,881		3,258	1,568	1,690
362	1,197	1,783	Continuing Services Budget			1,486
31	41	59	Continuing Services Budget - Growth			178
0	0	0	Continuing Services Budget - Savings			0
Total Continuing Services Budget				1,664		
41	9	39	District Development Fund - Expenditure			26
0	0	0	District Development Fund - Savings			0
Total District Development Fund				26		
Portfolio Total				1,690		

Housing General Fund

Development Fund and Growth Items

		Original 2006/07 £000's	Revised 2006/07 £000's	Original 2007/08 £000's
CSB Growth Items				
Private Sector Housing	Additional Resources for CARE and Private Sector Grants	25	22	
Housing Strategy	Contribution re Regional Hsg Co-ordinator		2	
Private Sector Housing	Additional Staffing	13	13	
Handyman Scheme	Additional Resources	3	3	
Private Sector Housing	Env.Health Practioner for HMO's		19	19
Reinstatement Grants	End of Subsidy			113
Private Sector Housing	Env.Health Practioner New Post			41
Private Sector Housing	Finders Fee			5
		41	59	178
Development Fund Items				
Direct				
Homelessness	Homeless Prevention Officers (net)	9	9	9
Private Sector Housing	Stock Condition Survey		30	4
Private Sector Housing	Handyperson Scheme			3
Private Sector Housing	Consultancy			10
		9	39	26

Housing General Fund

Private Sector Housing

Private Sector Grants

The revised and original estimates include the writing off of the additional grants expenditure on Disabled Facility and other private sector grants included in the capital programme. There will be some extra central government funding but overall net expenditure will increase in both 2006/07 and 2007/08. Having said that these charges are reversed out of the Revenue Account and therefore do not affect the level of the Council Tax.

Reinstatement Grants

The budget consists mainly of the central government subsidy due in respect of reinstatement grants given under section 541 of the 1985 Housing Act between 1987 and 1991. The subsidy was for loan charges on those grants and lasts for 20 years from the inception of each grant. This subsidy is due to end over the next few years.

Other Private Sector Housing Work

This budget contains the costs related to Private sector housing that do not fall elsewhere. There is an increased emphasis being placed by central government on the issue of bringing empty homes back into use, as a result staff allocations from elsewhere have increased as well as the inclusion of a CSB growth item for an additional practitioner.

Care and Repair

There is expected to be an increase in fee income to this budget in both 2006/07 and 2007/08. This is due to the aforementioned expenditure increases on all private sector grants.

House Condition Survey

The survey was completed early in 2006/07. The remainder of the budget is for the follow on Housing Private Sector Policy work some of which will occur in 2007/08.

Housing Act Advances

There are only a few remaining Housing Act Advances. The remaining costs relate to a small amount of residual admin work.

Handyperson Scheme

The budget for the Handyperson scheme has been transferred from the Community Wellbeing Portfolio for 2006/07. Costs relate to recharges from Environmental Health Service group for dedicated administrative support. Income of £10,250 is received from Essex County Council to assist in funding the scheme. A slight reduction in staff allocations has occurred.

Housing General Fund

Private Sector Housing

2005/06 Actual £000	2006/07 Original Estimate £000	2006/07 Revised Estimate £000		2007/08 Gross Expend £000	2007/08 Gross Income £000	Net Expend £000
443	456	745	Private Sector Grants	1,241	545	696
(516)	(443)	(444)	Reinstatement Grants	2	331	(329)
81	109	168	Other Private Sector Housing	247	0	247
10	12	11	General Improvement Areas	12	0	12
26	52	46	Care & Repair	125	81	44
41	0	30	House Condition Survey	4	0	4
13	13	6	Housing Act Advances	5	0	5
15	24	21	Handyperson Scheme	32	10	22
113	223	583	Total (Transferred to Summary)	1,668	967	701
54	182	494	Continuing Services Budget			506
18	41	59	Continuing Services Budget - Growth			178
0	0	0	Continuing Services Budget - Savings			0
72	223	553	Total Continuing Services Budget			684
41	0	30	District Development Fund - Expenditure			17
0	0	0	District Development Fund - Savings			0
41	0	30	Total District Development Fund			17
113	223	583	Portfolio Total			701

Housing General Fund

Homelessness

Homelessness

The DCLG have confirmed that funding of £60,000 is available in 2007/08 for the homeless prevention service. This is the same as in 2006/07 which in turn was slightly better than expected. Both the 2006/07 revised and the 2007/08 original reflect this position.

Bed and Breakfast Accommodation

The Charges are set based on the average cost of hotels used and the expected management cost of arranging for homeless people to be placed in accommodation.

Fresh Start Scheme

This budget relates to payments made to the Registered Social Landlord that runs the scheme.

Short Term Leased Accommodation

This relates to four properties in Ongar let to former homeless families. As these properties are not owned by the Council these should be accounted for within the general fund.

Housing General Fund

Homelessness

2005/06	2006/07			2007/08		
<i>Actual</i>	<i>Original</i>	<i>Revised</i>		Gross	Gross	Net
£000	Estimate	Estimate		Expend	Income	Expend
	£000	£000		£000	£000	£000
179	187	195	Homelessness	239	60	179
74	41	16	Bed & Breakfast Accommodation	391	374	17
10	23	26	Fresh Start Scheme	26	0	26
(1)	0	1	Housing Needs Survey	0	0	0
0	0	0	Short Term Leased Accomodation	17	17	0
262	251	238	Total (Transferred to Summary)	673	451	222
252	242	229	Continuing Services Budget			213
10	0	0	Continuing Services Budget - Growth			0
0	0	0	Continuing Services Budget - Savings			0
262	242	229	Total Continuing Services Budget			213
0	9	9	District Development Fund - Expenditure			9
0	0	0	District Development Fund - Savings			0
0	9	9	Total District Development Fund			9
262	251	238	Portfolio Total			222

Housing General Fund

Other Activities

Housing Investment Programme

The variation on this budget relates to staff allocations from Housing Services.

Affordable Housing Grants

The Capital Programme includes the providing of Capital Grants to Housing Associations to enable the provision of some affordable housing on small areas of surplus HRA land. This transaction does not result in the creation of a Council asset and therefore is written off to the revenue account in the year that the grant is given. This has no affect on the council tax as like Disabled Facilities Grants the entry is reversed out below the 'net cost of services' line.

Leasehold Services Administration

This budget relates to the management costs and administration of the leaseholders accounts.

Former HRA flats that have been sold on long leases still present liabilities to this council in respect of maintenance costs. Whilst the income from these sources is credited to the HRA, the administration element is charged back to leaseholders. The net expenditure to this council will therefore always be nil.

Housing General Fund

Other Activities

2005/06	2006/07			2007/08		
<i>Actual</i>	<i>Original</i>	<i>Revised</i>		<i>Gross</i>	<i>Gross</i>	<i>Net</i>
£000	£000	£000		Expend	Income	Expend
				£000	£000	£000
43	47	48	Housing Investment Programme	45	0	45
16	726	1,012	Affordable Housing Grants	722	0	722
0	0	0	Leasehold Service Administration	150	150	0
59	773	1,060	Total (Transferred to Summary)	917	150	767
56	773	1,060	Continuing Services Budget			767
3	0	0	Continuing Services Budget - Growth			0
0	0	0	Continuing Services Budget - Savings			0
59	773	1,060	Total Continuing Services Budget			767
0	0	0	District Development Fund - Expenditure			0
0	0	0	District Development Fund - Savings			0
0	0	0	Total District Development Fund			0
59	773	1,060	Portfolio Total			767

**HOUSING GENERAL FUND 2007/08
SUBJECTIVE ANALYSIS**

BUDGET	Employee Expenses	Premises Related Expenses	Transport Related Expenses	Supplies and Services	Support Services	Capital Deletions	Gross Revenue Expenditure	Fees and Charges	Rental Income	Gov Grants	Other Income	Net Revenue Expenditure
	£	£	£	£	£	£	£	£	£	£	£	£
Private Sector Housing												
Renovation Grants	77,740		4,630	4,760	34,130	1,120,000	1,241,260			545,000		696,260
Reinstatement Grants					1,710		1,710			331,720		(330,010)
Repairs to Private Dwellings	171,540		7,780	23,090	44,790		247,200					247,200
General Improvement Areas		7,850			4,180		12,030					12,030
Care & Repair	59,890		3,570	37,450	24,660		125,570	36,000		30,830	13,860	44,880
House Purchase Advances					5,530		5,530					5,530
House Condition Survey				4,000			4,000					4,000
Handyperson Scheme	12,280		730	14,000	4,710		31,720				10,250	21,470
Homelessness												
Homelessness	159,440		5,070	25,870	48,150		238,530			60,000		178,530
Bed & Breakfast Accommodation	25,670	344,400	1,160	5,990	14,230		391,450				373,640	17,810
New Start Scheme				26,000			26,000					26,000
Short Term Leased Accommodation		17,330					17,330		17,330			0
Other Activities												
Housing Investment Programme	26,660		1,000	6,030	11,160		44,850					44,850
Affordable Housing Grants	5,630		300	200	5,490	710,000	721,620					721,620
Leasehold Services Administration	82,410		2,560	6,940	57,750		149,660	149,660				0
TOTAL	621,260	369,580	26,800	154,330	256,490	1,830,000	3,258,460	185,660	17,330	967,550	397,750	1,690,170