

**HOUSING DIRECTORATE
GENERAL FUND
ESTIMATES 2013/14**

Housing

Revenue Budget 2013/14

Introduction

The Housing (General Fund) Directorate is responsible for the services listed on the summary page, opposite.

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

Directorate Savings

Within each directorate, a saving line has been included within the Growth listing that has been achieved through the budget process. This saving is the result of identifying scope to reduce budgets, based on the averaging of the last three years actuals.

Depreciation

Where a service employs fixed assets in service delivery, depreciation on those assets is charged to the relevant service. This however does not impact on the level of Council Tax, these charges are reversed out in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Pension costs

The budget shows the cost of the pension scheme relating to those employees currently in service. Although this cost has increased it is reversed out in the budget summary in the same way as Depreciation.

Revenue Expenditure funded from Capital under statute

Some expenditure incurred by the authority is of a capital nature but does not relate to fixed assets of the Authority. In this situation the expenditure is classified as revenue but can be funded from capital resources the funding side of the transaction like the depreciation reversals is shown in the Revenue Expenditure, Income and Financing Summary after the net operating expenditure is calculated.

Compliance with accounting guidance

The 2013/14 budget has been prepared in accordance with the latest guidance, in particular the Service Reporting Code of Practice for Local Authorities (SeRCOP). The code of practice replaced the Best Value Accounting Code of Practice and 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 Directorate service groupings differ from those required by the Code of Practice. The Directorate groupings are given precedence in these papers.

In order to increase the degree of consistency across all sectors of the economy when presenting financial information, central government has adopted International Financial Reporting Standards (IFRS). Local Authorities have adopted this for financial years beginning on 1 April 2010. IFRS is more concerned with the presentation of financial information in the Statutory Statement, but there is a minor impact on the budget figures.

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 Directorates will have all three types of service grouping.

Direct Services –These reflect the headline services provided by the directorate.

Regulatory Services –The Cabinet has no part to play in the exercise of regulatory functions such as planning and licensing. 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 appropriate Directorate budgets.

Support and Trading Services -Responsibility for support services and trading type arrangements has been split across a number of Directorates. In order to be transparent about the costs associated with these areas, they have been included in the relevant Directorate. However the net cost of these services is recharged to the direct and regulatory functions, either within the same Directorate or across a number of Directorates. Therefore to avoid double counting the costs are reversed out so as to arrive back at the true net cost of the Directorate.

The summary page then 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

2011/12	2012/13			2013/14		
Actual	Original	Probable		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
£000	£000	£000		£000	£000	£000
Direct Services funded from revenue						
583	615	607	Private Sector Housing	717	109	608
265	263	263	Homelessness	490	220	270
35	39	39	Housing Strategy	41	0	41
14	15	19	Affordable Housing Grants	20	0	20
0	0	0	Leasehold Services Administration	308	308	0
897	932	928	Directorate Total (Revenue)	1,576	637	939
Direct Services funded from capital						
302	599	205	Private Sector Housing Grants	550	300	250
84	722	0	Affordable Housing Grants	350	0	350
1,283	2,253	1,133	Total (Transferred to Summary)	2,476	937	1,539
898	858	872	Continuing Services Budget			925
386	1,321	205	Capital Funded Expenditure			600
0	7	33	Continuing Services Budget - Growth			0
(13)	(3)	(3)	Continuing Services Budget - Savings			0
1,271	2,183	1,107	Total Continuing Services Budget			1,525
52	122	78	District Development Fund - Expenditure			66
(40)	(52)	(52)	District Development Fund - Savings			(52)
12	70	26	Total District Development Fund			14
1,283	2,253	1,133	Directorate Total			1,539

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Housing General Fund

Development Fund and Growth Items

		Original 2012/13 £000's	Probable Outturn 2012/13 £000's	Original 2013/14 £000's
CSB Growth Items				
Private Sector Housing	Technical Officer Post (HPS/13)	7	33	
Directorate Savings	General	(3)	(3)	
		<u>4</u>	<u>30</u>	<u>0</u>
Development Fund Items				
Private Sector Housing	Technical Officer	27		
Private Sector Housing	Handyperson Scheme - Additional Funding		6	
Private Sector Housing	Handyperson - Mobile Homes / Site Improvements	15	5	14
Private Sector Housing	House Condition Survey	28	10	
Leasehold Services	Back Scanning		5	
Homelessness	Essex Rental Loan Scheme	26	26	52
Homelessness	Essex Rental Loan Scheme	(26)	(26)	(52)
Homelessness	Epping Forest Housing Aid Scheme	26	26	
Homelessness	Epping Forest Housing Aid Scheme	(26)	(26)	
		<u>70</u>	<u>26</u>	<u>14</u>

Housing General Fund

Private Sector Housing

Private Sector Grants funded from revenue

There are no major variances on this service.

Private Sector Grants funded from capital

The reductions in estimates at probable outturn and Original 2013/14 are due to changes in the way Small Works Assistance are allocated, causing demand to fall, and, Disabled Facilities Grants are held up due to backlogs in authorisation from Occupational Health and Essex County Council.

Repairs to Private Dwellings

The increase in the probable outturn and original 2013/14 estimates is due to a new part-time post added to the Private Sector Housing Technical group.

General Improvement Areas

There are no major changes.

Care and Repair

The service has been developed to enable elderly and disabled people to live independently in their own homes. The fluctuations in Net Expenditure arise from changes in staff allocations.

House Condition Survey

The last survey was completed in 2006/07. A DDF item was implemented in 2011/12 for £56,000, this was apportioned to be spent over a two year period. The spend during 2011/12 was £13,000 higher than expected. The DDF requirement in 2012/13 is now £10,000 to complete the work.

Housing General Fund

Private Sector Housing

2011/12	2012/13			2013/14		
Actual	Original	Probable		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
	£000	£000		£000	£000	£000
169	184	184	Private Sector Grants (Revenue funded)	182	0	182
302	599	205	Private Sector Grants (Capital funded)	550	300	250
259	283	291	Repairs to Private Dwellings	298	1	297
6	9	9	General Improvement Areas	13	0	13
108	111	113	Care & Repair	224	108	116
41	28	10	House Condition Survey	0	0	0
885	1,214	812	Total (Transferred to Summary)	1,267	409	858
574	538	553	Continuing Services Budget			594
302	599	205	Capital Funded Expenditure			250
0	7	33	Continuing Services Budget - Growth			0
(3)	0	0	Continuing Services Budget - Savings			0
873	1,144	791	Total Continuing Services Budget			844
47	70	21	District Development Fund - Expenditure			14
(35)	0	0	District Development Fund - Savings			0
12	70	21	Total District Development Fund			14
885	1,214	812	Portfolio Total			858

Housing General Fund

Homelessness

The Housing Options Service will always seek to prevent homelessness on cases they deal with. However in cases they are unable to prevent homelessness occurring, they will ensure that the council fulfils its statutory duty under homeless legislation.

Homelessness

The housing options team are now spending more time on homeless duties and hence their allocations reflect this. There is less time therefore being spent on arranging bed and breakfast accommodation.

Bed and Breakfast Accommodation

Less time is being spent dealing with bed and breakfast placements as fewer are currently necessary.

Fresh Start Scheme

This scheme has been discontinued.

Housing General Fund

Homelessness

2011/12 Actual £000	2012/13 Original Estimate £000	2012/13 Probable Outturn £000		2013/14 Gross Expend £000	2013/14 Gross Income £000	Net Expend £000
213	210	232	Homelessness	354	113	241
51	53	31	Bed & Breakfast Accommodation	136	107	29
1	0	0	Fresh Start Scheme	0	0	0
265	263	263	Total (Transferred to Summary)	490	220	270
275	263	263	Continuing Services Budget			270
0	0	0	Capital Funded Expenditure			0
0	0	0	Continuing Services Budget - Growth			0
(10)	0	0	Continuing Services Budget - Savings			0
265	263	263	Total Continuing Services Budget			270
5	52	52	District Development Fund - Expenditure			52
(5)	(52)	(52)	District Development Fund - Savings			(52)
0	0	0	Total District Development Fund			0
265	263	263	Portfolio Total			270

Housing General Fund

Other Activities

Housing Strategy

Regular reviews of the housing strategy in relation to General Fund Housing are carried out by the Housing Policy Group and hence the fluctuations in estimates are generally minimal.

Affordable Housing Contributions funded from revenue

These costs fluctuate according to the time spent by staff administering the Affordable Housing Grants system.

Affordable Housing Contributions funded from capital

Originally there were 3 schemes allocated funds for the purposes of affordable housing. Now only the Open Market Shared Ownership Scheme exists. This scheme allows a way for first time buyers to enter the housing market through an interest free loan with the Council retaining a share in the property. Upon repayment of the loan the Council will recycle the funds in the form of fresh interest free loans to new first time buyers. The funds are allocated over the next 3 financial years, with contributions by developers in the first year of the scheme funding it's requirements.

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 to match related expenditure, the administration element is charged back to leaseholders. The net expenditure to this council will therefore always be nil.

Housing General Fund

Other Activities

2011/12	2012/13			2013/14		
Actual	Original	Probable		Gross	Gross	Net
£000	Estimate	Outturn		Expend	Income	Expend
£000	£000	£000		£000	£000	£000
35	39	39	Housing Strategy	41	0	41
14	15	19	Affordable Housing Grants (Revenue funded)	20	0	20
84	722	0	Affordable Housing Grants (Capital funded)	350	0	350
0	0	0	Leasehold Service Administration	308	308	0
133	776	58	Total (Transferred to Summary)	719	308	411
49	54	53	Continuing Services Budget			61
84	722	0	Capital Funded Expenditure			350
0	0	0	Continuing Services Budget - Growth			0
0	0	0	Continuing Services Budget - Savings			0
133	776	53	Total Continuing Services Budget			411
0	0	5	District Development Fund - Expenditure			0
0	0	0	District Development Fund - Savings			0
0	0	5	Total District Development Fund			0
133	776	58	Portfolio Total			411

HOUSING GENERAL FUND DIRECTORATE

SUBJECTIVE ANALYSIS 2013/14 Original

Cost Centre	Employees	Premises	Transport	Supplies	Support Services	Grant Payments	Gross Expenditure	Fees & Charges	Government Grants	Other Contributions	Gross Income	Net Expenditure
	£	£	£	£	£	£	£	£	£	£	£	£
PRIVATE SECTOR HOUSING												
Private Sector Housing Grants	99,980		4,690	40	77,220	550,000	731,930		300,000		300,000	431,930
Repairs to Private Dwellings	201,760	0	10,130	5,190	81,080		298,160	1,290			1,290	296,870
General Improvement Areas	0	12,920			0		12,920				0	12,920
Care & Repair	81,310		3,810	70,760	68,660		224,540			108,130	108,130	116,410
House Condition Survey				0			0				0	0
HOMELESSNESS												
Homelessness	232,010	0	7,070	31,640	82,740		353,460	60	112,830		112,890	240,570
Bed & Breakfast Accommodation	16,090	107,000	750	4,050	8,530		136,420			107,000	107,000	29,420
Fresh Start Scheme							0				0	0
OTHER ACTIVITIES												
Housing Strategy	12,750		130	10	28,340		41,230			0	0	41,230
Affordable Housing Grants	6,770		420	30	12,550	350,000	369,770			0	0	369,770
Leasehold Services Administration	117,650	60,580	3,310	3,540	122,420		307,500	307,500			307,500	0
TOTAL (Transferred to GF Summary)	768,320	180,500	30,310	115,260	481,540	900,000	2,475,930	308,850	412,830	215,130	936,810	1,539,120