

# APPENDIX C.2

## WAVERLEY BOROUGH COUNCIL

### EXECUTIVE 1 DECEMBER 2009

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**Title:**

**FINANCIAL STRATEGY 2009/10 – 2012/13  
HOUSING REVENUE ACCOUNT BUDGET 2010/11**

[Portfolio Holder: Cllr Mike Band]  
[Wards Affected:All]

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**Summary and purpose:**

As part of the budget process, this report seeks the views of the Executive on the initial revenue budget position for the Housing Revenue Account (HRA) for 2010/11. The report advises Members of the current situation with regard to the base estimated position for 2010/11.

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**How this report relates to the Council's Corporate Priorities:**

The landlord service deals with delivering affordable housing and improving lives – two of the Council's five corporate priorities. A robust budget needs to be in place to aid the delivery of these priorities.

**Equality and Diversity Implications:**

As a social landlord Waverley strives to understand the housing need and provide social housing to all strands of the Borough's population.

**Resource/Value for Money implications:**

Resource implications are contained throughout the report

**Legal Implications:**

There are no direct legal implications as a result of this report

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**Introduction**

1. The annual Finance Seminar that took place on 26th October highlighted the key issues affecting Waverley's landlord service and the ongoing difficult decisions that will need to be made as part of the 2010/11 budget process and for the longer term in order to maintain a viable service.
2. Extra funding was made available in 2009-10 to help with implementing recommendations flowing from the Audit Commission Inspection in the autumn of 2008. Officers have reported regularly on the progress being made and to date 61% of recommendations have been completed and a further

25% actively progressing. It is proposed that the additional funding remains in place to sustain and support continuing improvement.

3. In addition to implementing audit commission recommendations value for money reviews of the sheltered and leasehold services are currently being undertaken. Despite all this the service is on target to deliver vacancy savings of £70,000 in the current year.

### **2010-11 Draft Revenue Estimates**

4. As Members are aware, the HRA is driven by the Government's decisions with regard to the national housing revenue account and the housing subsidy regime. Following a comprehensive review of the current system, the Government consulted during the summer on its proposals for an alternative to the current regime. Whilst welcoming the proposal to abolish HRA subsidy and allow local authorities to retain rents locally, the proposal to distribute other authorities' debt to Councils like Waverley is totally unacceptable. In view of local authority opposition and the potential need for primary legislation it seems debatable whether there will be significant change in the short term unless the Government is prepared to radically change its proposals contained in the consultation.
5. To date no outcomes from the consultation have been reported nor has the Government issued its draft Determinations that will set out next year's allowances and guideline rent increase.
6. Whilst the Council is waiting for this information, officers are working with portfolio holders in the Star Chamber process to identify savings, efficiencies and potential changes of service delivery in the landlord service. Until the draft Determinations are published however it is difficult to produce a meaningful draft HRA budget for 2010-11.

### **Recommendation**

It is recommended that

1. the Executive note the constraints around currently producing a draft Housing Revenue Account budget for 2010/11
  2. the Executive ask the Community Overview and Scrutiny Committee to consider the detailed HRA budget papers for 2010/11 and identify spending priorities within the landlord service; and
  3. the Executive give further consideration to the HRA budget for 2010/11 at its meeting on 5 January 2010.
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Background Papers (DoF)

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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