

Dear members of the Tenant Services Management Board,

I thought I would drop you a quick note to try to explain the implications of the current Budget Review Project on Housing Staff and to expand on the information provided at the recent staff briefings. As you will be aware there is significant pressure over coming years on the Council's General fund (GF) such that the Budget Review Project is seeking to create savings options equivalent to a 40% reduction over the four years from 2012-13 onwards. This is clearly hugely significant in terms of what the Council does and looks like in future.

However the Housing Revenue Account (HRA) also faces huge challenges in coming years. These are different to the GF but nevertheless equally significant. This means that the same savings requirements as described above for the GF are also required for the HRA as part of the Budget Review Project.

The most significant of these factors is the review of the Housing Subsidy system by the implementation of self financing but there are many other significant factors that will influence the future of the HRA and therefore the Housing Service. I will briefly outline these issues below.

Self Financing

This will go live in April 2012, rather than TDBC paying around £7million a year in negative subsidy, we will be allocated our proportion of the national housing debt. We then have to service the interest on this debt and eventually pay it off. Our proportion of the debt is at £87millions, current projections are that we will pay this off after 22 years and we will then be self sufficient and free of debt. As you can imagine with the size of this figure much work is underway to implement this issue and fully understand the implications for us. There are many variables to consider and overall this appears at the moment to be a good deal for us. However we need to prepare a range of options in our management and asset expenditure that will allow us to respond to this and the other challenges facing the HRA.

30 year Business Plan

We don't have an up to date one, but we are in the process of commissioning one. This will pull together all the current challenges and projections for the service.

Asset Management Plan

Again we don't have an up to date one, we are midway through creating a new one with support from Housing Quality Network. This will influence and direct our spend on our property over coming years.

Benefits Review

This review and the associated changes will have a huge impact in the community and also on the Housing Service. For example when Housing Benefits payments are no longer undertaken by local councils there will no longer be any direct payments to the rent account of Housing Benefits. This has the potential to increase our arrears levels so we need to make sure we are prepared for this in terms of how we are organised.

Rent Policy

We need a clear rent policy so that we can clearly project our income in coming years, without this we cannot develop a clear business plan.

Halcon

This project has the potential to have a significant impact on the HRA so we need to be ready to respond to whatever members decide to do to address deprivation in this area.

Tenant Empowerment and Co-regulation

I am really pleased with the progress of our Tenant Services Management Board. As this board and other methods of tenant involvement continue to mature, they will have an increasing influence on what we do and how we do it. We need to be flexible and agile enough to respond to these issues.

Supporting People

Funding from SP is projected to continue to decrease. We need to fully assess the impact of this on our services and respond accordingly.

Current Projects

We have a number of projects or reviews underway that will have an influence on future operations. These include completing the Housing Property Services review, Voids review, Debt review and changes to how we manage our leasehold properties.

So as you will see there is lots going on and all of this is directly relevant to the Budget Review project. I hope this has given you a bit more information in relation to current issues. If any ideas or thoughts occur to you about this information or about the budget review project as a whole please raise them with the Tenant Empowerment Manager or me directly.

Along with the Housing Management team I will endeavour to keep you updated on progress with these issues at the appropriate time. However if you wish to discuss anything in this note please do not hesitate to contact me.

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