

**HOUSING MANAGEMENT ADVISORY BOARD  
12TH SEPTEMBER 2018**

**Report of the Head of Landlord Services**

**ITEM 6 ROLE OF BOARD IN BUDGET CONSULTATION AND MONITORING**

Purpose of the report

To enable members of the Board to consider the Board's role in budget setting and monitoring.

Action requested

The Board is asked to:

- a) Advise on how it wishes to be consulted on the budgets for 2019/20.
- b) Advise on any initiatives/ priorities it wishes to see budgeted for in 2019/20.
- c) Comment on the proposed addition to the work plan of a budget consultation report at its meeting on 7 November 2018.
- d) Advise on what, if any, additional financial information is required to support the Board in monitoring HRA budgets.

Background

Annual Budget Setting Process

Each year the Council sets budgets for the following year. An indication of the process and the timescales for the key events that drive the process are set out in the below table:

<b>Event</b>	<b>Description</b>
Cabinet Meeting  13 December 2018	A report is taken to Cabinet to: <ul style="list-style-type: none"><li>• Advise members of the projected base budget position for 2019/20.</li><li>• Review the savings and growth proposals put forward for the year 2019/20, and to begin a period of consultation.</li></ul>
Cabinet  14 February 2019	This report sets out the proposed General Fund and Housing Revenue Account (HRA) Revenue Budgets for 2019/20, which together represent the financial spending plans for all services of the Council.

	The report also presents the proposals to increase rent and service charges within the Housing Revenue Account.
Council 25 February 2019	The report sets out the recommendations of the Cabinet regarding the proposed General Fund and HRA Revenue Budgets for 2019/20. These budgets represent the financial spending plans for all services of the Council and it is a legal requirement to set a balanced budget each financial year. The report also includes the original budget for the Housing Revenue Account together with changes to rent and service charges.

### Internal Budget Setting Process

In order to arrive at a draft budget position that can be presented to Cabinet in December 2018, over September and October it is expected that Heads of Service will submit any pressures and savings they are aware of for the forthcoming year. It is likely that pressures greater than £10,000 will require the production of a business case.

The pressures, savings and business cases are then reviewed by Directors and Heads of Service to determine whether these can be covered within the overall HRA budget and whether the business cases appear reasonable. The finalised pressures and savings, along with the business cases and supplementary information, are then reviewed by the Senior Management Team, and the draft budget is produced.

### Housing Management Advisory Board Timetable and Consultation

Given that the draft budget report is due to go to Cabinet in December 2018, it is recommended that the Board receive a budget consultation report in November 2018. The limitation of this approach is that the exact amount of available money for the future year will not be known as this is identified after December 2018. However, it will enable the Board to consider pressures, savings, and priorities before the draft budget report goes to Cabinet.

### Proposed areas for consultation

The areas that it is proposed the Board will be consulted on are as follows:

- Board priorities
- Any tenant priorities not reflected in the draft budget
- Capital investment priorities
- Service pressures and savings

Information will also be presented to the Board on the setting of charges for:

- Garage rents
- Shop rents
- Leasehold management and administration charges
- Lifeline and sheltered accommodation charges

It is expected that advice will be obtained from the District Valuer on Garage and Shop rent increases. Sheltered accommodation charges are generally based on the recovery of anticipated spend (with adjustments for prior year spend).

### Budget Monitoring

The Board currently receives a detailed revenue and capital outturn report on an annual basis. The Board is asked to consider what, if any, additional financial information is required to support the Board in monitoring HRA budgets

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