

POLICY, FINANCE & ADMINISTRATION COMMITTEE

28 SEPTEMBER 2011

REPORT OF HEAD OF CENTRAL SERVICES

PROPOSED CHANGES TO THE ESTABLISHMENT

1.0 THE PURPOSE OF THE REPORT

- 1.1 To seek approval to permanently vary the establishment for an additional 0.6 full time equivalent (fte) Senior Accountant post based in the Central Services Department to manage additional responsibilities and debt transferred from the government following the reform of the Housing Revenue Account (HRA).

2.0 RECOMMENDATIONS

2.1 It is recommended that:

- a) An additional 0.6 fte Senior Accountant post is appointed on Band 10 and;**
- b) A supplementary estimate of £6,250 be approved from the HRA working balance to fund the part-year cost in 2011-12 (para. 6.1 refers)**

3.0 BACKGROUND

- 3.1 The government's proposals for HRA reform and implementing self financing for Council Housing has been well documented within the Council including more recently in a report to a meeting of the Community & Social Affairs Committee held on 22 June 2011.

4.0 KEY ISSUES

- 4.1 In return for an allocation of the national housing debt estimated to be in the region of £26m there will no longer be a requirement for the Council to pay negative housing subsidy to the government. This is estimated to be £1.895m in 2011/12. This will increase the council's debt portfolio from £6.988m to £32.988m
- 4.2 With the increased debt management needs of the Council, in order to ensure that the best value for money is obtained on the Council's Treasury Management (TM) function further work will be required both on a set-up and an on-going basis. In addition, with the move to self-financing of the HRA a great deal of additional work of a finance nature is required to support the HRA i.e. the creation of a new HRA Balance Sheet. The resourcing of this has been assessed and determined as a requirement for a 0.6 fte Senior Accountant post on Band 10, which is the band relating to the existing Senior Accountant post which primarily deals with the TM function. Management Team in a meeting held on 15 August 2011 approved the appointment subject to committee approval.
- 4.3 As the debt relates entirely to the HRA the funding of the additional costs of the post, estimated to be £21,050 at the bottom of the grade i.e. scale point 34, would be met entirely from the HRA and funded from the annual savings in no longer having to pay the government this negative housing subsidy payment.

5.0 POLICY & CORPORATE IMPLICATIONS

5.1 There are no further policy and corporate implications arising from this report.

6.0 FINANCIAL & OTHER RESOURCE IMPLICATIONS

6.1 It is estimated that, if approved, a part-year cost of £6,260 in 2011-12, to include costs of recruitment, would be incurred and require funding from the excess HRA working balance. Funding for later years will be provided as part of the budget setting process.

7.0 LEGAL IMPLICATIONS/POWERS

7.1 There are no legal implications directly arising from this report.

8.0 COMMUNITY SAFETY

8.1 There are no direct links to community safety arising from this report.

9.0 EQUALITIES

9.1 There are no equality implications directly arising from this report.

10.0 RISKS

10.1 The risks of not implementing the proposal are considered in the table below:

Probability



Very High A				
High B			1, 2	
Significant C				
Low D				
Very Low E				
Almost Impossible F				
	IV Neg- ligible	III Marg- inal	II Critical	I Catast- rophic

Impact



Risk No.	Description
1	Risk of poor servicing of debt and additional cost
2	Risk that HRA will have insufficient financial support

11.0 CLIMATE CHANGE

11.1 There are no climate change issues directly arising from this report.

12.0 **CONSULTATION**

12.1 Comments from the Head of Communities & Neighbourhoods, the Council's TM advisors and a consultant from the Chartered Institute of Housing who is supporting the Council on preparing a 30 year HRA business plan support the fact that additional resources are needed to support the requirements of self-financing of the HRA.

13.0 **WARDS AFFECTED**

13.1 All wards are affected.

Contact Officer: David Cowl

Date: 6 September 2011

Appendices: None

Background Papers: CSA Committee Papers
Management Team Report 15-8-11

Reference: X: C'tee, Council & Sub-C'tees/PFA/2011-12/28-09-11/DG-Proposed
Changes to the Establishment