

BUDGET SETTING PROCESSES – HOUSING SERVICES

INTRODUCTION

The Head of Finance is responsible for the budget setting processes and ensuring that a consistent approach is taken across all areas of activity and that all anticipated income and expenditure is captured and reflected accurately. All details of the budget setting process should be fully documented.

The draft budget is presented to the Finance Review Group in February each year for discussion and is approved at the Board meeting in March. For housing services, this links directly into the annual rent setting processes.

Housing Services

The detailed housing budgets are agreed as part of the rent setting process each year.

A number of meetings are held with a “rent setting group” made up of members of housing, maintenance and finance departments to consider the proposed rent increase for the following year prior to consultation with tenants. This process requires a detailed assessment of the associated expenditure requirements for the year ahead and in particular the maintenance budgets. The cyclical budgets are determined by the longer term life cycle costings of the housing stock. Anticipated increases to central costs feed in from the wider budget setting processes.

Following this analysis of anticipated expenditure a decision is made re the proposed rent increase for the year. This is within the parameters of the Association’s rent policy with consideration of both affordability and value for money for tenants.

Following this process, which includes a consultation process with tenants, the Board approves the rent increase for the year. At this stage, final confirmation of the housing budgets for the year is taken forward with the Head of Finance, Head of Housing Services and the Property Manager. The Head of Finance will ensure that the housing budget is then accurately reflected in the overall budget for the Association for the year.