

APPENDIX 1

	HOUSING REVENUE ACCOUNT		
	2015/16	2016/17	
	Original Estimate	Revised Estimate	Original Estimate
	£	£	£
INCOME			
Dwelling rents	29,981,900	30,042,200	29,586,000
Non-dwelling rents	219,000	214,400	216,300
Heating charges	70,700	73,700	66,300
Other charges for services and facilities	950,800	916,600	921,500
Contributions towards expenditure	53,900	53,900	53,900
Total Income	31,276,300	31,300,800	30,844,000
EXPENDITURE			
Repairs and Maintenance	6,907,500	6,865,100	6,865,100
General Management	7,028,200	7,027,100	7,057,700
Special Services	1,102,100	1,102,100	1,107,900
Rents, rates, taxes and other charges	93,200	100,000	103,500
Increase in provision for bad debts - uncollectable debt	183,200	183,300	180,400
Increase in provision for bad debts - impact of Benefit R	305,300	305,400	300,700
Cost of Capital Charge	4,531,900	4,468,000	4,468,000
Depreciation of fixed assets - council dwellings	7,619,100	7,619,100	7,771,500
Depreciation of fixed assets - other assets	41,900	42,300	42,300
Debt Management Expenses	40,600	35,000	40,600
Contribution to/(from) Business Plan Headroom Reserv	(1,919,900)	(1,527,600)	(2,183,100)
Total Expenditure	25,933,100	26,219,800	25,754,600
Net cost of services	(5,343,200)	(5,081,000)	(5,089,400)
Amortised premia / discounts	(14,600)	(14,600)	(13,300)
Interest receivable - on balances	(65,400)	(67,500)	(55,800)
Interest receivable - on loans (mortgages)	(1,000)	(700)	(700)
Net operating expenditure	(5,424,200)	(5,163,800)	(5,159,200)
Appropriations			
Appropriation relevant to depreciation and MRA		0	0
Revenue contributions to capital	5,424,200	5,163,800	5,149,200
(Surplus) / Deficit	0	0	(10,000)
Working balance brought forward	(1,000,000)	(1,000,000)	(1,000,000)
Working balance carried forward	(1,000,000)	(1,000,000)	(1,010,000)

APPENDIX 2

Sheltered Support and Amenity Charges

Current charges 2015/16 and proposed charges 2016/17

Scheme	Total Current Charges 2015/16 £	Proposed Management Charge 2016/17 £	Proposed Support Charge 2016/17 £	Proposed Amenity Charge 2016/17 £	Total Proposed Charges 2016/17 £	Increase over current charges £
Beech Close	18.73	10.49	8.33		18.82	0.09
Chelsea Avenue	18.73	10.49	8.33		18.82	0.09
Clarkshill	34.86	10.49	8.33	16.28	35.10	0.24
Elms Close	20.61	10.49	8.33	1.90	20.72	0.11
Falcon House	29.40	20.15		9.51	29.66	0.26
Griffin Close	18.73	10.49	8.33		18.82	0.09
Griffin House	29.12	20.15		9.23	29.38	0.26
Hampson Fold	18.73	10.49	8.33		18.82	0.09
Harwood House	37.04	10.49	8.33	18.47	37.29	0.25
Limegrove	18.73	10.49	8.33		18.82	0.09
Maple Grove	18.73	10.49	8.33		18.82	0.09
Moorfield	39.68	10.49	8.33	21.14	39.96	0.28
Mosses House	35.35	10.49	8.33	16.77	35.59	0.24
Stanhope Court	27.16	10.49	8.33	8.51	27.33	0.17
Taylor House	37.42	10.49	8.33	18.86	37.68	0.26
Top O'th Fields 1	36.76	10.49	8.33	18.19	37.01	0.25
T O'th F 2 (Welcomb Walk)	18.73	10.49	8.33		18.82	0.09
Waverley Place	38.54	10.49	8.33	19.99	38.81	0.27
Wellington House	45.53	10.49	8.33	27.04	45.86	0.33

HRA VOID LEVEL OPTIONS - 2016/17

NB Springs TMO has a fixed voids allowance - currently 2%

VOIDS	RENT LOSS	DIFFERENCE FROM ASSUMED VOIDS LEVEL (2%)
%	£	£
0.90	270,619	-210,481
1.00	300,688	-180,413
1.10	330,756	-150,344
1.20	360,825	-120,275
1.30	390,894	-90,206
1.40	420,963	-60,138
1.50	451,031	-30,069
1.60	481,100	0
1.70	511,169	30,069
1.80	541,238	60,138
1.90	571,306	90,206
2.00	601,375	120,275
2.10	631,444	150,344
2.20	661,513	180,413
2.30	691,581	210,481

HOUSING REVENUE ACCOUNT - RISK ASSESSMENT

Risk Event	Impact	Risk Level	Likelihood	Max. Impact £000	Min. Provision £000
Increased stock loss - level exceeds the provision made in the estimates	The loss of a property costs the HRA approx. £3,800 in lost rental income in a full year. A loss of 50 properties throughout the year would cost around £95,000	H 100 %	Budget 2016/17 assumes 50 sales. Current sales levels are around this level but further changes to discounts and eligibility coupled with the introduction and promotion of Right to Buy Agents could significantly increase interest and potential sales.	100	100
Higher level of void (empty) properties - increase loss of rental income	A 0.75% increase in void loss costs the HRA £225k in a full year.	H 100 %	Budget 2016/17 assumes 1.6% void rental loss. There is a possibility that the level may be higher particularly as current performance is not meeting this target.	220	220
Increase in Management Fee paid to Six Town - pay costs	Six Town Housing can request additional pay costs as an addition to the Management Fee however this is subject to negotiation with the Council (it is not an automatic payment).	L 60%	The STH Management Fee has not yet been agreed for 2016/17 and it is felt prudent to allow for a 1% increase over and above that provided for in the 2016/17 budget.	70	40
- non pay inflation	Six Town Housing can request additional inflation as an addition to the Management Fee however this is subject to negotiation with the Council (it is not an automatic payment).	L 60%	Budget 2016/17 allows for 0% increase on the non pay elements of the Management Fee. This includes expenditure on the Repairs and Maintenance service. It is felt prudent to allow for a 2% increase over and above that provided for in the 2016/17 budget.	130	80

HOUSING REVENUE ACCOUNT - RISK ASSESSMENT

Risk Event	Impact	Risk Level	Likelihood	Max. Impact £000	Min. Provision £000
Increase in arrears levels	Rental income is accounted for in the HRA on a rents receivable basis rather than actual rent received. However an increase in arrears could impact on the level of contribution required to the Bad Debt Provision.	H 100 %	Budget 2016/17 allows for contributions of £481,100 to the Bad Debt Provision. This is based on 1.6% of the rental income due and allows for the potential impact of under occupation and other benefit changes. However the level of arrears can be volatile and the timing and impact of benefit changes is still estimated at this stage.	450	450
Interest rates - Cost of Capital	Under self financing the risks associated with changes in interest rates impact directly on the HRA.	L 60%	The loans taken on for self financing are long term fixed rate so the interest charges are known. However there could be an impact on the HRA when pre self financing loans are replaced.	90	50
Other HRA expenditure	Whilst the Management Fee paid to Six Town Housing accounts for the majority of management and maintenance expenditure within the HRA there are other costs and charges. These include payments to Adult Care Services and other departments of the Council for services provided to HRA customers. If these costs were to be 2%	M 80%	The majority of these charges are agreed in advance and as such should not vary throughout the year. However it is felt prudent to allow for the possibility that unforeseen circumstances within services outside of the HRA could have an impact on the charges made. Increased costs are likely to result from the implementation of benefit reforms.	40	30
Springs Tenant Management Co-operative - potential progress towards self financing TMO.	As these proposals progress there may be costs that fall on the HRA associated with this.	H 100 %	The 2016/17 budget does not contain any provision for these costs as the timing and extent of such costs has not yet been fully established.	40	40

HOUSING REVENUE ACCOUNT - RISK ASSESSMENT

Risk Event	Impact	Risk Level	Likelihood	Max. Impact £000	Min. Provision £000
				1140	1010