

HOUSING REVENUE ACCOUNT

	2016/17		2017/18
	Original Estimate	Revised Estimate	Original Estimate
	£	£	£
INCOME			
Dwelling rents	29,586,000	29,625,400	29,342,200
Non-dwelling rents	216,300	203,000	204,800
Heating charges	66,300	66,000	48,700
Other charges for services and facilities	921,500	897,800	896,100
Contributions towards expenditure	53,900	42,700	40,600
Total Income	30,844,000	30,834,900	30,532,400
EXPENDITURE			
Repairs and Maintenance	6,865,100	6,865,100	6,865,100
General Management	7,057,700	7,055,500	7,020,500
Special Services	1,107,900	1,162,500	1,149,500
Rents, rates, taxes and other charges	103,500	94,400	98,000
Increase in provision for bad debts - uncollectable debts	180,400	181,100	178,800
Increase in provision for bad debts - impact of Benefit Reform	300,700	301,800	298,200
Cost of Capital Charge	4,468,000	4,432,600	4,432,600
Depreciation of fixed assets - council dwellings	7,771,500	7,771,500	7,926,900
Depreciation of fixed assets - other assets	42,300	42,400	42,400
Debt Management Expenses	40,600	40,600	40,600
Contribution to/(from) Business Plan Headroom Reserve	(2,183,100)	(2,173,100)	470,400
Total Expenditure	25,754,600	25,774,400	28,523,000
Net cost of services	(5,089,400)	(5,060,500)	(2,009,400)
Amortised premia / discounts	(13,300)	(13,300)	(11,400)
Interest receivable - on balances	(55,800)	(55,800)	(52,300)
Interest receivable - on loans (mortgages)	(700)	(500)	(500)
Net operating expenditure	(5,159,200)	(5,130,100)	(2,073,600)
Appropriations			
Appropriation relevant to depreciation and MRA		0	0
Revenue contributions to capital	5,149,200	5,120,100	2,063,600
(Surplus) / Deficit	(10,000)	(10,000)	(10,000)
Working balance brought forward	(1,000,000)	(1,000,000)	(1,010,000)
Working balance carried forward	(1,010,000)	(1,010,000)	(1,020,000)

APPENDIX 2

Sheltered Support and Amenity Charges **Current charges 2016/17 and proposed charges 2017/18**

Scheme	Total Current Charges 2016/17 £	Proposed Management Charge 2017/18 £	Proposed Support Charge 2017/18 £	Proposed Amenity Charge 2017/18 £	Total Proposed Charges 2017/18 £	Increase over current charges £
Beech Close	18.82	10.70	8.33		19.03	0.21
Chelsea Avenue	18.82	10.70	8.33		19.03	0.21
Clarkshill	35.10	10.70	8.33	16.61	35.64	0.54
Elms Close	20.72	10.70	8.33	1.94	20.97	0.25
Falcon House	29.66	20.55		9.70	30.25	0.59
Griffin Close	18.82	10.70	8.33		19.03	0.21
Griffin House	29.38	20.55		9.41	29.96	0.58
Hampson Fold	18.82	10.70	8.33		19.03	0.21
Harwood House	37.29	10.70	8.33	18.84	37.87	0.58
Limegrove	18.82	10.70	8.33		19.03	0.21
Maple Grove	18.82	10.70	8.33		19.03	0.21
Moorfield	39.96	10.70	8.33	21.56	40.59	0.63
Mosses House	35.59	10.70	8.33	17.11	36.14	0.55
Stanhope Court	27.33	10.70	8.33	8.68	27.71	0.38
Taylor House	37.68	10.70	8.33	19.24	38.27	0.59
Top O'th Fields 1	37.01	10.70	8.33	18.55	37.58	0.57
T O'th F 2 (Welcomb Walk)	18.82	10.70	8.33		19.03	0.21
Waverley Place	38.81	10.70	8.33	20.39	39.42	0.61
Wellington House	45.86	10.70	8.33	27.58	46.61	0.75

HRA VOID LEVEL OPTIONS - 2017/18

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

VOIDS	RENT LOSS	DIFFERENCE FROM ASSUMED VOIDS LEVEL (2%)
%	£	£
0.90	268,369	-208,731
1.00	298,188	-178,913
1.10	328,006	-149,094
1.20	357,825	-119,275
1.30	387,644	-89,456
1.40	417,463	-59,638
1.50	447,281	-29,819
1.60	477,100	0
1.70	506,919	29,819
1.80	536,738	59,638
1.90	566,556	89,456
2.00	596,375	119,275
2.10	626,194	149,094
2.20	656,013	178,913
2.30	685,831	208,731

Proposed Capital Programme 2017/18

Capital Project	Work Content	Units	Estimated budget inc
Prestwich Village	Kitchens, bathroom, heating, communal	93	
Springs Estate	Kitchens, bathrooms, boiler as required	81	
Limefield Brow	Roofing	91	
Beechcroft	Roofing	47	
Fire alarms	Replacement of fire alarms		
Polefield chimneys	Structural remedial work to roofspaces	72	
Estate infrastructure	Various estate works	0	
Top O' Th' Fields Heating	Replacement of electric heating with gas	31	
Townside Fields/Princess Parade	Kitchens, bathrooms, boiler as required	41	
Nuttall Square	Kitchens, bathrooms, boiler as required	28	
Wash Lane	Kitchens, bathrooms, boiler as required	28	
Harwood Crescent / Wesley Street	Kitchens, bathrooms, boiler as required	31	
Limefield phase 1	Kitchens, bathrooms, boiler as required	34	
Brandlesholme	Kitchens, bathrooms, boiler as required	51	
Littlewood	Kitchens, bathrooms, boiler as required	46	
Cameron/Knight St	Kitchens, bathrooms, boiler as required	47	
Woodhill	Kitchens, bathrooms, boiler as required	56	
Door replacement programme	Doors	35	
<i>St Thomas phase 1</i>	<i>Kitchens, bathrooms, boiler as required</i>	25	
<i>Elms Estate phase 4C</i>	<i>Roofing</i>	15	
<i>Bent Hill</i>	<i>Kitchens, bathrooms, boiler as required</i>	6	
<i>Chesham Fold</i>	<i>Kitchens, bathrooms, boiler as required</i>	3	
<i>Dumers Lane</i>	<i>Kitchens, bathrooms, boiler as required</i>	3	
Capital Projects subtotal:			£7,851,990
Miscellaneous Budgets			
Asbestos removal			£18,000
EPCs			£5,000
Structurals			£150,000
Springs miscellaneous			£10,000
R&M renewals			£700,000
R&M boilers			£295,000
Misc. capital improvements			£100,000
Mop ups / damp remedials			£50,000
Stairlift renewals			£25,500
HRA street lighting			£75,000
Advance design			£10,000
Capitalised salaries			£200,000
Disabled Facilities Adaptations			£500,000
Miscellaneous Works subtotal:			£2,138,500
Total Proposed Capital Programme 2017/18			£9,990,490

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. £3,700 in lost rental income in a full year. A loss of 50 properties throughout the year would cost around £93k.	H 100 %	Budget 2017/18 assumes 70 sales. Current sales levels are around this level but further changes to discounts and eligibility coupled with the promotion of Right to Buy could significantly increase interest and potential sales.	95	95
Higher level of void (empty) properties - increase loss of rental income	A 0.75% increase in void loss costs the HRA £224k in a full year.	H 100 %	Budget 2017/18 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.	225	225
Numbers of properties moving to target rents not as high as anticipated	A property moving to target rent will increase the weekly rental income by an average of £6.18.	H 100 %	The numbers of properties moving to target rent will depend on which properties become void during the year. As this policy has only been in place since April 2016 the overall increase in rental income can only be an estimate.	40	40
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 2017/18 allows for contributions of £477k 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.	300	300
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

HOUSING REVENUE ACCOUNT - RISK ASSESSMENT

Risk Event	Impact	Risk Level	Likelihood	Max. Impact £000	Min. Provision £000
Capital Investment requirements - newly arising need.	Under self financing the resources for capital investment in the housing stock come directly from the HRA.	L 60%	The capital investment requirements have been determined on the basis of the current stock condition information. However the full results of the recent Stock Condition Survey have yet to be analysed - there is a possibility that this could identify urgent investment requirements. Therefore it is felt prudent to allow for this.	400	240
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.	35	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 2017/18 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
				1225	1020