

HOUSING REVENUE ACCOUNT

	2017/18		2018/19
	Original Estimate £	Revised Estimate £	Original Estimate £
INCOME			
Dwelling rents	29,342,200	29,490,400	29,206,600
Non-dwelling rents	204,800	198,800	195,600
Heating charges	48,700	46,600	39,000
Other charges for services and facilities	896,100	945,400	935,900
Contributions towards expenditure	40,600	34,900	34,900
Total Income	30,532,400	30,716,100	30,412,000
EXPENDITURE			
Repairs and Maintenance	6,865,100	6,405,100	6,870,100
General Management	7,020,500	7,015,300	7,028,800
Special Services	1,149,500	1,145,400	1,172,900
Rents, rates, taxes and other charges	98,000	107,300	111,400
Increase in provision for bad debts - uncollectable debts	178,800	179,100	178,400
Increase in provision for bad debts - impact of Benefit Reform	298,200	298,400	294,900
Cost of Capital Charge	4,432,600	4,463,600	4,625,600
Depreciation of fixed assets - council dwellings	7,926,900	7,926,900	8,230,800
Depreciation of fixed assets - other assets	42,400	51,100	51,100
Debt Management Expenses	40,600	40,600	40,600
Contribution to/(from) Business Plan Headroom Reserve	470,400	645,900	107,700
Total Expenditure	28,523,000	28,278,700	28,712,300
Net cost of services	(2,009,400)	(2,437,400)	(1,699,700)
Amortised premia / discounts	(11,400)	(11,400)	(7,700)
Interest receivable - on balances	(52,300)	(43,000)	(47,100)
Interest receivable - on loans (mortgages)	(500)	(100)	0
Net operating expenditure	(2,073,600)	(2,491,900)	(1,754,500)
Appropriations			
Appropriation relevant to depreciation and MRA		0	0
Revenue contributions to capital	2,063,600	2,481,900	1,744,500
(Surplus) / Deficit	(10,000)	(10,000)	(10,000)
Working balance brought forward	(1,010,000)	(1,010,000)	(1,020,000)
Working balance carried forward	(1,020,000)	(1,020,000)	(1,030,000)

APPENDIX 2

Sheltered Support and Amenity Charges Current charges 2017/18 and proposed charges 2018/19

Scheme	Management Charge 2017/18 £	Support Charge 2017/18 £	Amenity Charge 2017/18 £	Total Charges 2017/18 £	Proposed Management Charge 2018/19 £ 4%	Proposed Support Charge 2018/19 £ 0%	Proposed Amenity Charge 2018/19 £ 4%	Total Proposed Charges 2018/19 £	Increase over current charges £	Average reduction in weekly rent 2018/19 £	Net average weekly increase / (decrease) £
Beech Close	10.70	8.33		19.03	11.13	8.33		19.46	0.43	(0.72)	(0.29)
Chelsea Avenue	10.70	8.33		19.03	11.13	8.33		19.46	0.43	(0.68)	(0.25)
Clarkshill	10.70	8.33	16.61	35.64	11.13	8.33	17.27	36.73	1.09	(0.65)	0.44
Elms Close	10.70	8.33	1.94	20.97	11.13	8.33	2.02	21.48	0.51	(0.71)	(0.20)
Falcon House	20.55		9.70	30.25	21.37	0.00	10.09	31.46	1.21	(0.67)	0.54
Griffin Close	10.70	8.33		19.03	11.13	8.33		19.46	0.43	(0.66)	(0.23)
Griffin House	20.55		9.41	29.96	21.37	0.00	9.79	31.16	1.20	(0.67)	0.53
Hampson Fold	10.70	8.33		19.03	11.13	8.33		19.46	0.43	(0.70)	(0.27)
Harwood House	10.70	8.33	18.84	37.87	11.13	8.33	19.59	39.05	1.18	(0.61)	0.57
Limegrove	10.70	8.33		19.03	11.13	8.33		19.46	0.43	(0.67)	(0.24)
Maple Grove	10.70	8.33		19.03	11.13	8.33		19.46	0.43	(0.74)	(0.31)
Moorfield	10.70	8.33	21.56	40.59	11.13	8.33	22.42	41.88	1.29	(0.69)	0.60
Mosses House	10.70	8.33	17.11	36.14	11.13	8.33	17.79	37.25	1.11	(0.57)	0.54
Stanhope Court	10.70	8.33	8.68	27.71	11.13	8.33	9.03	28.49	0.78	(0.59)	0.19
Taylor House	10.70	8.33	19.24	38.27	11.13	8.33	20.01	39.47	1.20	(0.62)	0.58
Top O'th Fields 1	10.70	8.33	18.55	37.58	11.13	8.33	19.29	38.75	1.17	(0.73)	0.44
T O'th F 2 (Welcomb Walk)	10.70	8.33		19.03	11.13	8.33		19.46	0.43	(0.79)	(0.36)
Waverley Place	10.70	8.33	20.39	39.42	11.13	8.33	21.21	40.66	1.24	(0.63)	0.61
Wellington House	10.70	8.33	27.58	46.61	11.13	8.33	28.68	48.14	1.53	(0.68)	0.85

HRA VOID LEVEL OPTIONS - 2018/19

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

VOIDS	RENT LOSS	DIFFERENCE FROM ASSUMED VOIDS LEVEL (1.2%)
%	£	£
0.50	146,708	-205,392
0.60	176,050	-176,050
0.70	205,392	-146,708
0.80	234,733	-117,367
0.90	264,075	-88,025
1.00	293,417	-58,683
1.10	322,758	-29,342
1.20	352,100	0
1.30	381,442	29,342
1.40	410,783	58,683
1.50	440,125	88,025
1.60	469,467	117,367
1.70	498,808	146,708
1.80	528,150	176,050
1.90	557,492	205,392

Proposed Specific Capital Projects 2018/19

Internal Schemes

St Thomas's internals
Dumers Lane internals phase 2
Bent Hill internals phase 3
Chesham Fold internals phase 2 inc Pimhole
Limefield internals phase 2
Littlewood internals phase 4
Brandlesholme internals phase 3
Carr Clough internals phase 2
Polefield internals phase 2

External Schemes

Elms Estate roofing phase 4C
Limefield roofing
Hazel Hall Roofs/Cladding

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 2018/19 assumes 60 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	95	95
Higher level of void (empty) properties - increase loss of rental income	A 0.75% increase in void loss costs the HRA £220k in a full year.	H 100 %	Budget 2018/19 assumes 1.2% void rental loss. Whilst current performance is meeting this target it may prove difficult to maintain.	220	220
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 £6.25.	H 100 %	The numbers of properties moving to target rent will depend on how many properties become void during the year and whether their rents are already at target level	35	35
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 2018/19 allows for contributions of £473k to the Bad Debt Provision. This is based on 1.6% of the rental income due and allows for the potential impact of benefit changes. However the level of arrears can be volatile and the timing and impact of benefit changes is still estimated	295	295
Interest rates - Cost of Capital	Under self financing the risks associated with changes in interest rates impact directly on the HRA. A 0.4% increase across the assumed HRA borrowing (excluding the loans taken for self financing) would cost	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. Borrowing for new developments could be at a higher rate than when the	190	115

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 recent Stock Condition Survey however it is felt prudent to allow for the possibility of any unforeseen or urgent investment requirements.	200	120
Increase in Management Fee paid to Six Town Housing - 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 been frozen at the 2017/18 level until the outcome of the current review of Housing Services therefore it is felt prudent to allow for a 2% increase over and above that provided for in the 2018/19 budget.	130	80
Other HRA expenditure	There are costs and charges within the HRA that are outside of the Management Fee paid to Six Town Housing; 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% higher than assumed then this	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.	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 2018/19 budget does not contain any provision for these costs as the timing and extent of such costs has not yet been fully	40	40
				1240	1030