

**HOUSING REVENUE ACCOUNT**

	<b>2018/19</b>		<b>2019/20</b>
	Original Estimate £	Revised Estimate £	Original Estimate £
<b>INCOME</b>			
Dwelling rents	29,206,600	29,184,900	29,372,400
Non-dwelling rents	195,600	192,900	194,600
Heating charges	39,000	38,800	35,300
Other charges for services and facilities	935,900	965,500	921,800
Contributions towards expenditure	34,900	48,800	45,700
<b>Total Income</b>	<b>30,412,000</b>	<b>30,430,900</b>	<b>30,569,800</b>
<b>EXPENDITURE</b>			
Repairs and Maintenance	6,870,100	6,867,600	6,898,300
General Management	7,028,800	7,358,100	7,339,000
Special Services	1,172,900	1,155,500	1,325,100
Rents, rates, taxes and other charges	111,400	(75,000)	50,000
Increase in provision for bad debts - uncollectable debts	178,400	178,100	186,000
Increase in provision for bad debts - impact of Benefit Reform	294,900	295,400	291,500
Cost of Capital Charge	4,625,600	4,686,100	4,848,700
Depreciation of fixed assets - council dwellings	8,230,800	8,007,000	7,900,000
Depreciation of fixed assets - other assets	51,100	43,600	43,600
Debt Management Expenses	40,600	40,600	40,600
Contribution to/(from) Business Plan Headroom Reserve	107,700	(1,713,900)	(505,300)
<b>Total Expenditure</b>	<b>28,712,300</b>	<b>26,843,100</b>	<b>28,417,500</b>
<b>Net cost of services</b>	<b>(1,699,700)</b>	<b>(3,587,800)</b>	<b>(2,152,300)</b>
Amortised premia / discounts	(7,700)	(7,700)	0
Interest receivable - on balances	(47,100)	(31,000)	(27,200)
Interest receivable - on loans (mortgages)	0	(300)	(300)
<b>Net operating expenditure</b>	<b>(1,754,500)</b>	<b>(3,626,800)</b>	<b>(2,179,800)</b>
<b>Appropriations</b>			
Appropriation relevant to depreciation and MRA			
Housing set aside (Principal repayments on new developments)	0	0	177,000
Revenue contributions to capital	1,744,500	3,616,800	1,992,800
<b>(Surplus) / Deficit</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>(10,000)</b>
<b>Working balance brought forward</b>	<b>(1,020,000)</b>	<b>(1,020,000)</b>	<b>(1,030,000)</b>
<b>Working balance carried forward</b>	<b>(1,030,000)</b>	<b>(1,030,000)</b>	<b>(1,040,000)</b>

## APPENDIX 2

### Sheltered Support and Amenity Charges Current charges 2018/19 and proposed charges 2019/20

Scheme	Management Charge 2018/19 £	Support Charge 2018/19 £	Amenity Charge 2018/19 £	<b>Total Charges 2018/19 £</b>	Proposed Management Charge 2019/20 £	Proposed Support Charge 2019/20 £	Proposed Amenity Charge 2019/20 £	<b>Total Proposed Charges 2019/20 £</b>	<b>Increase over current charges £</b>	Average reduction in weekly rent 2019/20 £	<b>Net average weekly increase / (decrease) £</b>
					3.4%	0%	3.4%				
Beech Close	11.13	8.33		<b>19.46</b>	11.51	8.33		<b>19.84</b>	<b>0.38</b>	(0.72)	<b>(0.34)</b>
Chelsea Avenue	11.13	8.33		<b>19.46</b>	11.51	8.33		<b>19.84</b>	<b>0.38</b>	(0.68)	<b>(0.30)</b>
Clarkshill	11.13	8.33	17.27	<b>36.73</b>	11.51	8.33	17.86	<b>37.70</b>	<b>0.97</b>	(0.64)	<b>0.33</b>
Elms Close	11.13	8.33	2.02	<b>21.48</b>	11.51	8.33	2.09	<b>21.92</b>	<b>0.45</b>	(0.71)	<b>(0.26)</b>
Falcon House	21.37		10.09	<b>31.46</b>	22.10	0.00	10.43	<b>32.53</b>	<b>1.07</b>	(0.67)	<b>0.40</b>
Griffin Close	11.13	8.33		<b>19.46</b>	11.51	8.33		<b>19.84</b>	<b>0.38</b>	(0.66)	<b>(0.28)</b>
Griffin House	21.37		9.79	<b>31.16</b>	22.10	0.00	10.12	<b>32.22</b>	<b>1.06</b>	(0.67)	<b>0.39</b>
Hampson Fold	11.13	8.33		<b>19.46</b>	11.51	8.33		<b>19.84</b>	<b>0.38</b>	(0.70)	<b>(0.32)</b>
Harwood House	11.13	8.33	19.59	<b>39.05</b>	11.51	8.33	20.26	<b>40.10</b>	<b>1.04</b>	(0.61)	<b>0.43</b>
Limegrove	11.13	8.33		<b>19.46</b>	11.51	8.33		<b>19.84</b>	<b>0.38</b>	(0.66)	<b>(0.28)</b>
Maple Grove	11.13	8.33		<b>19.46</b>	11.51	8.33		<b>19.84</b>	<b>0.38</b>	(0.73)	<b>(0.35)</b>
Moorfield	11.13	8.33	22.42	<b>41.88</b>	11.51	8.33	23.18	<b>43.02</b>	<b>1.14</b>	(0.69)	<b>0.45</b>
Mosses House	11.13	8.33	17.79	<b>37.25</b>	11.51	8.33	18.40	<b>38.24</b>	<b>0.98</b>	(0.58)	<b>0.40</b>
Stanhope Court	11.13	8.33	9.03	<b>28.49</b>	11.51	8.33	9.33	<b>29.17</b>	<b>0.69</b>	(0.59)	<b>0.10</b>
Taylor House	11.13	8.33	20.01	<b>39.47</b>	11.51	8.33	20.69	<b>40.53</b>	<b>1.06</b>	(0.62)	<b>0.44</b>
Top O'th Fields 1	11.13	8.33	19.29	<b>38.75</b>	11.51	8.33	19.95	<b>39.78</b>	<b>1.03</b>	(0.73)	<b>0.30</b>
T O'th F 2 (Welcomb Walk)	11.13	8.33		<b>19.46</b>	11.51	8.33		<b>19.84</b>	<b>0.38</b>	(0.78)	<b>(0.40)</b>
Waverley Place	11.13	8.33	21.21	<b>40.66</b>	11.51	8.33	21.93	<b>41.76</b>	<b>1.10</b>	(0.63)	<b>0.47</b>
Wellington House	11.13	8.33	28.68	<b>48.14</b>	11.51	8.33	29.66	<b>49.49</b>	<b>1.35</b>	(0.68)	<b>0.67</b>

**HRA VOID LEVEL OPTIONS - 2019/20**

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

<b>VOIDS</b>	<b>RENT LOSS</b>	<b>DIFFERENCE FROM ASSUMED VOIDS LEVEL (1.1%)</b>
<b>%</b>	<b>£</b>	<b>£</b>
0.40	115,600	-202,300
0.50	144,500	-173,400
0.60	173,400	-144,500
0.70	202,300	-115,600
0.80	231,200	-86,700
0.90	260,100	-57,800
1.00	289,000	-28,900
1.10	317,900	0
1.20	346,800	28,900
1.30	375,700	57,800
1.40	404,600	86,700
1.50	433,500	115,600
1.60	462,400	144,500
1.70	491,300	173,400
1.80	520,200	202,300

**Proposed Specific Capital Projects 2019/20**

**Internal Schemes**

Chapelfield Kitchens & Bathrooms  
Chesham Kitchens & Bathrooms  
Bolton Rd Turks Kitchens & Bathrooms  
Freetown Kitchens, Bathrooms & Heating  
Outwood Kitchens, Bathrooms & Heating  
Bent Hill Kitchens & Bathrooms  
Springs Kitchens & Bathrooms  
Top o'th Fields heating

**External Schemes**

Polefield Chimneys  
Victoria Windows & Doors  
Elms Roofing

## 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 45 properties throughout the year would cost around £74k.	H 100 %	Budget 2019/20 assumes 60 sales. Current sales levels are around this level but the level of applications can be influenced by outside factors such as the general economy or promotion of	85	85
Higher level of void (empty) properties - increase loss of rental income	A 0.7% increase in void loss costs the HRA £202k in a full year.	H 100 %	Budget 2019/20 assumes 1.1% void rental loss. Whilst current performance is meeting this target it may prove difficult to maintain.	200	200
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 £6.11.	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	50	50
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 2019/2020 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 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 £232k.	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 if it picks up a larger share of existing higher interest rate debt or when pre self financing loans are replaced. Borrowing for new developments could be at a higher rate than when the	235	140

## 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 3 year capital investment programme for 2018-2021 was determined on the basis of the resources required to maintain the stock at a Decent Homes Plus level however it is felt prudent to allow for the possibility of any unforeseen or urgent	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 2019/2019 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 mad.	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 2019/20 budget does not contain any provision for these costs as the timing and extent of such costs has not yet been fully	40	40
				<b>1275</b>	<b>1040</b>