

HOUSING REVENUE ACCOUNT

	2014/15		2015/16
	Original Estimate £	Revised Estimate £	Original Estimate £
INCOME			
Dwelling rents	30,187,600	30,060,100	30,639,500
Non-dwelling rents	220,800	220,400	220,400
Heating charges	71,600	73,800	73,800
Other charges for services and facilities	904,100	928,100	950,800
Contributions towards expenditure	53,900	53,900	53,900
Total Income	31,438,000	31,336,300	31,938,400
EXPENDITURE			
Repairs and Maintenance	6,852,500	6,852,500	6,907,500
General Management	6,772,800	6,932,500	7,028,200
Special Services	1,061,100	1,055,600	1,102,100
Rents, rates, taxes and other charges	50,000	90,000	93,200
Increase in provision for bad debts - uncollectable debts	184,400	184,300	187,200
Increase in provision for bad debts - impact of Benefit Reform	430,400	100,000	312,000
Cost of Capital Charge	4,530,300	4,531,900	4,531,900
Depreciation of fixed assets - council dwellings	7,361,500	7,361,500	7,619,100
Depreciation of fixed assets - other assets	40,500	41,900	41,900
Debt Management Expenses	40,700	40,600	40,600
HRA subsidy payable	0	0	0
Contribution to/(from) Business Plan Headroom Reserve	(358,000)	(445,800)	(1,018,500)
Total Expenditure	26,966,200	26,745,000	26,845,200
Net cost of services	(4,471,800)	(4,591,300)	(5,093,200)
Amortised premia / discounts	(14,600)	(14,600)	(14,600)
Interest receivable - on balances	(164,200)	(66,200)	(65,400)
Interest receivable - on loans (mortgages)	(1,900)	(1,000)	(1,000)
Net operating expenditure	(4,652,500)	(4,673,100)	(5,174,200)
Appropriations			
Appropriation relevant to depreciation and MRA		0	0
Revenue contributions to capital	4,652,500	4,673,100	5,174,200
(Surplus) / Deficit	0	0	0
Working balance brought forward	(1,000,000)	(1,000,000)	(1,000,000)
Working balance carried forward	(1,000,000)	(1,000,000)	(1,000,000)

Sheltered Support and Amenity Charges
Current charges 2014/15 and proposed charges 2015/16

Scheme	Total Current Charges 2014/15 £	Proposed Management Charge 2015/16 £	Proposed Support Charge 2015/16 £	Proposed Amenity Charge 2015/16 £	Total Proposed Charges 2015/16 £	Increase over current charges £
Beech Close	18.51	10.40	8.33		18.73	0.22
Chelsea Avenue	18.51	10.40	8.33		18.73	0.22
Clarkshill	34.45	10.40	8.33	16.13	34.86	0.41
Elms Close	20.37	10.40	8.33	1.88	20.61	0.24
Falcon House	23.49	19.97		9.43	29.40	5.91
Griffin Close	18.51	10.40	8.33		18.73	0.22
Griffin House	23.21	19.97		9.15	29.12	5.91
Hampson Fold	18.51	10.40	8.33		18.73	0.22
Harwood House	36.60	10.40	8.33	18.31	37.04	0.44
Limegrove	18.51	10.40	8.33		18.73	0.22
Maple Grove	18.51	10.40	8.33		18.73	0.22
Moorfield	39.21	10.40	8.33	20.95	39.68	0.47
Mosses House	34.93	10.40	8.33	16.62	35.35	0.42
Stanhope Court	26.84	10.40	8.33	8.43	27.16	0.32
Taylor House	36.98	10.40	8.33	18.69	37.42	0.44
Top O'th Fields 1	36.33	10.40	8.33	18.03	36.76	0.43
T O'th F 2 (Welcomb Walk)	18.51	10.40	8.33		18.73	0.22
Waverley Place	38.09	10.40	8.33	19.81	38.54	0.45
Wellington House	44.99	10.40	8.33	26.80	45.53	0.54

HRA VOID LEVEL OPTIONS - 2015/16

Rent loss is calculated assuming an average rent increase of 2.2% for 2015/16

Figures exclude Springs TMO which has a fixed voids allowance - currently 2%

VOIDS	RENT LOSS	DIFFERENCE FROM ASSUMED VOIDS LEVEL (2%)
%	£	£
1.10	329,267	-209,533
1.20	359,200	-179,600
1.30	389,133	-149,667
1.40	419,067	-119,733
1.50	449,000	-89,800
1.60	478,933	-59,867
1.70	508,867	-29,933
1.80	538,800	0
1.90	568,733	29,933
2.00	598,667	59,867
2.10	628,600	89,800
2.20	658,533	119,733
2.30	688,467	149,667
2.40	718,400	179,600
2.50	748,333	209,533

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. £3,900 in lost rental income in a full year. A loss of 50 properties throughout the year would cost around £100,000	H 100%	Budget 2015/16 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 £224,600 in a full year.	H 100%	Budget 2015/16 assumes 1.8% void rental loss. There is a possibility that the level may be higher particularly as current performance is not meeting this target.	225	225
Increase in Management Fee paid to Six Town Housing - non pay inflation	If non pay inflation was to be 2% higher than assumed then this would amount to £117,000. 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 2015/16 allows for 0% increase on the majority of non pay elements of the Management Fee. This includes expenditure on the Repairs and Maintenance service.	120	70
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 2015/16 allows for contributions of £499,200 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.	470	470

HOUSING REVENUE ACCOUNT - RISK ASSESSMENT

Risk Event	Impact	Risk Level	Likelihood	Max. Impact £000	Min. Provision £000
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.	100	60
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% higher than assumed then this would amount to £41,900.	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 small scale voluntary transfer	As the transfer proposals are progressing to the next stage then the HRA will incur costs associated with this.	H 100%	The 2015/16 budget does not contain any provision for these costs as the timing and extent of such costs has not yet been fully established.	50	50
				1105	1005