

<i>HOUSING REVENUE ACCOUNT</i>

2003-04 £000		2004-05 £000
	INCOME	
(18,120)	Rents from Dwellings (gross)	(17,957)
(450)	Rents from Non-Dwellings (gross)	(468)
(1,526)	Charges for Services and Facilities	(2,038)
(7,738)	Housing Subsidy Receivable	-
	Note 9	
(38)	Transfer from General Fund	-
(1,754)	- Discretionary Rent Rebates	-
	Contributions towards Expenditure	(2,031)
(29,626)		(22,494)
	EXPENDITURE	
4,537	Repairs and Maintenance	4,871
9,777	Supervision and Management	9,329
183	Rents, Rates, Taxes and Other Charges	224
11,245	Rent Rebates	-
-	Negative Subsidy - Payment to Secretary of State	4,033
	Note 9	
169	Increase in Provision for Bad and Doubtful Debts	158
11,855	Cost of Capital Charge	12,072
	Note 6	
3,926	Depreciation and Impairment of Fixed Assets	3,703
	Note 8	
491	Amortisation of Deferred Charges	330
	Note 4	
6	Debt Management Costs	2
42,189		34,722
12,563	NET COST OF SERVICES	12,228
(11,928)	Asset Management Revenue Account	(12,134)
	Note 7	
-	Transfers from General Fund as directed by the Secretary of State	157
	Note 9	
(21)	HRA Investment Income	(16)
(84)	- Mortgage Interest	(16)
	- Interest on notional Cash Balances	(88)
530	NET OPERATING EXPENDITURE	147
210	Direct Revenue Funding of Capital Expenditure	1,309
	Note 4	
242	HRA Contribution to Minimum Repayment Provision	-
(150)	Transfer to / (from) Major Repairs Reserve	(150)
	Note 3	
832	DEFICIT FOR YEAR	1,306
24	Prior Year Adjustment	-
(2,867)	HRA Balance - Brought Forward	(2,011)
	Note 11	
(2,011)	HRA Balance - Carried Forward	(705)
	Note 11	

HOUSING REVENUE ACCOUNT

1. GENERAL

The Housing Revenue Account results from the statutory obligation to account separately for the income and expenditure relating to the provision of council housing. It shows the major elements of housing expenditure on maintenance, management, negative subsidy and capital financing costs and how these are met from rents, service charges and other income.

2. HOUSING STOCK ANALYSIS

As at 31 March 2005, 4,919 equivalent number of dwellings were managed in the HRA (4,972 as at 31 March 2004). The number and type of dwellings comprising the Council's housing stock can be summarised as follows;

	As at 31st March 2004	As at 31st March 2005
Flats		
- low rise (up to 2 storeys)	1,084	1,076
- medium rise (3-5 storeys)	2,094	2,067
- high rise (6+ storeys)	446	444
	3,624	3,587
Houses and Bungalows	1,288	1,272
Equivalent number of dwellings for multi-occupied premises (hostels)	35	35
Shared Ownership	25	25
Total Stock (all dwellings)	4,972	4,919

Asset Valuations: Value of land, houses and other property managed within the HRA

	Balance Sheet Values	
	As at 31st March 2004 £000	As at 31st March 2005 £000
Operational Assets		
- Dwellings	338,727	368,922
- Land and other property	6,188	7,459
Non-Operational Assets	537	428
	345,452	376,809
Vacant possession valuation		
- Dwellings	714,264	773,389

The valuation of the stock is in accordance with the Office of the Deputy Prime Minister's 'Guidance on Stock Valuation for Resource Accounting'.

The basis of valuation for operational property is Existing Use Value for non-housing property and Existing Use Value for Social Housing for housing property.

The basis for non-operational property is Open Market Value.

The variance between the Balance Sheet Value and the Vacant Possession value of the dwellings shows the economic cost to Government of providing council housing at less than open market rents.

<i>HOUSING REVENUE ACCOUNT</i>

3. MAJOR REPAIRS RESERVE

An analysis of the movement on the Major Repairs Reserve for the financial years 2003-04 and 2004-05

	2003-04 £000	2004-05 £000
Balance brought forward 1 st April	-	-
Contribution to Reserve	(3,926)	(3,703)
Contribution towards Capital Expenditure	3,776	3,553
Transfer to / from Revenue	150	150
Balance carried forward 31 st March	-	-

4. HRA CAPITAL EXPENDITURE

	2003-04 £000	2004-05 £000
Capital Expenditure for the Year		
- Council Dwellings	3,338	3,886
- Other Land and Buildings	47	454
- Deferred Charges	491	330
Total Capital Expenditure	3,876	4,670
Financed by;		
- Borrowing	-	-
- Government Grant	(5)	-
- Usable Capital Receipts	(93)	(53)
- Direct from Revenue	(210)	(1,309)
- Major Repairs Reserve	(3,776)	(3,553)
- Sundry Creditors and Accruals	208	-
Total Capital Financing	(3,876)	(4,915)*

Deferred Charges relate to capital expenditure for which no tangible asset is created. These include expenditure on grants given under the Tenant's Assisted Purchase Scheme, expenditure on feasibility studies undertaken to ascertain the medium to longer term investment requirements for the Council's total housing stock (including those needed to meet the government's Decent Homes policy).

* Under the requirements of the Prudential Code of Practice, with effect from 1st April 2004 capital expenditure financing changed from a cash basis to an accrued basis. This means that for 2004-05 the total financed includes amounts raised as accruals in 2003-04 of £245k and £393k raised in 2004-05 that would have been carried forward if capital had been financed on a cash basis.

5. SUMMARY OF TOTAL CAPITAL RECEIPTS

	2003-04 £000	2004-05 £000
Sales of Council Houses	(4,390)	(1,848)
Sales of Leasehold Flats	(3,030)	(2,159)
Equity Sharing	(499)	(79)
Mortgage Receipts	(154)	(63)
Other Receipts	(15)	(25)
Total Capital Receipts	(8,088)	(4,174)

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6. COST OF CAPITAL CHARGED TO THE HOUSING REVENUE ACCOUNT

In accordance with the Item 8 Credit and Item 8 Debit of the General Determination issued by the ODPM, the amount charged to the HRA was calculated as follows:

	2003-04 £000	2004-05 £000
Book value of operational assets 1 st April	338,700	344,915
Cost of Capital Charge (3.5%)	11,855	12,072
Other Capital Charges		
- HRA amount set aside for Debt Redemption	242	-
- Interest Payable	418	268
- Debt Management Expenses	6	2
Other Capital Charges	666	270

7. TRANSFERS TO AND FROM THE ASSET MANAGEMENT ACCOUNT (AMRA)

	2003-04 £000	2004-05 £000
Interest Charge on Notional Debt	418	268
Fixed asset annual depreciation charge	3,926	3,703
Deferred Charges	(491)	(330)
Cost of Capital (notional interest)	(11,855)	(12,072)
Cost of Capital (depreciation)	(3,926)	(3,703)
Transfer to HRA	(11,928)	(12,134)

8. TOTAL DEPRECIATION CHARGE FOR PROPERTY MANAGED WITHIN THE HRA

	2003-04 £000	2004-05 £000
Operational Assets		
- Housing	3,776	3,553
- Non-Housing	150	150
- Non-Operational Assets	-	-
Total Depreciation	3,926	3,703

All non-operational buildings are leased commercially therefore depreciation is not applicable.

HOUSING REVENUE ACCOUNT

9. HRA NEGATIVE SUBSIDY PAYMENT TO SECRETARY OF STATE

There have been a number of changes in the subsidy regulations from 2004-05 onwards. The Council now pays negative Housing Subsidy to the Government of an amount equivalent to the surplus of income over expenditure on the notional HRA (as determined by the Office of the Deputy Prime Minister). Housing Benefits are now paid from the General Fund and reimbursed by the Department for Work and Pensions. The Secretary of State directed that an amount of £157,000 should be paid by the HRA to the General Fund in 2004-05 under the transitional arrangements in respect of this transfer.

NOTIONAL HOUSING REVENUE ACCOUNT AND CALCULATION OF HOUSING SUBSIDY

	2003-04 £000	2004-05 £000
Expenditure		
Management and Maintenance (notional)	7,276	7,741
Rent Rebates (actual)	11,006	-
Capital Financing (notional)	1,713	1,154
Major Repairs Allowance	3,776	3,703
Admissible Allowance	-	105
Anti Social Behaviour Allowance	-	1
	23,771	12,704
Income		
Notional Income from Rents	(16,107)	(16,713)
Notional Income from Mortgage Interest on sales of former HRA dwellings	(29)	(24)
	7,635	(4,033)
Prior year adjustments	103	-
Housing Subsidy due for the year	7,738	(4,033)

10. GROSS RENT ARREARS OF PROPERTIES MANAGED IN THE HRA

This is the arrears on the income due to the Council for the year from rent charges in respect of dwellings and other property managed within the account and is shown before rent rebates.

	31st March 2004 £000	31st March 2005 £000
Gross Rent Arrears	1,845	1,864
Amount written off in the year	49	67
Provision for Bad Debts	(1,264)	(1,339)

11. HRA WORKING BALANCE

The HRA working balance is available to meet a deficit on the HRA in future years. However, part of the HRA balance has been earmarked for specific rather than general use, as shown by the table below.

	31st March 2004 £000	31st March 2005 £000
HRA Working Balance - Unallocated	566	648
HRA Working Balance - Earmarked	1,445	57
Overall HRA Working Balance	2,011	705