

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
ESTIMATES 2013/14**

HOUSING REVENUE ACCOUNT ESTIMATES 2013/14

Introduction

The Housing Revenue Account (HRA) has been prepared in accordance with the Local Government and Housing Act 1989, as amended by the Leasehold Reform, Housing and Urban Development Act 1993 and the Local Government Act 2003. Under this legislation the Secretary of State for the Department of Communities and Local Government (CLG) has the power to issue directives in respect of appropriate income and expenditure items and the calculation of central government subsidy entitlement.

The balance at 31 March 2013 is expected to be £3.65m, after a deficit of £0.87m in 2012/13 and a surplus of £0.05m in 2013/14. The major influences on these figures have been a reduction of £1m in Revenue Contributions to Capital; an increase in Council rents income of £1.8m and the proposal to transfer 10% annually of the variable rate loan taken out on the inception of HRA self financing to a debt repayment reserve.

The HRA subsidy system ceased at the end of 2011/12 when this Council was required to pay to Whitehall their notional HRA surplus, as determined by the subsidy settlement. From April 2012 the new Self Financing system, where councils will keep all rents in exchange for an allocation of housing debt came into effect. The council borrowed £185.456m in 6 tranches, 5 long term fixed rate loans maturing in 2038 and annually thereafter, and 1 shorter term variable loan maturing in March 2022.

Thirty Year Forecast

The Council has for a number of years produced an HRA thirty year forecast, however with the advent of self financing this has taken on more prominence. The forecast will be updated on a regular basis to check actual progress against the plan and where necessary make amendments. The updated forecast is to be presented to members twice annually.

Five Year Forecast

An updated HRA five year forecast to the year 2017/18 will be produced once the budget has been finalised and the 30 year forecast updated.

Supervision, Management and Maintenance

Management and maintenance expenditure in 2012/13 has reduced by 4.27% (£589,000) in the probable outturn compared to the original estimates. In 2013/14 the costs have increased by 0.45% (£62,000) compared to the original 2012/13. Much of the reduction in 2012/13 relates to the Service Enhancements that have now been identified as Capital Expenditure referred to below. The increase in 2013/14 is fairly insignificant but it is likely that a proportion of the £570,000 identified as Service Enhancements will be reclassified as Capital Expenditure.

Service Enhancements

The Service Enhancements included in the original estimate of £770,000 have now been allocated to the appropriate headings to the value of £694,000, with the remainder (£76,000) being moved into 2013/14. Of this £694,000, £499,000 is for Capital improvements, £52,000 is for one off Revenue items and £143,000 for ongoing revenue items. In 2013/14 the figure for enhancements is £800,000 with £230,000 being allocated to their appropriate headings.

Depreciation

Under IFRS, introduced for the financial year 2010/11 there is a requirement to value and depreciate significant components of assets separately. The life cycles used until 31 March 2012 were based on the decent homes standard, however from 1 April the Council's decent homes plus standard has been used which has meant that generally components will be replaced sooner than before. The effect has been to increase substantially the depreciation charge. The original estimate for 2012/13 was £12.9m this has increased to £19m and £18.4m in 2012/13 probable outturn and 2013/14 estimate respectively. The year on year increase is therefore £5.5m.

Housing Repairs Fund

The Housing Repairs Fund balance as at 1 April 2012 was £3.915m, and is estimated to be reduced down to £0.765m by the end of 2017/18. This is based on a contribution from the HRA set at £5.2m per year for 2012/13 and 2013/14. After that, it is proposed to reduce the contribution to £4.2m to meet expected expenditure.

Major Repairs Reserve

The Major Repairs Reserve balance as at 1 April 2012 was £8.24m, and is predicted to reduce to £2.168m by the end of 2013/14.

Capital Expenditure

Capital expenditure charged to revenue is based on the latest predictions of availability of funds to finance the capital programme. The contribution in 2012/13 and beyond to the programme is forecasted to be £4.2m.

Works Unit

The housing works unit carries out a significant proportion of the repairs required to the Council's stock. The total cost of the unit is recharged to either the Housing Repairs Fund or (for capital projects) to the HRA Capital Programme.

Housing Subsidy

Housing Subsidy has been abolished and the negative subsidy of £11.304m (2011/12) paid to the Government has been replaced by an annual interest charge of around £5.5m. All things being equal there is an additional £5.8m available to the HRA in 2012/13 and whilst the principal sum borrowed (£185.456m) has to be repaid the thirty year plan shows that over that period there will be more than enough finance available for this to happen as well as invest in HRA service improvements.

Proposed Rent Increase

From 2003/04 rents were set with reference to a new formula based on property values, number of bedrooms and local earnings. The scheme is referred to as rent restructuring, and its intention is to ensure that rents for broadly similar properties should be the same, regardless of whether the landlord is the local authority or a registered social landlord.

The rent for each property moves in equal steps towards its target rent which should be reached in April 2017. This progression is limited by a maximum increase or decrease of £2 per week over inflation plus 0.5%, and is subject also to a predetermined maximum rent (cap) for each size of property. It was acknowledged that some rents would not reach their target rent by 2017 because of the £2 limit but none will be constrained by the cap. Any rents not reaching the target by 2017 would continue to move until such time as they did reach their target.

The proposed average rent increase for 2013/14 is 4.36% (£3.97), which gives an average rent for 2013/14 of around £91.03.

Interest on Receipts and Balances

The HRA interest income has remained relatively low during 2012/13 as the bank rate has remained at 0.5% since March 2009 and the further decline of the financial markets has meant that the Council can only invest with a limited number of counterparties and for shorter durations. All these have contributed to lower yields being achieved.

Interest Payable on Loans

This is a new charge to the HRA for the servicing of debts the Council will be taking up as a result of the cessation of the subsidy system.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT SUMMARY**

2011/12	2012/13			2013/14
Actual £000's	Original Estimate £000's	Probable Outturn £000's		Original Estimate £000's
			EXPENDITURE	
3,716	3,878	4,041	Supervision & Management General	4,083
3,222	3,471	3,484	Supervision & Management Special	3,509
496	481	485	Rents, Rates Taxes & Insurances	500
5,200	5,200	5,200	Contribution to Repairs Fund	5,200
0	770	0	Improvements / Service Enhancements	570
12,634	13,800	13,210	MANAGEMENT & MAINTENANCE	13,862
10,032	12,921	19,005	Depreciation	18,418
141	44	51	Treasury Management Expenses	53
11,304	0	0	HRA Subsidy Payable	0
90	114	118	Provision for Bad/Doubtful Debts	200
34,201	26,879	32,384		32,533
			INCOME	
27,538	29,148	29,251	Gross Rent of Dwellings	31,080
889	891	881	Non Dwellings Rent	898
1,545	1,620	1,619	Charges for Services & Facilities	1,652
306	322	329	Contribution from General Fund	346
30,278	31,981	32,080		33,976
3,923	(5,102)	304	NET COST OF SERVICES	(1,443)

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT SUMMARY**

2011/12		2012/13			2013/14
<i>Actual</i>	<i>Original</i>	<i>Probable</i>			<i>Original</i>
<i>£000's</i>	<i>Estimate</i>	<i>Outturn</i>			<i>Estimate</i>
	<i>£000's</i>	<i>£000's</i>			<i>£000's</i>
3,923	(5,102)	304	NET COST OF SERVICES		(1,443)
(637)	(525)	(462)	Interest on Receipts and Balances		(395)
61	6,312	5,547	Interest Payable on Loans		5,571
(5,054)	(5,989)	(12,073)	Transfer from MRR		(11,496)
(50)	(43)	(48)	Reversal of DLO depreciation		(58)
469	579	622	Pensions Interest Payable/Return on Assets		622
<u>(1,288)</u>	<u>(4,768)</u>	<u>(6,110)</u>	NET OPERATING INCOME		<u>(7,199)</u>
			APPROPRIATIONS		
2,050	5,200	4,200	Capital Exp. Charged to Revenue		4,200
(25)	(131)	(332)	FRS 17 Adjustment		(308)
24	0	0	Transfer to Capital Reserves		0
0	0	3,180	Transfer to Debt Repayment Reserve		3,180
650	0	0	Transfer to Insurance Fund		0
(19)	0	0	Leave Accruals		0
<u>2,680</u>	<u>5,069</u>	<u>7,048</u>			<u>7,072</u>
<u>1,392</u>	<u>301</u>	<u>938</u>	(SURPLUS)/DEFICIT FOR YEAR		<u>(127)</u>
5,886	4,938	4,494	BALANCE BROUGHT FORWARD		3,556
1,392	301	938	(SURPLUS)/DEFICIT FOR YEAR		(127)
<u>4,494</u>	<u>4,637</u>	<u>3,556</u>	BALANCE CARRIED FORWARD		<u>3,683</u>

**HOUSING DIRECTORATE
HOUSING REPAIRS FUND SUMMARY**

2011/12	2012/13			2013/14
<i>Actual</i> £000's	<i>Original Estimate</i> £000's	<i>Probable Outturn</i> £000's		<i>Original Estimate</i> £000's
			EXPENDITURE	
3,037	3,043	2,649	Responsive and Void Repairs	2,778
2,333	2,509	1,847	Planned & Cyclical Maintenance	2,258
35	109	114	Other items	85
5,406	5,661	4,611	TOTAL EXPENDITURE	5,121
(5,200)	(5,200)	(5,200)	CONTRIBUTION FROM HRA	(5,200)
206	461	(589)	(SURPLUS)/DEFICIT FOR YEAR	(79)
4,121	3,953	3,915	BALANCE BROUGHT FORWARD	4,504
206	461	(589)	(SURPLUS)/DEFICIT FOR YEAR	(79)
3,915	3,492	4,504	BALANCE CARRIED FORWARD	4,583

**HOUSING DIRECTORATE
MAJOR REPAIRS RESERVE SUMMARY**

2011/12	2012/13			2013/14
<i>Actual</i> £000's	<i>Original Estimate</i> £000's	<i>Probable Outturn</i> £000's		<i>Original Estimate</i> £000's
			EXPENDITURE	
3,277	7,613	5,218	CAPITAL EXPENDITURE	8,709
5,054	5,989	12,073	TRANSFERRED TO HRA	11,496
<u>8,331</u>	<u>13,602</u>	<u>17,291</u>	TOTAL EXPENDITURE	<u>20,205</u>
<u>(10,032)</u>	<u>(12,921)</u>	<u>(19,005)</u>	DEPRECIATION	<u>(18,418)</u>
<u>(1,701)</u>	<u>681</u>	<u>(1,714)</u>	(SURPLUS)/DEFICIT FOR YEAR	<u>1,787</u>
6,540	6,612	8,241	BALANCE BROUGHT FORWARD	9,955
(1,701)	681	(1,714)	(SURPLUS)/DEFICIT FOR YEAR	1,787
<u>8,241</u>	<u>5,931</u>	<u>9,955</u>	BALANCE CARRIED FORWARD	<u>8,168</u>

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
SUPERVISION AND MANAGEMENT GENERAL**

Policy and Management

The increase in estimated costs for the probable outturn and 2013/14 is due to ongoing consultancy and work on updating the 30 year business plan. With HRA self financing it is more important than ever to make sure the business plan is up to date.

Sale of Council Houses

Cost are broadly in line with previous years with about 45 to 48% of total costs relating to sales that eventually progress.

Capital Monitoring

Support Service Allocations have reduced in both 2012/13 and 2013/14 most of this change affects managing tenancies below.

Pay & Display Car Parks

This relates to the two car parks at Burton and Vere Road that are owned by the HRA. There has been an increase in CCTV camera costs in both years, however in 2013/14 car park management cost have reduced due to the new car parking management contract with the North Essex Parking Partnership (NEPP).

Housing Computer System

There are costs of £46,000 included in the probable outturn and the original 2013/14 budgets for the implementation of Information at Work in the Housing Directorate. The Consultancy costs of implementing the leasehold module are also included costing £5,000 in both 2012/13 and 2013/14.

Tenant Participation

The increase in the probable outturn and 2013/14 budgets relates an increased allocation from Housing Services staff.

Contribution to General Fund

The reduction in the probable outturn relates to the HRA proportion of savings that occurred prior to the appointment of a new Chief Executive. In 2013/14 costs return to a similar level to the original 2012/13 estimates.

Repairs Management

The Housing Assets group have allocated more time to capital schemes in both 2012/13 and 2013/14. This is more appropriate as a significant proportion of time is spent on these projects. The repairs team allocations have increased in 2013/14.

Managing Tenancies

A vacancy allowance of 2.5% of the total HRA salaries is included in both the original 2012/13 and 2013/14 budgets, reducing the overall costs in those years by about £138,000 and £114,000 respectively. There is no vacancy allowance figure in the probable outturn, hence the higher costs reported. The allocation from the Housing Management Group and support services have increased particularly in 2013/14 to offset the aforementioned vacancy allowance.

Waiting Lists and Allocations

The decrease in the probable outturn and 2013/14 budgets is mainly due to a reduction in the cost of choice based lettings.

Rent Determination & Collection

The changes in the budgets are mainly due to an increase in support service recharges.

Housing Management Support Services

The charges here relate to support given to tenants rather than the management of the stock itself. There is an increase in both years as staff time allocations have increased.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
SUPERVISION & MANAGEMENT GENERAL**

2011/12	2012/13			2013/14
Actual £000's	Original Estimate £000's	Probable Outturn £000's		Original Estimate £000's
326	330	381	Policy and Management	384
57	57	54	Sale of Council Houses	58
91	99	52	Capital Monitoring	53
53	46	54	Pay and Display Car Parks	48
11	46	57	Housing Computer System	55
69	81	84	Tenant Participation	87
609	655	699	Contribution to General Fund	686
761	810	691	Repairs Management	726
813	733	917	Managing Tenancies	866
290	328	308	Waiting Lists & Allocations	315
461	509	537	Rent Determination & Collection	577
175	184	208	Housing Management Support Services	228
3,716	3,878	4,041		4,083

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
SUPERVISION AND MANAGEMENT SPECIAL**

Aged Persons Management

There has been a small increase in Support Service allocations in 2013/14 otherwise the budget is relatively stable.

Aged Persons Support

This budget represents support given to tenants rather than the management of the property itself and is therefore primarily made up of employee related costs. There has been a slight increase in the probable outturn 2012/13 relating to staff allocations.

Special Items

There have been some savings on heating costs as more boilers are installed across the district but this has been more than offset by the service enhancements that have now been identified to particular headings. Additional funding has been identified for the VAEF provided garden maintenance service (£20,000), dog bins on HRA land (£7,000), an addition to the Estate Enhancement Fund (£20,000) and the furniture recycling scheme (£10,000).

Homelessness Management

There have been a couple of reductions to this budget relating to the cost of providing the CCTV cameras and support service allocations.

Homelessness Support

Less time has been allocated here from the Housing Options group in both 2012/13 and 2013/14.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
SUPERVISION & MANAGEMENT SPECIAL**

2011/12		2012/13			2013/14
<i>Actual</i>	<i>Original</i>	<i>Probable</i>			<i>Original</i>
<i>£000's</i>	<i>Estimate</i>	<i>Outturn</i>			<i>Estimate</i>
	<i>£000's</i>	<i>£000's</i>			<i>£000's</i>
765	801	803	Aged Persons Management		813
450	502	512	Aged Persons Support		502
1,704	1,854	1,871	Special Items		1,904
274	284	279	Homelessness Management		271
29	30	19	Homelessness Support Services		18
3,222	3,471	3,484			3,509

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
RENTS, RATES, TAXES & INSURANCES**

Dwelling Insurance

This budget comprises buildings insurance on the Council's properties. Valuation for Insurance purposes were recently re assessed. The costs in 2013/14 have increased slightly due to inflation

NDR and Council Tax

These are business rates payable on the Council's community centres and Council tax payable in respect of Norway House. The increase in probable outturn and 2013/14 estimates is due to an increase in the number of void properties where rates are still payable, most of these (about 20) are at Marden close.

Other Insurances and Recharges

This mainly relates to public liability insurance for HRA land. This increase is due to the value of claims experienced in this area.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
RENTS, RATES, TAXES & INSURANCE**

2011/12	2012/13			2013/14
Actual	Original	Probable		Original
£000's	Estimate	Outturn		Estimate
	£000's	£000's		£000's
256	261	256	Dwelling Insurances	264
45	46	51	NDR and Council Tax	52
15	16	16	Water Charges	15
180	158	163	Other Insurances and Recharges	169
496	481	485		500

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
OTHER EXPENDITURE**

Capital Expenditure Charged to Revenue

Capital Expenditure Charged to Revenue is set at £4.2m in the probable outturn and the 2013/14 estimates.

Treasury Management Expenses

This relates to a proportion of the costs of the Council's Treasury Management function. As a substantial proportion of the interest income received is passed on to the HRA, most of the cost is borne by the HRA.

Additional ongoing advice is required in relation to the Council's HRA debt portfolio this amounts to around £9,000 per annum.

Bad Debts

The contribution to the bad debts provision is based on an assessment of the likelihood of a particular debt category being paid. The assessment takes into account the level of arrears, the size of individual debts and whether those debts relate to current or former tenants.

During 2013/14 welfare reforms are due to come into effect whereby Rent Rebates currently paid to the tenants rent account will be paid directly to tenants. This is likely to have an adverse effect on the HRA in that rent arrears are expected to increase. To reflect this an increase to the bad debt provision is anticipated (£200,000) though the full effect will take some time.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
OTHER EXPENDITURE**

2011/12	2012/13			2013/14
Actual	Original	Probable		Original
£000's	Estimate	Outturn		Estimate
£000's	£000's	£000's		£000's
2,050	5,200	4,200	Capital Expenditure Charged to Revenue	4,200
141	44	51	Treasury Management Expenses	53
90	114	118	Provision for Bad/Doubtful Debts	200
2,281	5,358	4,369		4,453

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
CAPITAL CHARGES**

Depreciation

Depreciation is based on the value of dwellings and their components and their estimated useful economic life. The latter is determined primarily by the replacement cycles adopted by the Council. From 1 April 2012 a new standard has been adopted referred to as the new modern standard. The substantial increases from that in the 2012/13 original budget reflect this change

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
CAPITAL CHARGES**

2011/12	2012/13			2013/14
<i>Actual</i> £000's	<i>Original Estimate</i> £000's	<i>Probable Outturn</i> £000's		Original Estimate £000's
10,032	12,921	19,005	Depreciation	18,418
<u>10,032</u>	<u>12,921</u>	<u>19,005</u>		<u>18,418</u>

HOUSING DIRECTORATE HOUSING REVENUE ACCOUNT PROPERTY RELATED INCOME

Gross Rent of Dwellings

The probable outturn is higher than the original 2012/13 estimate due to an increase in the usage of Norway House.

The rental income estimate for 2012/13 is based on a slightly reduced stock of houses (with an estimate of 7 council houses being sold) and a proposed average increase in rents of 4.36% (increase by £3.97 to £91.03 average rent). This is in line with the latest Government projection and convergence with registered social landlord rents is expected to be in April 2017. There is also additional income as there will be 53 Mondays (when rent is due) in 2013/14.

Business Premises

Income here relates to a few non dwelling rents that did not form part of the transfer to the General Fund in 2010/11

Garages

Garage rent charges will remain the same as in 2012/13. The weekly charge is currently £7.90 however additional income will be received in 2013/14 as it is a 53 week rent year.

Ground Rents

This relates to the ground rents for leaseholders.

Charges for Services and Facilities

The increase in 2013/14 is as a result of the fee increases agreed earlier in the budget cycle.

Contribution from General Fund

This is the contribution made towards grounds maintenance costs of housing land in relation to properties that have been sold under the housing Right to Buy legislation. The increase in contribution for both the probable outturn and the original 2013/14 is due to an increase in allocations from grounds maintenance.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
PROPERTY RELATED INCOME**

2011/12		2012/13			2013/14
<i>Actual</i>	<i>Original</i>	<i>Probable</i>			<i>Original</i>
<i>£000's</i>	<i>Estimate</i>	<i>Outturn</i>			<i>Estimate</i>
<i>£000's</i>	<i>£000's</i>	<i>£000's</i>			<i>£000's</i>
27,538	29,148	29,251	Gross Rent of Dwellings		31,080
9	15	16	Business Premises		16
871	867	855	Garages		872
9	9	9	Ground Rents		9
1,545	1,620	1,619	Charges for Services & Facilities		1,652
306	322	329	Contribution from General Fund		346
30,278	31,981	32,080	Property Related Income		33,976

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT SUBSIDY**

The HRA Subsidy system has now been replaced and therefore apart from an actual relating to 2011/12 no further expenditure or income is expected.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
HOUSING REVENUE ACCOUNT SUBSIDY**

<i>2011/12</i>	<i>2012/13</i>			<i>2013/14</i>
<i>Actual</i>	<i>Original</i>	<i>Probable</i>		<i>Original</i>
<i>£000's</i>	<i>Estimate</i>	<i>Outturn</i>		<i>Estimate</i>
<i>£000's</i>	<i>£000's</i>	<i>£000's</i>		<i>£000's</i>
10,994	0	0	Management and Maintenance	0
4,978	0	0	Major Repairs Allowance	0
(27,167)	0	0	Notional Rent Income	0
(161)	0	0	Interest on Receipts	0
(14)	0	0	Prior year adjustment	0
66	0	0	Asdjustment for self-financing	0
<u>(11,304)</u>	<u>0</u>	<u>0</u>	HRA Subsidy	<u>0</u>

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
INTEREST INCOME**

Revenue Balances

The income here represents the interest earned from ongoing revenue balances on the HRA, Repairs Fund and Major Repairs Reserve accounts. There is a small increase of £7,000 on probable outturn due to higher than expected balances, but a reduction of £29,000 in 2013/14. This is based on an interest rate of 1.15% for probable outturn (1.14% for original 2012/13) and 1% in 2013/14.

Capital Balances

The interest on capital balances is based on the mid year HRA Capital Financing Requirement (CFR). The CFR represents the authority's underlying need to borrow for capital purposes. The interest income relates to the charge made to the General Fund for its positive credit ceiling which in effect is due to internal borrowing from the HRA. The rate applied is the average rate on investments as above.

Mortgage Interest

The governing legislation states that the interest rate charged on Council mortgages must be the higher of the local average rate (calculated as the average rate payable on its external debt) or the standard national rate. Whilst the Council has now taken on debt related to HRA self financing the average rate on this is below the national rate at 3%. The charge on all mortgages is therefore the national rate. The standard national rate has remained the same at 3.13% since April 2009. There are now only five mortgages remaining.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
INTEREST INCOME**

2011/12	2012/13			2013/14
<i>Actual</i> £000's	<i>Original</i> <i>Estimate</i> £000's	<i>Probable</i> <i>Outturn</i> £000's		Original Estimate £000's
251	160	167	Revenue Balances	130
385	364	294	Capital Balances	263
1	1	1	Mortgages	1
637	525	462		395

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
INTEREST PAYABLE**

Interest on PWLB Loans

The Council took on debt of £185m toward the end of 2011/12. The purpose of this was to make a payment to Central Government on the cessation of the Housing Subsidy system. The Original budget for 2012/13 assumed a fixed rate of 4.24%. Once the debt portfolio was agreed, in consultation with the Council's treasury advisors, a portfolio of £154m fixed rate between 3.45% and 3.5% and variable rate of £32m currently at 0.62% was taken out. The Interest on this debt is expected to be a little over £5.5m per annum compared to £6.3m assumed previously.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
INTEREST PAYABLE**

2011/12	2012/13			2013/14
<i>Actual</i> £000's	<i>Original Estimate</i> £000's	<i>Probable Outturn</i> £000's		<i>Original Estimate</i> £000's
61	6,312	5,547	Interest on PWLB Loans	5,571
61	6,312	5,547		5,571

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
SUPPORT & TRADING SERVICES**

Housing Policy

This budget relates to the Director and Assistant Directors of Housing. The majority of costs are recharged to the HRA which is why this is reported here. Employee related costs have increased in both the probable outturn and the 2013/14 estimate.

Housing Services Administration

There has been a reduction in Office Accommodation charges and support services for both 2012/13 and 2013/14. The office that is now occupied by this team is smaller than that previously and therefore attracts a lower charge. This reduction is not a saving to the Council as others will have taken up the vacated area.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
SUPPORT & TRADING SERVICES**

2011/12	2012/13			2013/14
<i>Actual</i> £000's	<i>Original Estimate</i> £000's	<i>Probable Outturn</i> £000's		Original Estimate £000's
525	458	468	Housing Policy	473
525	537	491	Housing Services Administration	504
<u>1,050</u>	<u>995</u>	<u>959</u>		<u>977</u>

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
HOUSING REPAIRS FUND 5 YEAR PROGRAMME**

Responsive Repairs

This budget is categorised into responsive repairs, special works expenses, decorating allowances, asbestos removal, door entry maintenance, windows maintenance, Norway House maintenance and drainage (rodding). Because these works are not planned, the budgets can fluctuate significantly from year to year. The probable outturn is expected to be more or less in line with that originally forecasted with a slight increase in 2013/14. No significant budget changes are expected thereafter.

Voids Refurbishment

Voids expenditure has been reducing significantly over the last few years as more works are of a capital nature and have been allocated to the Capital programme. Going forward around £500,000 per annum is expected.

Planned Maintenance / Improvements

This budget is categorised into Gas servicing to council houses, Gas soundness checks and Sheltered housing heating. There are savings on gas servicing and repair and redecoration in the 2012/13 probable outturn however costs return to around £2.23 m in 2013/14. The longer term requirement is expected to be in the order of £2.3m.

Miscellaneous Projects

This budget is categorised into external lighting, disabled adaptations, compensation for improvements, sheltered scheme redecoration, estate enhancement fund, lift maintenance and digital TV repair. After some variances in 2012/13 and 2013/14, the figure included is expected to be consistent at around £200,000 as most of these budgets are of a cash limited nature.

Feasibilities

Little expenditure is expected in 2012/13 and there was only £2,000 spent in 2011/12. There is generally a few feasibilities each year and the amount included reflects this.

Income

These figures represent the expected contribution from leaseholders.

HOUSING DIRECTORATE								
HOUSING REPAIRS FUND FIVE YEAR PROGRAMME								
ACTUAL 2011/12	DETAIL	ORIGINAL ESTIMATE 2012/13	PROBABLE OUTTURN 2012/13	ORIGINAL ESTIMATE 2013/14	FORECAST SPENDING			
					2014/15	2015/16	2016/17	2017/18
£000's		£000's	£000's	£000's	£000's	£000's	£000's	£000's
2,315	Responsive Repairs	2,143	2,176	2,278	2,344	2,344	2,344	2,344
722	Voids Refurbishment	900	473	500	500	500	500	500
2,333	Planned Maintenance/ Improvements	2,509	1,847	2,258	1,900	2,300	2,300	2,300
139	Miscellaneous Projects	197	211	172	198	198	198	198
2	Feasibilities	13	1	10	12	12	13	13
(105)	Less Income	(101)	(97)	(97)	(100)	(100)	(100)	(100)
5,406	TOTAL EXPENDITURE	5,661	4,611	5,121	4,854	5,254	5,255	5,255
(4,121)	Balance brought forward	(3,953)	(3,915)	(4,504)	(4,583)	(3,929)	(2,875)	(1,820)
(5,200)	Contribution from H.R.A.	(5,200)	(5,200)	(5,200)	(4,200)	(4,200)	(4,200)	(4,200)
5,406	Less Expenditure above	5,661	4,611	5,121	4,854	5,254	5,255	5,255
(3,915)	BALANCE CARRIED FORWARD (SURPLUS) / DEFICIT	(3,492)	(4,504)	(4,583)	(3,929)	(2,875)	(1,820)	(765)

THIS PAGE IS INTENTIONALLY LEFT BLANK

HOUSING REVENUE ACCOUNT DIRECTORATE

SUBJECTIVE ANALYSIS 2013/14 Original

Cost Centre		Employees	Premises	Transport	Supplies	Other Contracted Services	Support Services	Depreciation & Other	Gross Expenditure	(Internally Recharged)	Fees & Charges	Government Grants / Other Contributions	Rental Income	Interest	Gross Income	Net Expenditure
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
SUPERVISION & MANAGEMENT GEN	YA															
Policy & Management	100	78,530	0	810	107,020	0	197,460	0	383,820						0	383,820
Sale of Council Houses	110	41,910	0	700	40	0	58,960	0	101,610	(43,490)	2,070			1,200	3,270	54,850
Capital Monitoring	120	29,180		1,640	120	0	22,490		53,430			5,000			5,000	48,430
Business Premises Admin	130	0	0	0	0	0	0	0	0		897,650				897,650	(897,650)
Burton Road P&D Car Park	131	6,940	9,030	520	2,240	16,290	6,470	6,260	47,750		65,900				65,900	(18,150)
Comp.Costs New Hsg.System	140				55,000				55,000						0	55,000
Tenant Participation	150	40,910	0	1,200	4,820	0	40,270		87,200						0	87,200
Contribution to General Fund	160	0	57,670	0	8,090	0	620,430		686,190						0	686,190
Repairs Management	170	481,100	0	21,740	3,550	0	219,220	0	725,610		7,640				7,640	717,970
Managing Tenancies	200	445,710	0	23,940	43,920	0	352,550		866,120	33,140					33,140	832,980
Waiting Lists & Allocations	210	181,260	0	5,410	41,460	0	86,660		314,790						0	314,790
Rent Accounting & Collection	300	270,660	0	10,290	33,410	0	262,420		576,780						0	576,780
Hsg. Man. Support Services	400	159,540	0	5,970	470	0	62,440		228,420						0	228,420
SUPERVISION & MANAGEMENT SPE	YB															
Aged Persons Management	500/20/40	339,050	243,250	8,860	124,340		96,020	1,760	813,280		600,890				600,890	212,390
Aged Persons Support	510/30/50	402,620		14,770	110		84,220		501,720			435,820			435,820	65,900
Special Items	100-460	196,520	1,298,680	8,650	207,970	20,000	171,190	1,300	1,904,310		382,360				382,360	1,521,950
Homelessness Management	600/20	139,820	47,290	3,400	22,610	0	56,500	1,360	270,980		73,930		88,830		162,760	108,220
Homelessness Support	630	13,810		420	20		4,220		18,470			44,880			44,880	(26,410)
RENTS, RATES TAXES AND INSURANCE	YD															
Rents, Rates, Taxes and Insurance	100-620	1,830	330,950		138,200		28,640		499,620						0	499,620
HOUSING REPAIRS FUND	YG100				5,200,000				5,200,000						0	5,200,000
OTHER EXPENDITURE																
Capital Charge to Revenue / ROCC	YC100							4,200,000	4,200,000						0	4,200,000
Provision for Bad / Doubtful Debts	YH100				200,000				200,000						0	200,000
Depreciation	YJ110							18,418,100	18,418,100						0	18,418,100
Treasury Management Expenses	YJ120							53,200	53,200						0	53,200
Interest on Revenue Balances	YW110								0					130,470	130,470	(130,470)
Interest on Capital Balances	YW120								0					263,390	263,390	(263,390)
Interest Payable	YW130							5,570,560	5,570,560						0	5,570,560
Trf from MRR to HRA	YZ110							(11,444,000)	(11,444,000)						0	(11,444,000)
Reversal of Other Depreciation	YZ110							(57,540)	(57,540)						0	(57,540)
Pension Interest Payable	YZ140								622,440						0	622,440
FRS17 Adj	YZ150	622,440							(307,570)						0	(307,570)
Transfer to Debt Repayment Reserve		(307,570)						3,180,000	3,180,000						0	3,180,000
GROSS RENT OF DWELLINGS	YN100								0				30,991,610		30,991,610	(30,991,610)
CONTRIBUTION FROM GENERAL FUND	YY100								0	(345,930)					0	(345,930)
TOTAL Net Cost of Services		3,144,260	1,986,870	108,320	6,193,390	36,290	2,370,160	19,931,000	33,770,290	(389,420)	2,063,580	485,700	31,080,440	395,060	34,024,780	(643,910)
SUPPORT SERVICES																
Housing Policy	36 100	337,370		21,330	2,920		111,390		473,010	(472,970)	40				40	0
Housing Services Administration	36 200	246,770		2,310	60,330		194,250		503,660	(503,660)					0	0
TOTAL		3,728,400	1,986,870	131,960	6,256,640	36,290	2,675,800	19,931,000	34,746,960	(1,366,050)	2,063,620	485,700	31,080,440	395,060	34,024,820	(643,910)