

**COMMUNITIES DIRECTORATE
HOUSING REVENUE ACCOUNT
ESTIMATES 2014/15**

HOUSING REVENUE ACCOUNT ESTIMATES 2014/15

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 was £3.374m, after a deficit of £1.120m in 2012/13 and a negligible surplus is expected in 2013/14. The major influences on these figures have been in 2013/14 a reduction of £1m in Revenue Contributions to Capital, increased for 2014/15; an increase in Council rents income of £0.7m 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 is updated on a regular basis to check actual progress against the plan and where necessary make amendments. The updated forecast is presented to members twice annually.

Five Year Forecast

An updated HRA five year forecast to the year 2018/19 will be produced once the budget has been finalised and the 30 year forecast updated.

Supervision, Management and Maintenance

Management and maintenance expenditure in 2013/14 has reduced by 5.6% (£775,000) in the probable outturn compared to the original estimates. In 2014/15 the costs have increased marginally by 0.39% (£54,000) compared to the original 2013/14. Much of the reduction in 2013/14 relates to the Service Enhancements that have now been identified as Capital Expenditure.

Service Enhancements

The Service Enhancements in 2014/15 are estimated at Capital £554,000 and Revenue £419,000. Ongoing items total £356,000 and One-off items total £617,000.

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 New Modern Home Standard has been used which has meant that generally components will be replaced sooner than before. The effect was to increase substantially the depreciation charge. Since then the Council has agreed with the External Auditor a revised method of calculating the depreciation charge lowering it to £13.2m in 2014/15.

Housing Repairs Fund

The Housing Repairs Fund balance at the start of 2013/14 was £3.508m, and is estimated to be reduced down to £0.078m by the end of 2018/19 as planned. This is based on a contribution from the HRA set at £5.2m per year for 2013/14 and a reduction to £5m for 2014/15 and after.

Major Repairs Reserve

The Major Repairs Reserve balance as at the end of 2012/13 was £9.755m, and is predicted to reduce to nil by the end of 2015/16 as planned.

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 2013/14 is forecast to be £4.2m. In 2014/15 this rises to £5.7m.

Housing Repairs Service

The Housing Repairs Service carries out a significant proportion of the repairs required to the Council's stock. The total cost of the Service is recharged to either the Housing Repairs Fund or (for capital projects) to the HRA Capital Programme. There is also a small amount of work carried out for the General Fund.

Housing Subsidy

Housing Subsidy has been abolished (s.167 Localism Act 2011) 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 subsequently) and whilst the principal sum borrowed (£185.456m) has to be repaid eventually (with a re-financing option) 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 have been set with reference to a Government 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 proposed average rent increase for 2014/15 is 4.91% (£4.49), which gives an average weekly rent for 2014/15 of around £95.59 per week.

However, the Government is consulting on a proposal to cease its rent restructuring regime from April 2015. Yielding an estimated £40m loss of rental income over the 30 year HRA Plan. This will significantly reduce annual improvements and service enhancements. For 2014/15 this will reduce from £1.35m to £0.6m. Most Social Landlords re-let vacant property at the "target rent" for the property, which the Council does not do. Since rent restructuring is expected to end in 2015. **It is RECOMMENDED that vacant Council properties are re-let at the property target rent from 5.4.14.** Estimated additional income £250k in 2014/15.

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 the new charge to the HRA for the servicing of debts the Council has taken to fund the CLG's Self-Financing Debt Settlement.

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**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT SUMMARY**

2012/13		2013/14			2014/15
Actual	Original	Probable			Original
£000's	Estimate	Outturn			Estimate
	£000's	£000's			£000's
			EXPENDITURE		
3,907	4,083	4,310	Supervision & Management General		4,466
3,428	3,508	3,725	Supervision & Management Special		3,838
524	500	495	Rents, Rates Taxes & Insurances		521
5,200	5,200	5,200	Contribution to Repairs Fund		5,000
0	570	44	Improvements / Service Enhancements		43
13,059	13,861	13,774	MANAGEMENT & MAINTENANCE		13,868
12,652	18,418	12,851	Depreciation		13,231
59	53	50	Treasury Management Expenses		52
176	200	200	Provision for Bad/Doubtful Debts		250
25,946	32,532	26,875			27,401
			INCOME		
29,227	31,080	30,966	Gross Rent of Dwellings		31,765
852	898	877	Non Dwellings Rent		875
1,524	1,652	1,666	Charges for Services & Facilities		1,575
314	346	368	Contribution from General Fund		383
31,917	33,976	33,877			34,598
(5,971)	(1,444)	(7,002)	NET COST OF SERVICES		(7,197)

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT SUMMARY**

2012/13	2013/14			2014/15
Actual £000's	Original Estimate £000's	Probable Outturn £000's		Original Estimate £000's
(5,971)	(1,444)	(7,002)	NET COST OF SERVICES	(7,197)
(461)	(395)	(424)	Interest on Receipts and Balances	(402)
5,517	5,571	5,532	Interest Payable on Loans	5,532
(5,720)	(11,496)	(5,929)	Transfer from MRR	(6,186)
(46)	(58)	(36)	Reversal of DLO depreciation	(29)
601	622	973	Pensions Interest Payable/Return on Assets	973
<u>(6,080)</u>	<u>(7,200)</u>	<u>(6,886)</u>	NET OPERATING INCOME	<u>(7,309)</u>
			APPROPRIATIONS	
4,200	4,200	4,200	Capital Exp. Charged to Revenue	5,700
(337)	(308)	(831)	FRS 17 Adjustment	(945)
0	0	0	Transfer to Capital Reserves	0
3,180	3,180	3,180	Transfer to Self Financing Reserve	3,180
(17)	0	0	Transfer to Insurance Fund	0
170	0	127	Transfer to Enhancement Fund	(126)
2	0	0	Leave Accruals	0
<u>7,198</u>	<u>7,072</u>	<u>6,676</u>		<u>7,809</u>
<u>1,118</u>	<u>(128)</u>	<u>(210)</u>	(SURPLUS)/DEFICIT FOR YEAR	<u>500</u>
4,493	3,556	3,375	BALANCE BROUGHT FORWARD	3,585
1,118	(128)	(210)	(SURPLUS)/DEFICIT FOR YEAR	500
<u>3,375</u>	<u>3,684</u>	<u>3,585</u>	BALANCE CARRIED FORWARD	<u>3,085</u>

**HOUSING DIRECTORATE
HOUSING REPAIRS FUND SUMMARY**

2012/13	2013/14			2014/15
<i>Actual</i> £000's	<i>Original Estimate</i> £000's	<i>Probable Outturn</i> £000's		Original Estimate £000's
			EXPENDITURE	
3,318	2,686	3,620	Responsive and Void Repairs	3,492
2,201	2,519	2,139	Planned & Cyclical Maintenance	2,202
89	(45)	(38)	Other items	(38)
5,608	5,160	5,721	TOTAL EXPENDITURE	5,656
(5,200)	(5,200)	(5,200)	CONTRIBUTION FROM HRA	(5,000)
408	(40)	521	(SURPLUS)/DEFICIT FOR YEAR	656
3,915	4,375	3,507	BALANCE BROUGHT FORWARD	2,986
408	(40)	521	(SURPLUS)/DEFICIT FOR YEAR	656
3,507	4,415	2,986	BALANCE CARRIED FORWARD	2,330

**HOUSING DIRECTORATE
MAJOR REPAIRS RESERVE SUMMARY**

2012/13	2013/14			2014/15
<i>Actual</i> £000's	<i>Original Estimate</i> £000's	<i>Probable Outturn</i> £000's		<i>Original Estimate</i> £000's
			EXPENDITURE	
5,418	8,709	8,204	CAPITAL EXPENDITURE	9,528
5,720	11,496	5,929	TRANSFERRED TO HRA	6,186
11,138	20,205	14,133	TOTAL EXPENDITURE	15,714
(12,652)	(18,418)	(12,851)	DEPRECIATION	(13,231)
(1,514)	1,787	1,282	(SURPLUS)/DEFICIT FOR YEAR	2,483
8,241	9,955	9,755	BALANCE BROUGHT FORWARD	8,473
(1,514)	1,787	1,282	(SURPLUS)/DEFICIT FOR YEAR	2,483
9,755	8,168	8,473	BALANCE CARRIED FORWARD	5,990

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

Policy and Management

With HRA self financing it is more important than ever to make sure the business plan is up to date, so consultancy costs remain are required. Overall the budget shows no significant change.

Sale of Council Houses

Costs have increased with respect to previous years. Due to significantly increased Right to Buy (RTB) Sales following the Government's increase in RTB discounts.

Capital Monitoring

No material changes.

Pay & Display Car Parks

This relates to the two car parks at Burton and Vere Road, Loughton, that are owned by the HRA. In 2013/14 car park management costs have reduced due to the new car parking management contract with the North Essex Parking Partnership (NEPP). There is a proposal that Car Parks will transfer to the General Fund on 1st April 2014, with the associated costs and income. A small net surplus is usually achieved.

Housing Computer System

The original 2014/15 budget for the implementation of New Systems in the Housing Directorate has been significantly reduced. Some Consultancy costs remain in both 2013/14 and 2014/15.

Tenant Participation

Housing Staff support the Epping Forest Tenants and Leaseholders Federation, the Sheltered Housing Forum, a Leaseholders Association and a Repairs and Maintenance Focus Group.

Contribution to General Fund

This is mainly a contribution to the Corporate and Democratic Core, the HRA paying its share towards Democratic Representation and Management, and such Corporate Costs as the head of the paid service (Chief Executive), direct management of services and the provision of advice and support to Members.

Repairs Management

The Housing Repairs Service allocations have decreased from 2013/14 to 2014/15. Time has been allocated to Abortive New Build costs. An anticipated cost of acquiring New Housing Assets, as some housebuilding proposals cannot proceed.

New Build Costs

A new heading for any Costs that cannot be charged to Capital. That is to say these costs relate to abortive work or work that does not comply with the strict definitions necessary for recognition as an asset.

Managing Tenancies

A vacancy allowance of 2.5% and 1.5% respectively of the total HRA salaries is included in both the original 2013/14 and 2014/15 budgets, reducing the overall costs in those years by about £114,000 and £69,000 respectively. There is no vacancy allowance figure in the probable outturn, hence the higher costs reported. The allocation from the Housing Management Group and the Legal Fees budget have increased particularly in 2014/15.

Waiting Lists and Allocations

Housing Options recharge has increased by 16%, between 2013/14 and 2014/15 Originals.

Rent Determination & Collection

The changes in the budgets reflect the additional effort now required to collect rents as a consequence of the welfare reforms.

Housing Management Support Services

The reduced budget in 2014/15 is due to reduced Employee and Support Service recharges.

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

2012/13	2013/14			2014/15
Actual £000's	Original Estimate £000's	Probable Outturn £000's		Original Estimate £000's
319	384	398	Policy and Management	402
80	58	108	Sale of Council Houses	134
52	53	59	Capital Monitoring	61
52	48	46	Pay and Display Car Parks	0
44	55	19	Housing Computer System	18
82	87	84	Tenant Participation	91
622	686	643	Contribution to General Fund	693
692	726	642	Repairs Management	679
0	0	214	New Build Costs	236
919	866	992	Managing Tenancies	990
303	315	327	Waiting Lists & Allocations	366
539	577	635	Rent Determination & Collection	641
203	228	143	Housing Management Support Services	155
3,907	4,083	4,310		4,466

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

Aged Persons Management

In 2014/15 Employee costs have increased as a result of the Pay Award.

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. The recharge from the Housing Older Persons Group has increased in both 2013/14 and 2014/15, whilst Supporting People income has fallen slightly.

Special Items

In total this budget is relatively stable. Additional funding has been retained for the dog bins on HRA land (increased to £7,000), an addition to the Estate Improvements Service Enhancement Fund (reduced to £6,500), and New Equipment, Service Enhancement Fund, £10,000. In 2014/15 , and in 2013/14 Probable there is an additional Furniture Recycling & CAB Grant - HRA Service Enhancement Fund that was not in 2013/14 Original.

Homelessness Management

There has been a slight increase in this budget relating to the cost of support service allocations. Housing Options have increased by £13,000 and an £8,000 increase in Energy costs.

Homelessness Support

Essex County Council has terminated the Supported People funding completely for Norway House increasing net costs by £45,000. A net income of £26,000 has changed into a net spend of £23,000 in 2014/15.

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

2012/13		2013/14			2014/15
<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>
808	813	842	Aged Persons Management		863
511	502	574	Aged Persons Support		601
1,804	1,903	1,996	Special Items		2,038
287	271	293	Homelessness Management		313
18	19	20	Homelessness Support Services		23
3,428	3,508	3,725			3,838

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

Dwelling Insurance

This budget comprises buildings insurance on the Council's properties.

NDR and Council Tax

The increase in probable outturn and 2014/15 estimates is due to an increase in the number of void properties where rates are still payable, most of these (about 20 difficult to let bedsits being converted in March 2014) are at Marden Close. In total we have 24 derelict properties resulting in a £39,000 cost increase.

Derelict property is now chargeable since April 2013, the Council Tax (Exempt Dwellings) Order 1992 has been amended by the abolition of Class A which gave mandatory relief for a set period of up to 12 months for properties awaiting or undergoing structural repair. In addition Council Tax billing authorities have been given total discretion on setting periods of empty property relief under Class C, and each will have their own policy. Generally, empty property relief has been greatly restricted with a consequently greater number of enquiries and proposals seeking deletion for properties in poor repair.

Other Insurances and Recharges

There is a 9% increase in public liability insurance for HRA land in 2014/15. Employee and Management recharges have fallen by £30,000.

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

2012/13		2013/14			2014/15
<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>
259	264	254	Dwelling Insurances		270
58	52	82	NDR and Council Tax		83
17	15	17	Water Charges		17
190	169	142	Other Insurances and Recharges		151
524	500	495			521

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 £5.7m in the 2014/15 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 some welfare reforms came into effect (for new claimants initially) 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 (£250,000 2014/15) though the full effect will take some time as most existing claimants will not transfer to Universal Credit until 2016 or 2017.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
OTHER EXPENDITURE**

2012/13		2013/14			2014/15
<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>
4,200	4,200	4,200	Capital Expenditure Charged to Revenue		5,700
59	53	50	Treasury Management Expenses		52
176	200	200	Provision for Bad/Doubtful Debts		250
4,435	4,453	4,450			6,002

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
CAPITAL CHARGES**

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 Modern Home Standard has been used which has meant that generally components will be replaced sooner than before. The effect was to increase substantially the depreciation charge. Since then the Council has agreed with the External Auditor a revised method of calculating the depreciation charge lowering it to £13.2m in 2014/15.

**HOUSING DIRECTORATE
HOUSING REVENUE ACCOUNT
CAPITAL CHARGES**

2012/13	2013/14			2014/15
<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
12,652	18,418	12,851	Depreciation	13,231
<u>12,652</u>	<u>18,418</u>	<u>12,851</u>		<u>13,231</u>

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

Gross Rent of Dwellings

The rental income estimate for 2013/14 is based on a slightly reduced stock of houses (31 RTB sales assumed in 2013/14, 20 in 2014/15). An average increase in rents of 4.91% (increase by £4.49 to £95.59 in 2014/15 average weekly rent) is proposed. This is in line with the latest Government projection and convergence with registered social landlord rents is expected to be in 2017/2018. 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 2013/14. The weekly charge is currently £7.90. Garage voids have also increased as they are hard to let.

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. The reduction in 2014/15 is due to multiple variances but principally the loss of Supporting People Grant at Norway House by Essex County Council.

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 2014/15 is due to an increase in allocations from grounds maintenance.

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

2012/13		2013/14			2014/15
<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>
29,227	31,080	30,966	Gross Rent of Dwellings		31,765
(6)	16	19	Business Premises		17
849	872	849	Garages		848
9	10	9	Ground Rents		10
1,524	1,652	1,666	Charges for Services & Facilities		1,575
314	346	368	Contribution from General Fund		383
31,917	33,976	33,877	Property Related Income		34,598

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 £8,000 on probable outturn due to higher than expected balances. This is based on an interest rate of 1% in Original 2013/14, of 0.8% for probable outturn and 0.8% for 2014/15.

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**

2012/13		2013/14			2014/15
<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>
167	131	140	Interest on Revenue Balances		132
293	263	283	Interest on Capital Balances		269
1	1	1	Mortgages		1
461	395	424			402

**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**

2012/13	2013/14			2014/15
<i>Actual</i> £000's	<i>Original Estimate</i> £000's	<i>Probable Outturn</i> £000's		<i>Original Estimate</i> £000's
5,517	5,571	5,532	Interest on PWLB Loans	5,532
<u>5,517</u>	<u>5,571</u>	<u>5,532</u>		<u>5,532</u>

**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 from £337,000 in the Original to £345,000 in the probable outturn and £355,000 in the 2014/15 estimate. The Leased Car recharge falls in the Probable and Forward by £17,000 to reduce overall spend in the Probable.

Housing Services Administration

There has been an increase in support service charges - Computer and Office Services for 2014/15.

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

<i>2012/13</i>		<i>2013/14</i>			<i>2014/15</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>
460	473	464	Housing Policy		484
491	504	508	Housing Services Administration		550
951	977	972			1,034

**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 decrease in 2014/15 and subsequent years.

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. However in 2013/14 the changes in Housing Benefit regulations concerning Spare Rooms has caused more movement amongst tenants and a consequent increase in Void spend. This should reduce as tenants who wish to downsize achieve their objective.

Planned Maintenance / Improvements

This budget is categorised into Gas servicing to council houses, Gas soundness checks and Sheltered housing heating. The longer term budget requirement is expected to be in the order of £2.1m.

Miscellaneous Projects

This budget is categorised into external lighting, disabled adaptations, compensation for improvements, sheltered scheme redecorations, 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 2013/14 and there was only £1,000 spent in 2012/13. There are 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 2012/13	DETAIL	ORIGINAL ESTIMATE 2013/14	PROBABLE OUTTURN 2013/14	ORIGINAL ESTIMATE 2014/15	FORECAST SPENDING			
					2015/16	2016/17	2017/18	2018/19
£000's		£000's	£000's	£000's	£000's	£000's	£000's	£000's
2,423	Responsive Repairs	2,146	2,471	2,591	2,500	2,500	2,500	2,500
832	Voids Refurbishment	540	1,149	901	900	900	900	900
2,380	Planned Maintenance/ Improvements	2,519	2,139	2,202	2,100	2,100	2,100	2,100
53	Miscellaneous Projects	42	54	55	100	100	100	100
1	Feasibilities	10	5	5	13	13	13	13
(81)	Less Income	(97)	(97)	(98)	(100)	(100)	(100)	(100)
5,608	TOTAL EXPENDITURE	5,160	5,721	5,656	5,513	5,513	5,513	5,513
(3,915)	Balance brought forward	(4,375)	(3,507)	(2,986)	(2,330)	(1,817)	(1,304)	(791)
(5,200)	Contribution from H.R.A.	(5,200)	(5,200)	(5,000)	(5,000)	(5,000)	(5,000)	(4,800)
5,608	Less Expenditure above	5,160	5,721	5,656	5,513	5,513	5,513	5,513
(3,507)	BALANCE CARRIED FORWARD (SURPLUS) / DEFICIT	(4,415)	(2,986)	(2,330)	(1,817)	(1,304)	(791)	(78)

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HOUSING REVENUE ACCOUNT DIRECTORATE
SUBJECTIVE ANALYSIS 2014/15 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 GENERAL															
Policy and Management	84,600	0	870	108,210	0	208,450	0	402,130	0	0	0	0	0	0	402,130
Sale of Council Houses	44,680	0	690	600	0	114,220	0	160,190	(26,000)	2,500	0	0	1,200	3,700	130,490
Capital Monitoring	35,620	0	1,740	150	0	23,590	0	61,100	0	0	5,000	0	0	5,000	56,100
Business Premises Admin	0	0	0	0	0	0	0	0	0	0	0	862,460	0	862,460	(862,460)
Pay and Display Car Parks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing Computer System	0	0	0	17,000	0	740	0	17,740	0	0	0	0	0	0	17,740
Tenant Participation	42,920	150	1,230	5,620	0	40,960	0	90,880	0	0	0	0	0	0	90,880
Contribution to General Fund	11,000	38,280	0	9,020	0	634,480	0	692,780	0	0	0	0	0	0	692,780
Repairs Management	440,280	0	17,890	3,080	0	217,540	0	678,790	0	7,640	100	0	0	7,740	671,050
New Build Costs	158,820	0	8,930	19,330	0	49,450	0	236,530	0	0	0	0	0	0	236,530
Managing Tenancies	504,120	0	28,630	69,620	0	387,510	0	989,880	0	60	28,910	0	0	28,970	960,910
Waiting Lists & Allocations	220,440	0	5,120	41,330	0	99,540	0	366,430	0	0	0	0	0	0	366,430
Rent Determination & Collection	301,040	0	14,120	28,830	0	296,660	0	640,650	0	0	0	0	0	0	640,650
Housing Management Support Service	111,300	0	4,200	100	0	39,110	0	154,710	0	0	0	0	0	0	154,710
SUPERVISION & MANAGEMENT SPECIAL															
Aged Persons Management	314,930	300,440	8,280	130,200	0	105,910	3,070	862,830	0	622,990	0	0	0	622,990	239,840
Aged Persons Support	476,010	0	18,030	130	0	106,840	0	601,010	0	0	415,740	0	0	415,740	185,270
Special Items	244,380	1,316,120	9,860	245,560	27,000	193,560	1,880	2,038,360	0	403,780	0	0	0	403,780	1,634,580
Homelessness Management	160,000	64,410	3,050	25,280	0	58,450	2,100	313,290	0	88,120	0	0	0	88,120	225,170
Homelessness Support Services	15,910	0	370	20	0	6,350	0	22,650	0	0	0	0	0	0	22,650
RENTS, RATES TAXES AND INSURANCE															
Rents, Rates, Taxes and Insurance	0	370,040	0	151,080	0	0	0	521,120	0	0	0	0	0	0	521,120
HOUSING REPAIRS FUND				5,000,000				5,000,000							0
OTHER EXPENDITURE															
Capital Expenditure Charge to Revenue							5,700,000	5,700,000							0
Provision for Bad/Doubtful Debts				249,650				249,650							0
Depreciation							13,231,480	13,231,480							0
Treasury Management Expenses							52,120	52,120							0
Interest on Revenue Balances								0					132,260	132,260	(132,260)
Interest on Capital Balances								0					268,530	268,530	(268,530)
Interest Payable							5,531,530	5,531,530							0
Trf from MRR to HRA							(6,186,000)	(6,186,000)							0
Reversal of Other Depreciation							(29,090)	(29,090)							0
Pension Interest Payable	973,440							973,440							0
FRS17 Adj	(944,580)							(944,580)							0
Transfer to Debt Repayment Reserve							3,180,000	3,180,000							0
GROSS RENT OF DWELLINGS								0				31,764,570		31,764,570	(31,764,570)
CONTRIBUTION FROM GENERAL FUND								0	(383,270)					0	(383,270)
TOTAL Net Cost of Services	3,194,910	2,089,440	123,010	6,104,810	27,000	2,583,360	21,487,090	35,609,620	(409,270)	1,125,090	449,750	32,627,030	401,990	34,603,860	596,490
SUPPORT SERVICES															
Housing Policy	355,470	0	7,480	2,900	0	118,700	0	484,550	(484,510)	0	40	0	0	40	0
Housing Services Administration	222,410	0	1,860	59,800	0	265,720	0	549,790	(549,790)	0	0	0	0	0	0
TOTAL	3,772,790	2,089,440	132,350	6,167,510	27,000	2,967,780	21,487,090	36,643,960	(1,443,570)	1,125,090	449,790	32,627,030	401,990	34,603,900	596,490