

Kettering *Borough Council*

DRAFT BUDGET BOOKLET - 2016/17

Section 3

Housing Revenue Account Estimates 2016/17

HOUSING REVENUE ACCOUNT ESTIMATES 2016/17

Ref		Original 2015/16	Revised 2015/16	Original 2016/17
		£	£	£
	INCOME			
1	Rents - Dwellings Only	15,501,000	15,562,000	15,362,300
	Service Charges	446,000	428,000	440,000
	Total Income	15,947,000	15,990,000	15,802,300
	EXPENDITURE			
2	Repairs and Maintenance	3,779,880	3,786,080	3,797,710
3	General Management	2,422,360	2,387,750	2,442,780
4	Special Services	995,110	984,600	1,016,190
5	Rents, Rates, Taxes & Other Charges	110,000	106,800	110,000
6	Contribution to Bad Debt Provision	200,000	200,000	170,000
7	Depreciation	1,505,300	1,581,900	1,644,800
8	HRA Self Financing	5,297,220	5,297,220	5,262,070
	Total Expenditure	14,309,870	14,344,350	14,443,550
	Net Cost of Services	(1,637,130)	(1,645,650)	(1,358,750)
9	Interest Payable	190,350	190,350	190,350
	HRA Investment Income	(6,800)	(6,800)	(6,800)
7	Transfer To/From Major Repairs Reserve	1,303,580	1,227,100	1,025,200
10	Contingency	150,000	135,000	150,000
	Net Operating Expenditure	0	(100,000)	0
	Net Change in Balances	0	(100,000)	0
	Balance Carried Forward	(750,000)	(850,000)	(850,000)

Variance Explanations

- 1 The Council continues to follow Government guidelines for rent increases. In 2016/17, KBC tenants face average decreases of £0.82 per week, -1%, the average rent per week being £80.96 on a 52 week basis.
- 2 This represents the cost of maintaining the council's housing stock to the expected Housing Standard and includes general maintenance, gas servicing and repair costs.
- 3 General Management represents the cost of managing the Housing services provided by the Council and includes the cost of running the department efficiently and effectively.
- 4 This represents the cost of running the Council's Sheltered Housing Scheme for vulnerable residents and includes expenditure on maintaining the Scheme properties.
- 5 This reflects charges for Council Tax on void properties following the introduction of Council Tax Support
- 6 This represents the estimated cost of Bad Debts to the Housing Revenue Account.
- 7 Changes in depreciation simply reflects movements in valuation levels associated with property within the HRA. This affects the transfers from the Major Repairs Reserve. This includes transfer from reserves to fund the increase in the self-financing loan repayment for 2015/16 and 2016/17.
- 8 The Government's new self-financing regime, which replaced the old subsidy system, came into effect on 1st April 2012 with the Council's share of the national housing debt being £72.9m. This represents the interest on the loans together with the annual repayments.
- 9 This relates to technical recharges between the General Fund and the HRA.
- 10 It is good practice to have a contingency budget, particularly with the welfare changes.