

HOUSING REVENUE ACCOUNT ESTIMATES 2017/18

Ref		Original 2016/17	Revised 2016/17	Draft 2017/18
		£	£	£
	INCOME			
1	Rents - Dwellings Only	15,362,300	15,398,300	15,159,500
2	Service Charges	440,000	419,000	420,000
	Total Income	15,802,300	15,817,300	15,579,500
	EXPENDITURE			
3	Repairs and Maintenance	3,797,710	3,745,970	3,831,060
4	General Management	2,442,780	2,425,760	2,413,450
5	Special Services	1,016,190	1,009,950	1,049,570
6	Rents, Rates, Taxes & Other Charges	110,000	100,000	110,000
7	Contribution to Bad Debt Provision	170,000	170,000	150,000
8	Depreciation	1,644,800	2,238,600	2,185,000
9	HRA Self Financing	5,262,070	5,262,070	4,718,670
	Total Expenditure	14,443,550	14,952,350	14,457,750
	Net Cost of Services	(1,358,750)	(864,950)	(1,121,750)
10	Interest Payable	190,350	190,350	190,350
	HRA Investment Income	(6,800)	(6,800)	(6,600)
8	Transfer To/From Major Repairs Reserve	1,025,200	431,400	838,000
11	Contingency	150,000	150,000	100,000
	Net Operating Expenditure	0	(100,000)	0
	Net Change in Balances	0	(100,000)	0
	Balance Carried Forward	(850,000)	(950,000)	(950,000)

Variance Explanations

- The Council continues to follow Government guidelines for rent increases. In 2017/18, KBC tenants face average decreases of £0.81 per week, -1%, the average rent per week being £80.24 on a 52 week basis.
- Decreased service charge income is expected during 2017/18 following a review of leaseholder service charges.
- 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.
- 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.
- This represents the cost of running the Council's Sheltered Housing Scheme for vulnerable residents and includes expenditure on maintaining the Scheme properties.
- This reflects charges for Council Tax on void properties.
- This represents the estimated cost of Bad Debts to the Housing Revenue Account.
- Changes in depreciation simply reflects movements in valuation levels associated with property within the HRA. This affects the transfers from the Major Repairs Reserve.
- 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. The annual repayments were £3.5m in 2016/17 and are £3m in 2017/18
- This relates to technical recharges between the General Fund and the HRA.
- It is good practice to have a contingency budget, particularly with the welfare changes.