

# **Kettering** *Borough Council*

## **DRAFT BUDGET BOOKLET - 2017/18**

### **Section 3**

#### **Housing Revenue Account Estimates 2017/18**

## HOUSING REVENUE ACCOUNT ESTIMATES 2017/18

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

### Variance Explanations

- 1 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.
- 2 Decreased service charge income is expected during 2017/18 following a review of leaseholder service charges.
- 3 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.
- 4 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.
- 5 This represents the cost of running the Councils Sheltered Housing Scheme for vulnerable residents and includes expenditure on maintaining the Scheme properties.
- 6 This reflects charges for Council Tax on void properties.
- 7 This represents the estimated cost of Bad Debts to the Housing Revenue Account.
- 8 Changes in depreciation simply reflects movements in valuation levels associated with property within the HRA. This affects the transfers from the Major Repairs Reserve.
- 9 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
- 10 This relates to technical recharges between the General Fund and the HRA.
- 11 It is good practice to have a contingency budget, particularly with the welfare changes.