

## APPENDIX 2a

<b>HOUSING REVENUE ACCOUNT</b>		
	<u>2018/19</u>	<u>2019/20</u>
	<u>Revised Budget</u> <u>(at December 2018)</u>	<u>Base Budget (at</u> <u>December 2018)</u>
Repairs & Maintenance	3,535,000	3,437,021
Supervision & Management	2,232,400	2,487,151
Special Services	1,849,500	1,672,637
Rents, Rates, Taxes & Other Charges	61,050	68,100
Depreciation & Impairment of Fixed Assets	3,923,950	3,905,420
Increased/Decrease in Impairment of Debtors	130,000	260,000
Contingency	30,000	30,000
<b>Total Expenditure</b>	<b>11,761,900</b>	<b>11,860,329</b>
Dwelling Rents (Gross)	(15,322,300)	(14,929,730)
Non-dwelling Rents (Gross)	(290,150)	(314,800)
Tenants' Charges for Services & Facilities	(661,700)	(704,580)
Leaseholders' Charges for Services & Facilities	(64,300)	(64,300)
Other Charges for Services & Facilities	(78,000)	(81,040)
Contributions Towards Expenditure	0	0
<b>Total Income</b>	<b>(16,416,450)</b>	<b>(16,094,450)</b>
<b>Net Cost of Services</b>	<b>(4,654,550)</b>	<b>(4,234,121)</b>
HRA services' share of Corporate and Democratic Core	453,700	441,650
HRA share of interest payable and similar charges including amortisation of premiums and discounts	2,261,500	2,456,200
HRA Investment Income	(96,000)	(239,400)
<b>(Surplus)/Deficit for the Year on the HRA Income and Expenditure Statement</b>	<b>(2,035,350)</b>	<b>(1,575,671)</b>
Capital expenditure funded by the HRA	1,791,200	1,617,000
<b>(Increase)/Decrease in the HRA Balance</b>	<b>(244,150)</b>	<b>41,329</b>
HRA Opening Balance	(3,862,430)	(4,106,580)
HRA Closing Balance	(4,106,580)	(4,065,251)

The change in the 2019/20 base budget for the (increase)/decrease in the HRA balance when compared with the 2018/19 revised estimate is primarily a consequence of the following items:

<b>Description</b>	<b>Change £</b>
Changes in employees costs including:- <ul style="list-style-type: none"> <li>The deletion of the Director of Housing, Leisure and Property Services post agreed at Policy and Performance Committee on 12 December 2018</li> <li>The restructure of Housing Repairs and Housing Strategy sections of the Housing Department agreed at Policy and Performance Committee on 3 October 2018</li> <li>The restructure of the Housing Rents team agreed at Policy and Performance Committee on 12 December 2018</li> <li>The April 2019 pay award (2% in most cases) less other establishment changes</li> </ul>	(109,350)  (98,800)  200,600  (5,250)
A reduced estimate for Depreciation and Impairment of Fixed Assets in 2019/20 resulting from an assumed reduction in the number of properties within the housing stock at 31 March 2019 due right to buy sales.	(18,530)
An increase in impairment of Debtors costs due to: <ul style="list-style-type: none"> <li>An increase in provision to take into account the likely impact of Universal Credit.</li> <li>An increase in provision for debts relating to void repairs</li> </ul>	60,000 70,000
A reduction in Housing rent income due to:- <ul style="list-style-type: none"> <li>The 1% per annum rent reduction. 2019/20 will be the final year of the Government's initiative to reduce rents by 1% per annum</li> <li>An estimate of likely Right to Buy sales during 2019/20 that will result in reduced rental income</li> <li>The level of expected voids (periods when properties are unoccupied).</li> </ul>	392,570
An increase in garage rent income due to:-- <ul style="list-style-type: none"> <li>Increase of charges of 3.4% from April 2019 based on the September 2018 CPI (2.4%) + 1%.</li> <li>Current void rate</li> </ul>	(24,670)
An increase in the volume of service charges based upon recent projections. NB. No increase in fees is proposed	(42,880)
An increase in the HRA share of interest payable and similar charges (including amortisation of premiums and discounts) as a proportion of the Council's overall borrowing costs	194,700
An increase in HRA share of investment income received by the Council	(143,400)
A reduction in HRA capital expenditure to be financed by direct revenue contributions from the HRA.	(174,200)