

NOTES TO THE HOUSING REVENUE ACCOUNT

1. Reconciling Items for the Statement of Movement on the HRA Balance.

	<u>2008/09</u>		<u>2007/08</u>
	£000's	£000's	£000's
Items Included in the HRA Income and Expenditure Account but Excluded from the Movement on HRA Balance for the Year			
Impairment of Fixed Assets	(8,683)		(18)
Contributions Deferred Amortisation	2		4
Net Charges Made for Retirement Benefits in Accordance with FRS 17	(78)		(64)
		(8,759)	(78)
Items not Included in the HRA Income and Expenditure Account but Included in the Movement on HRA Balance for the Year			
Transfer to/(from) Major Repairs Reserve	(417)		(415)
Transfer to/(from) Housing Repairs Reserve	(30)		30
Transfer to/(from) Other Reserves	(13)		0
Employers Contribution Payable to the Leicestershire Pension Fund and Retirement Benefits Payable Direct to Pensioners	78		69
Capital Expenditure Funded by the HRA	0		81
		(382)	(235)
Net Additional Amount Required by Statute to be Credited to the HRA Balance for the Year		(9,141)	(313)

2. Balance Sheet Value of Authority's Housing Stock

	<u>31st</u>	<u>31st</u>
	March	March
	2009	2008
	£000's	£000's
<u>Operational Assets</u>		
Dwellings	62,770	72,233
Non Dwellings	737	847
<u>Non Operational Assets</u>		
Commercial Property	152	156
Total	<u>63,659</u>	<u>73,236</u>

The vacant possession value of dwellings at 31st March 2009 was £125,540,900 (31st March 2008 £144,466,300) against a balance sheet value of £62,770,450 at the same time. The difference reflects the fact that social housing rents generate a lower income stream than could be obtained in the open market. The value placed on assets in a commercial environment will reflect the required economic rate of return in relation to income streams that the assets might be expected to generate throughout their economic life. To the extent that income streams are constrained to serve a wider social purpose, the value of capital assets employed for council housing will be reduced.

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3. Housing Subsidy

The Government pays a subsidy to the Housing Revenue Account. This is broken down below. The Housing Revenue Account is in a negative subsidy position and as such repays notional surpluses to the Secretary of State.

	<u>2008/09</u>	<u>2007/08</u>
	£000's	£000's
Management & Maintenance	1,876	1,840
Admissible Allowance	0	0
Charges for Capital	193	210
Rental Constraint Allowance	0	135
Interest on Receipts	0	(1)
Major Repair Allowance	794	767
Guideline Rent Income	(3,809)	(3,616)
Housing Subsidy Relating to Previous Years	11	(1)
Payments from/(to) the Secretary of State	<u>(935)</u>	<u>(666)</u>

4. Housing Stock

The Council was responsible for managing on average 1264 dwellings during 2008/09. The stock at year end was as follows;

	<u>2008/09</u>	<u>2007/08</u>
	No.	No.
Houses / Bungalows	711	712
Flats / Maisonettes	553	553
Total Stock	<u>1,264</u>	<u>1,265</u>

The change in stock can be summarised as follows;

	<u>2008/09</u>	<u>2007/08</u>
	No.	No.
Stock at 1st April	1,265	1,269
Sales	(1)	(4)
Additions	0	0
Stock at 31st March	<u>1,264</u>	<u>1,265</u>

5. Major Repairs Reserve

	<u>2008/09</u>	<u>2007/08</u>
	£000's	£000's
Balance on MRR at 1st April	163	145
Amounts Transferred in to MRR in Year	1,211	1,182
Transfers from MRR to HRA in Year	(417)	(415)
MRR Used for Capital Expenditure in Year	(815)	(749)
Balance on MRR at 31st March	<u>142</u>	<u>163</u>

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6. Capital Funding of HRA Stock

A total of £816,021 was spent on the Authority's housing stock. This was funded as follows;

	<u>2008/09</u>	<u>2007/08</u>
	£000's	£000's
Borrowing	0	0
Major Repairs Reserve	815	749
Revenue	0	81
External Contribution	1	4
	<u>816</u>	<u>834</u>

HRA Capital Receipts for 2008/09 totalled £101,000. These were entirely attributable to the Sale of Council Houses under the Right to Buy Scheme.

7. Depreciation

The total charge for depreciation for land, houses and other property within the Authority's HRA during the financial year 2008/09 is £1,210,601.

	<u>2008/09</u>	<u>2007/08</u>
	£000's	£000's
Dwellings	1,166	1,140
Other Land & Buildings	37	35
Plant, Equipment & Vehicles	7	7
Total	<u>1,210</u>	<u>1,182</u>

8. Rent Arrears

During the year rent arrears have decreased by £2,075.

	<u>2008/09</u>	<u>2007/08</u>
	£000's	£000's
Arrears at 31st March	143	145

A bad debt provision has been made in the accounts in respect of potentially uncollectible rent arrears. The value of the provision at 31st March 2009 is £65,400 (31st March 2008 £67,939).