

8. NOTES TO THE HOUSING REVENUE ACCOUNT

NOTE 1 HOUSING STOCK

The number and types of dwellings in the Council's housing stock are as follows:

	31-Mar-16 Number of Properties	31-Mar-17 Number of Properties
Dwellings:		
Low and Medium Rise Flats	594	588
Traditional Houses and Bungalows	1,374	1,373
Non-traditional Houses and Bungalows	329	327
Sheltered Units:		
Low and Medium Rise Flats	198	198
Traditional Houses and Bungalows	117	117
Non-traditional Houses and Bungalows	0	0
Shared Equity Properties:		
Low and Medium Rise Flats	8	8
Traditional Houses and Bungalows	38	37
Non-traditional Houses and Bungalows	0	0
Total HRA Housing Stock	2,658	2,648

NOTE 2 HRA ASSET VALUATION

The value of land, houses and other property held within the HRA is as follows:

	Operational Assets			Total £,000
	Dwellings £,000	Other Land and Buildings £,000	Plant and Equipment £,000	
Gross Valuation at 31 March, 2016	217,552	3,974	857	222,382
Accumulated Depreciation and Impairment	(53,307)	(873)	(634)	(54,814)
Net Book Value at 31 March, 2016	164,245	3,101	222	167,568
Additions	6,429	0	1	6,430
Disposals	(886)	0	0	(886)
Revaluations	28,456	0	0	28,456
Transfer	0	0	0	0
Assets reclassified (to) / from Held for Sale	(165)	0	0	(165)
Depreciation Impairments	(3,239)	(207)	(26)	(3,472)
	0	0	0	0
Net Book Value at 31 March, 2017	194,840	2,895	197	197,932

NOTE 3 VACANT POSSESSION

The vacant possession value of dwellings within the Council's HRA at 31 March 2017 was £597.454m and on 31 March 2016 was £509.910m.

The vacant possession value and the Balance Sheet value of dwellings within the HRA show the economic cost to the Government of providing council housing at less than open market rents. The dwellings in the Balance Sheet are valued using the Existing Use Value for Social Housing rate. This is an open market rate with an adjustment factor that recognises the fact that the dwellings are tenanted properties let at affordable rents without vacant possession. The adjustment factor is set by the Government and is currently 32% of open market value (32% in 2015/16).

NOTE 4 MAJOR REPAIRS RESERVE

Movement on the Major Repairs Reserve (MRR) was as follows:

	2015/16 £,000	2016/17 £,000
Balance at 1st April	(2,952)	(3,000)
Charges for depreciation	(3,329)	(3,472)
Capital expenditure on land, houses and other property within the HRA	4,553	4,857
Transfers (to) or from Major Repairs Reserve	1,224	1,385
Revenue contribution to capital expenditure	(1,272)	(2,007)
(Surplus) / Deficit	(48)	(622)
Balance at 31st March	(3,000)	(3,622)

NOTE 5 CAPITAL EXPENDITURE AND FUNDING

	2015/16 £,000	2016/17 £,000
Capital Expenditure within the Year:		
Capital Expenditure on Land, Houses and Other Property within the HRA	5,389	6,568
Funded by:		
Major Repairs Reserve	(4,553)	(4,857)
Capital Receipts Reserve	(581)	(1,710)
S106 Developer Contributions	(85)	(1)
HRA Revenue	(170)	0
(Surplus) / Deficit	0	0

NOTE 6 CAPITAL RECEIPTS

2015/16 £,000	2016/17 £,000
1,288	2,851

Disposal receipts for 19 dwellings (nine in 2016/17)
In 2016/17 nine properties were purchased for £2.82m.

NOTE 7 DEPRECIATION

2015/16 £,000	2016/17 £,000
24	26
207	207
3,098	3,239
3,329	3,472

Operational Assets (Property, Plant and Equipment)
Other, Land and Buildings
Council Dwellings

NOTE 8 IMPAIRMENT CHARGES

There have been no impairments on council dwellings available for letting and other Non-Current HRA Assets during 2016/17. (In 2015/16 there was an impairment reversal of a previous impairment of £3,630k for Eustace Crescent (for the demolished building), where the asset was disposed of and transferred to Wokingham Housing Limited).

NOTE 9 CONTRIBUTIONS TO THE PENSION RESERVE

Pension costs of £88k in 2016/17 (£84k in 2015/16) are included in the '(Surplus) or Deficit for the Year on HRA Services' section of the Income and Expenditure Statement.

NOTE 10 RENT ARREARS

2015/16 £,000	2016/17 £,000
676	607
173	105
849	711

Current Tenants
Former Tenants

NOTE 11 BAD DEBTS PROVISION

2015/16 £,000	2016/17 £,000
817	763
(54)	(211)
763	552

Balance at 1st April
(Decrease) / Increase in Provision for the Year

NOTE 12 SUMS DIRECTED BY THE SECRETARY OF STATE

No items have been directed to be debited or credited to the HRA.

NOTE 13 ASSETS HELD FOR SALE

The HRA has two properties classed as 'Assets Held for Sale' in the Council's Balance Sheet at 31 March 2017 (eight properties at 31 March 2016).