

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-17 Number of Properties	31-Mar-18 Number of Properties
Dwellings:		
Low and medium rise flats	588	588
Traditional houses and bungalows	1,373	1,368
Non-traditional houses and bungalows	327	328
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	7
Traditional houses and bungalows	37	36
Non-traditional houses and bungalows	0	0
Total HRA Housing Stock	2,648	2,642

NOTE 2 HRA ASSET VALUATION

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

	Dwellings £,000	Operational Assets Other Land and Buildings £,000	Plant and Equipment £,000	Total £,000
Gross valuation at 31 March, 2017	251,386	3,974	858	256,218
Accumulated depreciation and impairment	(56,546)	(1,080)	(660)	(58,286)
Net Book Value at 31 March, 2017	194,840	2,895	197	197,932
Additions	7,269	0	0	7,269
Disposals	(615)	0	0	(615)
Revaluations	2,260	971	0	3,230
Transfer	0	0	0	0
Assets reclassified (to) / from held for sale	(1,849)	0	0	(1,849)
Depreciation	(3,254)	(305)	(26)	(3,585)
Impairments	0	0	0	0
Net Book Value at 31 March, 2018	198,651	3,560	172	202,382

NOTE 3 VACANT POSSESSION

The vacant possession value of dwellings within the Council's HRA at 31 March 2018 was £597.300m and on 31 March 2017 was £597.454m.

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 (EUV) 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 33% of open market value (32% in 2016/17).

NOTE 4 MAJOR REPAIRS RESERVE

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

	2016/17 £,000	2017/18 £,000
Balance at 1st April	(3,000)	(3,622)
Charges for depreciation	(3,472)	(3,585)
Capital expenditure on land, houses and other property within the HRA	4,857	5,516
Transfers (to) or from major repairs reserve	1,385	1,931
Revenue contribution to capital expenditure	(2,007)	(1,763)
Balance at 31st March	(3,622)	(3,454)

NOTE 5 CAPITAL EXPENDITURE AND FUNDING

	2016/17 £,000	2017/18 £,000
Capital Expenditure within the Year:		
Capital expenditure on land, houses and other property within the HRA	6,568	7,468
Funded by:		
Major repairs reserve	(4,857)	(5,516)
Capital receipts reserve	(1,710)	(1,952)
S106 developer contributions	(1)	0
HRA revenue	0	0
(Surplus) / Deficit	0	0

NOTE 6 CAPITAL RECEIPTS

Disposal receipts for ten dwellings (nineteen in 2016/17)
 In 2017/18 eleven properties were purchased for £2.46m.
 (In 2016/17 nine properties were purchased for £2.82m).

2016/17 £,000	2017/18 £,000
2,851	2,316

NOTE 7 DEPRECIATION

Operational assets (property, plant and equipment)
 Other, land and buildings
 Council dwellings

2016/17 £,000	2017/18 £,000
26	26
207	305
3,239	3,254
3,472	3,585

NOTE 8 IMPAIRMENT CHARGES

There have been no impairments on council dwellings available for letting and other non-current HRA Assets during 2017/18. (In 2016/17 there were no impairments).

NOTE 9 CONTRIBUTIONS TO THE PENSION RESERVE

Pension costs of £176k in 2017/18 (£88k in 2016/17) are included in the '(surplus) or deficit for the year on HRA services' section of the income and expenditure statement.

NOTE 10 RENT ARREARS

Current tenants
 Former tenants

2016/17 £,000	2017/18 £,000
607	647
105	160
711	808

NOTE 11 BAD DEBTS PROVISION

Balance at 1st April
 (Decrease) / increase in provision for the year

2016/17 £,000	2017/18 £,000
763	551
(211)	116
552	667

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 thirty one properties classed as 'assets held for sale' in the council's balance sheet at 31 March 2018 (two properties at 31 March 2017).