

## NOTES TO THE HOUSING REVENUE ACCOUNT

### 1. Adjustment Between Accounting Basis and Funding Basis Under Statute

	2015/16	2014/15
	£000's	£000's
Impairment of non-current assets	(1,271)	(1,353)
(Gain) / loss on the sale of non-current assets	76	60
Accumulating compensating absences	(2)	4
De-recognition of non-current assets	(1,038)	(614)
Net charges made for retirement benefits in accordance with IAS 19	(195)	(222)
Transfer (to) / from major repairs reserve	308	357
Revenue contribution to capital	1,895	174
Employers contribution payable to the Leicestershire Pension Fund and retirement benefits payable direct to pensioners	97	110
<b>Adjustments made between Accounting Basis and Funding Basis under Statute</b>	<b>(130)</b>	<b>(1,484)</b>

### 2. Balance Sheet Value of Authority's Housing Stock

	2015/16	2014/15
	£000's	£000's
<b>Operational Assets</b>		
Dwellings	42,842	42,154
Other Land and Buildings	1,012	892
	<b>43,854</b>	43,046
<b>Non Operational Assets</b>		
Investment Property	156	156
<b>Total</b>	<b>44,010</b>	43,202

The vacant possession value of dwellings at 31 March 2016 was £126,004,500 (31 March 2015 £123,982,800), against a balance sheet value of £42,841,530 at the same point in 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 Stock

The Council was responsible for managing on average 1,238 dwellings during 2015/16. The stock at year end was as follows;

	<b>2015/16</b>	2014/15
	<b>Number</b>	Number
Houses / Bungalows	<b>689</b>	694
Flats / Maisonettes	<b>546</b>	546
<b>Total Stock</b>	<b>1,235</b>	1,240

The change in stock can be summarised as follows;

	<b>2015/16</b>	2014/15
	<b>Number</b>	Number
Stock at 1 April	<b>1,240</b>	1,247
Sales	<b>(6)</b>	(7)
Additions	<b>1</b>	0
<b>Stock at 31 March</b>	<b>1,235</b>	1,240

### 4. Major Repairs Reserve

	<b>2015/16</b>	2014/15
	<b>£000's</b>	£000's
Balance at 1 April	<b>0</b>	1,012
Amounts Transferred In	<b>877</b>	828
Transfers to/(from) HRA	<b>308</b>	357
Used for Capital Expenditure	<b>(1,185)</b>	(2,197)
<b>Balance at 31 March</b>	<b>0</b>	0

### 5. Funding of HRA Stock

A total of £3,265,082 was spent on the Authority's housing stock in 2015/16 (£2,196,821, in 2014/15).

This was funded as follows;

	<b>2015/16</b>	2014/15
	<b>£000's</b>	£000's
Major Repairs Reserve	<b>1,185</b>	2,197
Revenue Funding	<b>1,895</b>	0
Usable Capital Receipts	<b>46</b>	0
Regeneration Reserve	<b>139</b>	0
	<b>3,265</b>	2,197

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HRA Capital Receipts retained by the Authority for 2015/16 totalled £317,210 (2014/15 £312,025). These were entirely attributable to the sale of council houses under the Right to Buy Scheme.

### 6. Depreciation and Amortisation

The total charge for non current assets within the Authority's HRA during the financial year 2015/16 is £876,010

	<b>2015/16</b>	2014/15
	<b>£000's</b>	£000's
Dwellings	<b>793</b>	749
Other Land & Buildings	<b>70</b>	62
Intangibles (Computer Software)	<b>13</b>	16
<b>Total</b>	<b>876</b>	827

### 7. Impairment of HRA Assets

The total charge for impairment of Non Current Assets within the HRA during the financial year 2015/16 is £1,271,313. This was entirely due to the decrease in the housing and rental property markets.

	<b>2015/16</b>	2014/15
	<b>£000's</b>	£000's
Dwellings	<b>1,271</b>	1,353
<b>Total</b>	<b>1,271</b>	1,353

### 8. Rent Arrears

During the year rent arrears have decreased by £3,680

	<b>2015/16</b>	2014/15
	<b>£000's</b>	£000's
Arrears at 31 March	<b>265</b>	269

A bad debt provision has been made in the accounts in respect of potentially uncollectible rent arrears. The value of the provision at 31 March 2016 is £151,980 (31 March 2015 £120,355).

**9. HRA Share of Contribution To or From the Pension Fund**

To Comply with IAS 19 the current service costs for the HRA are incorporated into Supervision and Management and Repairs and Maintenance costs shown. These Items are then reversed by the net effect of the following items:

- (i) Net Charges Made for Retirement Benefits in Accordance with IAS 19. This amounted to £195,030 in 2015/16 (£221,520 in 2014/15)
  
- (ii) Employers Contributions to Leicestershire County Council pension fund and retirement benefits paid direct to pensioners. This amounted to £97,025 in 2015/16 (£109,569 in 2014/15)