

HOUSING REVENUE ACCOUNT 2008/09

The Housing Revenue Account is a ring-fenced account for Council Housing. Housing rents are calculated using Government formula which aims to link rent levels in the public and private sector. The HRA working balance is currently at a high level but this is necessary to sustain the HRA in the medium term.

- ◆ The net cost of £0.7m is higher than the original budget of £0.1m. This was mainly due to the decision to bring forward £0.8m of Revenue Contributions to Capital from future years to meet the Government's decent homes standard a year ahead of the deadline.
- ◆ There were savings on service spending £0.1m mainly as a result of revised wardens salary allocations and income overall was in line with budget.

Net Cost 2007/08 £'000	Housing Revenue Account 3,938 dwellings managed at 31 March 2009	Net Cost 2008/09 £'000	Amount per Tenancy £
12,600	Rents from Council Tenants	13,200	3,352
1,000	Other Income	980	249
13,600	Total Service Income	14,180	3,601
Spending On Council Housing			
6,980	Management & Maintenance of dwellings	7,360	1,869
2,600	Negative Subsidy Payment to Government	2,480	630
2,950	Depreciation Charges	32,960	8,370
110	HRA share of Corporate Costs	80	20
12,640		42,880	10,889
-960	Surplus (-) on Service Expenditure	28,700	7,288
100	Other Operating Costs (Interest etc)	110	28
-860	Net Operating Surplus (-)/Cost	28,810	7,316
-150	Transfers from (-) Reserves	-28,070	-7,128
-1,010	Surplus (-)/ Cost to HRA Balance	740	188
5,080	HRA Working Balance brought forward	6,090	1,546
6,090	HRA Working Balance carried forward	5,350	1,358

Rent Arrears

Current tenants' rent arrears are just 0.3% of the annual amount due. This is better than the national average performance on rent arrears.

Council House Sales

During the year, three properties were sold to sitting tenants under the Government's Right to Buy legislation.

Further Information

The figures published here are summarised from the Council's published Statement of Accounts which is currently subject to audit. If you would like a full copy of this Statement or have any questions or comments on how we can improve our information on the accounts please contact the Resources Department: Mrs Wray (01423) 556107 Email anne.wray@harrogate.gov.uk

Additional copies of this leaflet are available free of charge from libraries, swimming pools, recreation centres and Council Offices, or direct from the Chief Customer Services Officer: Telephone 0845 300 609, Email customerservices@harrogate.gov.uk. If you require copies in large print, audio-tape, Braille or other languages please contact the Chief Customer Services Officer (as above).



Working for you

INCOME AND EXPENDITURE ACCOUNT

This shows for all Council services the **gross cost** (total spending before specific Government grants and income raised from service fees and charges) and the **net cost** (after service income) to be met from Council Tax and General Government Grants.

2007/08		2008/09	Net Cost
Net Cost	Gross Cost	Net Cost	Per Resident
£M	£M	£M	£
Spending on Services:			
1.0	Council Tax Collection	1.8	6
0.4	Central Services to the Public	10.9	4
6.6	Cultural & Related Services	20.1	40
0.0	Conference & Exhibitions Impairment	2.6	16
4.0	Refuse Collection	6.2	28
3.0	Environmental Services	5.8	18
1.9	Planning & Development Services	7.3	21
0.7	Housing Services (including HRA)	38.1	3
0.4	Housing Services HRA Impairment	30.2	190
1.1	Highways, Roads & Transport	5.3	4
4.1	Corporate Costs & Overheads	3.2	18
23.2	Total Spending on Services	131.5	348
0.6	Other Operating Costs	4.8	14
23.8	Net Operating Cost	136.3	362
Income from Taxation and Government Grant:			
13.0	Council Taxpayers	13.5	85
1.5	Revenue Support Grant	1.4	9
9.1	Non-Domestic Rates	9.5	60
0.2	Net Deficit for Year	33.1	208
-0.2	Transfers from Reserves	-33.2	-209
0.0	Surplus to General Fund Balance	-0.1	-1

Cultural & Related Services includes Open Spaces, Recreation & Sport, Museums & Arts and Conference & Exhibitions surplus.

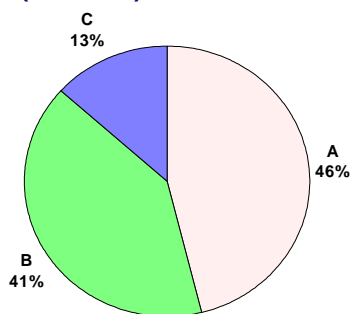
For 2008/09 Service spending includes impairment charges of £32.8m following a downward revaluation of Council Houses and Conference and Exhibition Properties as a result of the current economic downturn. These charges are reversed by transfers from Capital Reserves and have no effect on the Council's General Fund Surplus for the year.

The Council continued its policy of sound financial management by means of business units and tight budgetary control with savings across most services after adjusting for these impairment charges. See overleaf for more details on the financial performance in year.

For information on the Council's service performance in 2008/09, go to the Performance Information published on the Council's website.
www.harrogate.gov.uk

WHERE THE MONEY

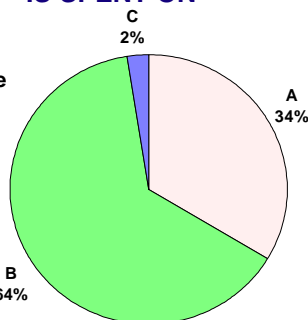
(£103.2m) COMES FROM



A. Rents, Charges and Interest £47.0m
B. Government Grants £42.7m
C. Council Taxpayers £13.5m

WHAT THE MONEY (£103.2m)

IS SPENT ON



Running Expenses include maintaining buildings, paying benefits, operating vehicles and purchase of supplies and services. Treasury management charges are mainly the principal and interest on loans (including HRA).

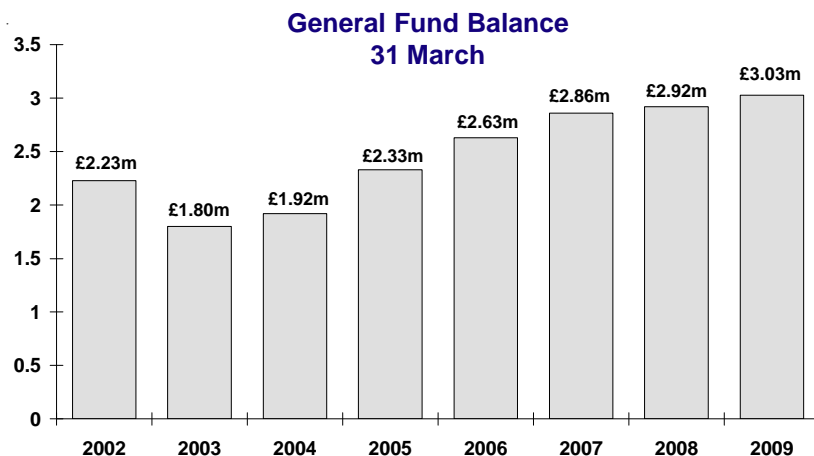
A. Employees £35.0m
B. Running Expenses £66.0m
C. Treasury Management £2.2m

In Year savings on General Fund from:

- Higher interest receipts on reserves and balances.
- Higher Planning Delivery Government Grant.
- Increased income generated from fees and charges on Cultural Services and Property but this was partly offset by reduced income from Land Charges, Planning and Car Parks following the downturn in the economy.

Use of in year savings:

- Additional interest income in the year enabled the Council to absorb additional costs particularly for Concessionary Fares.
- £0.2m Government Grant taken to Earmarked Reserves.
- £0.6m savings retained in Business Unit Reserves to be used for essential investment eg on Information Technology which will increase efficiency.
- £0.1m transferred to the General Fund Balance.



The Council's target range for the General Fund Balance is £2.5m to £3.0m and is supported by a Risk Assessment. The balance at 31 March holds the balance of in year savings prior to approval of their deployment.

BALANCE SHEET 31 MARCH 2009

Long and short term borrowing totals £12.5m of which £6.9m relates to the Housing Revenue Account; the figure is also offset by external lending totalling £28.3m. The Council's assets have a net book value of £301m and an insurance value of over £500m.

In 2008/09 a fifth of all Council Properties, mainly Council Houses and Conference and Exhibition properties, were revalued in accordance with capital accounting rules. The downward revaluations, due to the current economic downturn, are reflected in the in lower balances on the Revaluation Reserve and the Capital Adjustment Account.

CAPITAL SPENDING

Spending in 2008/09	£'000
Improvements to Council Houses	5,611
Private Sector Improvement Grants/Loans	982
Vehicle & Plant Purchases	834
Replacement District Heating Boilers	362
Open Spaces and Children's Play Areas	356
Recycling Vehicles and Plant	308
Exhibition Halls Redevelopment	263
Royal Hall Redevelopment	236
Computer/Access to Services Investment	201
Other Schemes	245
Total Spending	9,398

Financed from:	
Grants	1,476
Revenue/Reserves	3,715
Major Repairs Allowance	2,630
Capital Receipts	647
Borrowing	930
Total Financing	9,398

- The Government's Major Repairs Allowance has to be used on Improvements to Council Houses.
- Revenue includes £2.0m HRA revenue and £1.7m from reserves set aside for capital spending
- Grants include £0.7m from the Government for Disabled Facilities Grants, £0.2m of Heritage Lottery Grant and Restoration Trust Grant for the Royal Hall Redevelopment, £0.3m of Developer's contributions and £0.1m from the Big Lottery Fund for Open Spaces and Play Areas.

Financial Year ending	Mar-09	Mar-08
	£M	£M
Net Fixed Assets	300.9	334.9
Long Term Investment	17.0	2.1
Long Term Debtors	0.7	0.7
Current Assets	20.2	36.8
Current Liabilities	-17.0	-16.0
Long Term Borrowing	-10.1	-12.2
Provisions	-0.6	-0.7
Grants Deferred/Unapplied	-17.9	-17.6
Pension Liability	-58.4	-50.5

Assets less Liabilities	234.8	277.5
Revaluation Reserve	6.4	10.1
Capital Adjustment Account	260.7	291.4
Pensions Reserve	-58.4	-50.5
Capital Receipts Reserve	1.3	1.4
Earmarked Reserves	16.4	16.1
Working Balances:		
General Fund	3.0	2.9
Housing Revenue Account	5.4	6.1

Net Worth 234.8 277.5

WHERE YOUR COUNCIL TAX GOES

The table below shows that 85% of the Council Tax is for North Yorkshire County Council, North Yorkshire Police Authority and North Yorkshire Fire Authority services. Harrogate Council and Parish Councils receive the remainder.

	£ per resident	£ per Band D property
North Yorkshire County Council	383	988
North Yorkshire Police Authority	75	193
North Yorkshire Fire Authority	23	59
Harrogate Borough Council	82	211
Parish Councils	3	9
Total	<u>566</u>	<u>1,460</u>