

## HOUSING REVENUE ACCOUNT 2009/10

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 surplus of £1.3m is higher than the original budget of £1.0m. This was due to lower repairs and maintenance costs, mainly due to savings on the purchase and maintenance of more efficient gas systems.
- ◆ Depreciation charges in 2009/10 include a reversal of £9.6m of the £30.2m impairment charges in 2008/09, following a full revaluation of the Council's Housing Stock, this reflects a slight improvement in the Housing Market.

|  | Net Cost<br>2009/10<br>£'000 | Amount<br>per<br>Tenancy<br>£ |
|--|------------------------------|-------------------------------|
| <b>Net Cost</b>                          | <b>Net Cost</b>              | <b>Amount</b>                 |
| 2008/09                                  | 2009/10                      | per                           |
| £'000                                    | £'000                        | £                             |
| 3,933 dwellings managed at 31 March 2010 |                              |                               |
| 13,200                                   | 13,790                       | 3,506                         |
| 980                                      | 1,180                        | 300                           |
| <b>14,180</b>                            | <b>14,970</b>                | <b>3,806</b>                  |
| <b>Spending On Council Housing</b>       |                              |                               |
| 7,360                                    | 7,280                        | 1,851                         |
| 2,480                                    | 3,120                        | 793                           |
| 32,960                                   | -6,860                       | -1,744                        |
| 80                                       | 80                           | 20                            |
| 42,880                                   | 3,620                        | 920                           |
| <b>28,700</b>                            | <b>-11,350</b>               | <b>-2,886</b>                 |
| 110                                      | 360                          | 92                            |
| <b>28,810</b>                            | <b>-10,990</b>               | <b>-2,794</b>                 |
| -28,070                                  | 9,720                        | 2,471                         |
| <b>740</b>                               | <b>-1,270</b>                | <b>-323</b>                   |
| 6,090                                    | 5,350                        | 1,360                         |
| 5,350                                    | 6,620                        | 1,683                         |

### 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, one property was 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](mailto:anne.wray@harrogate.gov.uk)

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## 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.

| 2008/09 |   | Gross<br>Cost<br>£M | 2009/10<br>Net<br>Cost<br>£M | Net Cost<br>Per<br>Resident<br>£ |
|---------|---|---------------------|------------------------------|----------------------------------|
|         | <b>Spending on Services:</b>                      |                     |                              |                                  |
| 0.9     | Council Tax Collection                            | 1.8                 | 1.0                          | 6                                |
| 0.7     | Central Services to the Public                    | 11.5                | 0.1                          | 1                                |
| 6.4     | Cultural & Related Services                       | 20.4                | 6.3                          | 39                               |
| 2.6     | Conference & Exhibitions Impairment               | 0.0                 | 0.0                          | 0                                |
| 4.4     | Refuse Collection                                 | 6.3                 | 4.4                          | 27                               |
| 2.9     | Environmental Services                            | 6.0                 | 3.2                          | 20                               |
| 3.3     | Planning & Development Services                   | 6.7                 | 2.5                          | 16                               |
| 0.4     | Housing Services ( including HRA)                 | 43.5                | 0.1                          | 1                                |
| 30.2    | Housing Services HRA Impairment                   | -9.6                | -9.6                         | -60                              |
| 0.6     | Highways, Roads & Transport                       | 5.8                 | 1.6                          | 10                               |
| 2.9     | Corporate Costs & Overheads                       | 3.3                 | 3.1                          | 19                               |
| 55.3    | <b>Total Spending on Services</b>                 | <b>95.7</b>         | <b>12.7</b>                  | <b>79</b>                        |
| 2.2     | <b>Other Operating Costs</b>                      | <b>6.3</b>          | <b>3.5</b>                   | <b>22</b>                        |
| 57.5    | <b>Net Operating Cost</b>                         | <b>102.0</b>        | <b>16.2</b>                  | <b>101</b>                       |
|         | <b>Income from Taxation and Government Grant:</b> |                     |                              |                                  |
| 13.5    | Council Taxpayers                                 |                     | 14.0                         | 87                               |
| 1.4     | Revenue Support Grant                             |                     | 2.1                          | 13                               |
| 9.5     | Non-Domestic Rates                                |                     | 9.0                          | 56                               |
| 33.1    | <b>Net Deficit/Surplus(-) for Year</b>            |                     | <b>-8.9</b>                  | <b>-55</b>                       |
| -33.2   | Transfers to/ from (-) Reserves                   |                     | 8.9                          | 55                               |
| -0.1    | <b>Surplus to General Fund Balance</b>            |                     | <b>0.0</b>                   | <b>0</b>                         |

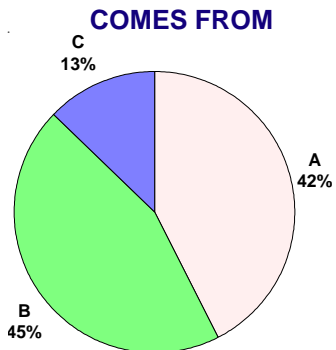
Cultural & Related Services includes Open Spaces, Recreation & Sport, Museums & Arts and Conference & Exhibitions surplus.

**For 2009/10** Housing Service spending includes a reversal of £9.6 m of the impairment charges made in 2008/09 following an upward revaluation of Council Houses at 31 March 2010. These charges are reversed by transfers to 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.

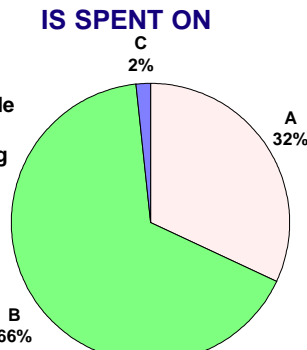
**For information on the Council's service performance in 2009/10, see the Service Improvement Plans or Annual Report published on the Council's website [www.harrogate.gov.uk](http://www.harrogate.gov.uk)**

## WHERE THE MONEY (£110.9m)



**A. Rents, Charges and Interest** £47.0m  
**B. Government Grants** £49.8m  
**C. Council Taxpayers** £14.1m

## WHAT THE MONEY (£110.9m)



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).

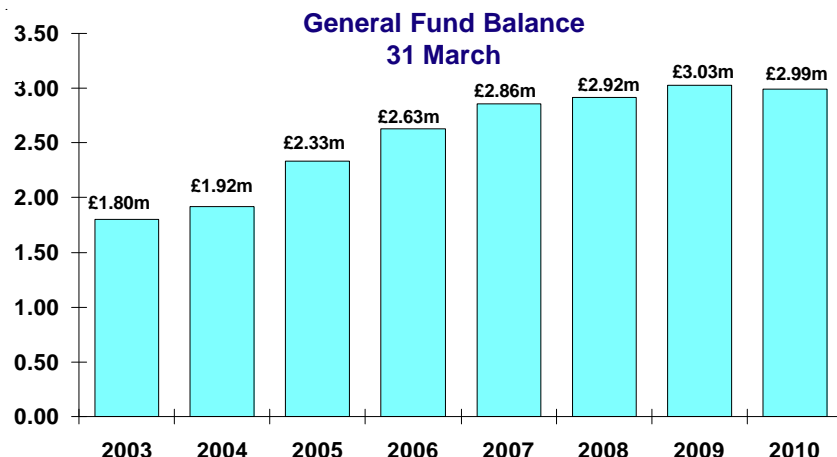
**A. Employees** £35.4m  
**B. Running Expenses** £73.7m  
**C. Treasury Management** £1.8m

### In Year savings on General Fund from:

- ◆ Reimbursement of VAT overpaid to the Government in prior years plus interest.
- ◆ Higher Government Grants for Planning Delivery, Homelessness and Local Authority Business Growth Incentive.
- ◆ Savings across all services due to manager's strict budgetary control.

### Use of in year savings:

- ◆ Reclaimed VAT plus interest in the year enabled the Council to absorb additional costs particularly on Concessionary Travel and lower income on Planning and Transport Services due to the economic downturn.
- ◆ £0.5m Government Grant taken to Earmarked Reserves.
- ◆ £0.1m savings retained in Business Unit Reserves to be used for essential investment eg on Information Technology which will increase efficiency.



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 2010

◆ Long and short term borrowing totals £10.4m of which £7.8m relates to the Housing Revenue Account; the figure is also offset by external lending totalling £24.3m. The Council's assets have a net book value of £314m and an insurance value of over £550m.

◆ In 2009/10 a fifth of all Council Properties, mainly Council Houses and Public Conveniences, were revalued in accordance with capital accounting rules. The upward revaluations are reflected in the higher balances on the Revaluation Reserve and Capital Adjustment Account and lower Housing expenditure in the Income & Expenditure Account.

### CAPITAL SPENDING

| Spending in 2009/10                     | £'000        |
|---|--------------|
| Improvements to Council Houses          | 3,803        |
| Exhibition Halls Redevelopment          | 1,936        |
| Private Sector Improvement Grants/Loans | 883          |
| Open Spaces and Children's Play Areas   | 699          |
| Vehicle & Plant Purchases               | 664          |
| Recycling Vehicles and Plant            | 418          |
| Computer/Access to Services Investment  | 381          |
| Workshops Phoenix Business Centre       | 323          |
| Ripon Leisure Centre Refurbishment      | 219          |
| Other Schemes                           | 205          |
| <b>Total Spending</b>                   | <b>9,531</b> |

| Financed from:          |              |
|-------------------------|--------------|
| Grants                  | 2,855        |
| Major Repairs Allowance | 2,513        |
| Reserves/Revenue        | 1,949        |
| Capital Receipts        | 1,284        |
| Borrowing               | 930          |
| <b>Total Financing</b>  | <b>9,531</b> |

- ◆ The Government's Major Repairs Allowance has to be used on Improvements to Council Houses.
- ◆ £1.8m used from reserves set aside for capital spending and £0.1m from HRA revenue.
- ◆ Grants include £0.9m from the Government for Housing capital spending, £0.9m Grant from Yorkshire Forward for the Exhibition Hall Redevelopment, £0.6m of Developer's contributions and £0.1m from the Big Lottery Fund and North Yorkshire County Council for Open Spaces and Play Areas.

| Financial Year ending     | Mar-10 | Mar-09 |
|---------------------------|--------|--------|
|                           | £M     | £M     |
| Net Fixed Assets          | 314.4  | 300.9  |
| Long Term Investment      | 0.0    | 17.0   |
| Long Term Debtors         | 0.7    | 0.7    |
| Current Assets            | 32.3   | 18.2   |
| Current Liabilities       | -15.7  | -15.0  |
| Long Term Borrowing       | -7.1   | -10.1  |
| Provisions                | -0.5   | -0.6   |
| Grants Deferred/Unapplied | -18.6  | -17.9  |
| Pension Liability         | -72.9  | -58.4  |

### Assets less Liabilities

|                            | 232.6 | 234.8 |
|----------------------------|-------|-------|
| Revaluation Reserve        | 7.7   | 6.4   |
| Capital Adjustment Account | 270.9 | 260.7 |
| Pensions Reserve           | -72.9 | -58.4 |
| Capital Receipts Reserve   | 1.1   | 1.3   |
| Earmarked Reserves         | 16.2  | 16.4  |
| Working Balances:          |       |       |
| General Fund               | 3.0   | 3.0   |
| Housing Revenue Account    | 6.6   | 5.4   |

### Net Worth

## 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   | 396            | 1,027                 |
| North Yorkshire Police Authority | 77             | 199                   |
| North Yorkshire Fire Authority   | 24             | 61                    |
| Harrogate Borough Council        | 85             | 220                   |
| Parish Councils                  | 3              | 9                     |
| <b>Total</b>                     | <b>585</b>     | <b>1,516</b>          |