



F. Supplementary Financial Statements



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The Collection Fund Statement

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates. In its capacity as billing authority Medway Council acts as an agent for the other major Precepting authorities (Police and Fire) and Central Government as it collects and distributes council tax and business rates on their behalf.

The Authority has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The Purpose of the Collection Fund therefore, is to isolate the income and expenditure relating to Council Tax and Non-Domestic Rates. The administrative costs associated with the collection process are charged to the General Fund.

Collection Fund surpluses declared by the billing authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year. For Medway, the Council Tax precepting bodies are The Police and Crime Commissioner for Kent and The Kent Fire and Rescue Service.

The scheme allows the Authority to retain a proportion of the total NDR received. The Medway share is 49% with the remainder paid to precepting bodies. For Medway precepting bodies this is Central Government 50%, Kent Fire and Rescue Service 1%

NDR surpluses or deficits declared by the billing authority in relation to the Collection Fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions.

The national code of practice followed by Local Authorities in England stipulates that a Collection Fund Income and Expenditure is included in the Authority's accounts. The Collection Fund Balance Sheet is incorporated into the Authority's Consolidated Balance Sheet.

Year Ended 31 March 2015		Notes	Year Ended		
			31 March 2016		
			Business Rates	Council Tax	Total
£'000			£'000	£'000	£'000
	Amounts required by statute to be credited to the Collection Fund				
(110,758)	Council Tax	1		(115,026)	(115,026)
(86,633)	Non-Domestic Rates	2	(88,855)		(88,855)
(197,391)	Total Amount required by statute to be credited to the Collection Fund		(88,855)	(115,026)	(203,881)
	Amounts required by statute to be debited to the Collection Fund				
	<u>Precepts and demands from major preceptors and the authority</u>				
133,765	- Medway Council		44,629	95,610	140,239
11,312	- Police and Crime Commissioner for Kent (PCCK)			11,803	11,803
6,294	- Kent Fire and Rescue Service (KFRS)		911	5,667	6,578
	Payment with respect to central share (including allowable deductions) of the non-domestic rating income to be paid to central government by billing authorities				
	<u>Business rates:</u>				
42,992	- payment to Central Government		45,540		45,540
289	- costs of collection		284		284
103	- transitional protection		35		35
	<u>Impairment of debts/appeals</u>				
0	- write-offs of uncollectable amounts	3	0		0
1,601	- allowance for impairment		1,469	795	2,264
6,951	- Increase/Decrease in Provision for appeals		(4,095)		(4,095)
2,096	Transfer of Collection Fund surplus/(deficit)		(459)	2,856	2,397
205,403	Total Amount required by statute to be debited to the Collection Fund		88,314	116,731	205,045
1,798	Opening fund balance		12,619	(2,809)	9,810
9,810	Closing Fund Balance	4	12,078	(1,104)	10,974
8,012	Movement on fund balance		(541)	1,705	1,164
	Allocation of Closing Deficit/(Surplus)				
3,746	Medway Council		5,918	(934)	4,984
(251)	Police and Crime Commissioner for Kent		0	(115)	(115)
5	Kent Fire and Rescue Service		121	(55)	66
6,310	Central Government		6,039		6,039
9,810			12,078	(1,104)	10,974

Notes to the Collection Fund Account

1. Council Tax

Council Tax derives from charges raised according to the value of residual properties, which have been classified in 9 valuation bands (A-H) for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by the Council and major preceptors for the forthcoming year and dividing this by the Council Tax base (i.e. the equivalent numbers of Band D dwellings).

The Council Tax Base for 2015/16 was 80,212.80 (78,406.79 in 2014/15). The tax base for 2015/16 was approved by the Portfolio Holder for Finance on 27 January 2015 and was calculated as follows:

Band	Chargable Dwellings	Ratio 9ths	Band D Equivalent Gross	Exemptions & Discounts	Band D Equivalent Net
A	11,199	6	7,466	1,386	6,080.30
B	37,992	7	29,549	3,438	26,111.24
C	33,287	8	29,588	2,688	26,900.89
D	17,265	9	17,265	1,422	15,843.05
E	8,584	11	10,492	654	9,837.85
F	3,768	13	5,443	400	5,042.34
G	1,354	15	2,257	133	2,123.42
H	64	18	128	55	72.80
Total	113,513		102,188	10,176	92,011.89
Council Tax Support					(10,171.31)
Sub Total					81,840.58
Allowance for Non Collection (2.4%)					(1,964.18)
Sub Total					79,876.40
Crown Contribution					336.39
Tax Base for the Calculation of Council Tax 2015/16					80,212.79
Tax Base for the Calculation of Council Tax 2014/15					78,406.79

2. Income from Business Rates

The Council collects Non-Domestic Rates for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government. In previous financial years the total amount due, less certain allowances, was paid to a central pool administered by Central Government, which, in turn, paid to Local Authorities their share of the pool, such shares being based on a standard amount per head of the local adult population.

In 2013/14, the administration of NDR changed following the introduction of a business rates retention scheme which aims to give authorities a greater incentive to grow businesses but also increases the financial risk due to volatility and non-collection of rates. Instead of paying NDR to the central pool, local authorities retain a proportion of the total collectable rates due. In the case of Medway the local share is 49%, Central Government 50% and Kent Fire and Rescue service 1%.

The business rates shares payable for 2015/16 were estimated before the start of the financial year as £45.6m to Central Government, £0.9m to KFRS and 44.6m to Medway Council. These sums have been paid in 2015/16 and charged to the collection fund in that year.

The total income from business rate payers collected in 2015/16 was £87.8m (£86.5m 2014/15)

In addition to the local management of business rates, authorities are expected to finance appeals made in respect of rateable values as defined by VOA and hence business rates outstanding as at 31 March 2016. As such, authorities are required to make provision for these amounts. Appeals are charged and provided for in proportion of the precepting shares. The total reduction in provision provision credited to the collection fund for 2015/16 has been calculated at £4.0m (£7.0m charged for 2014/15).

For 2015/16, the total non-domestic rateable value at the year-end is £218.3m (£217.3m in 2014/15). The national multipliers for 2015/16 were 48.0p for qualifying Small Business, and the standard multiplier being 49.3p for all other businesses (47.1p and 48.2p respectively in 2014/15).

3. Council Tax/NDR Bad Debt Provision and NDR provision for valuation appeals

The Collection Fund account provides for bad debts on arrears of Council Tax on the basis of prior years' experience and current years collection rates.

2014/15 £000s			2015/16 £000s	
Collection Fund	Medway Share		Collection Fund	Medway Share
2,482	2,095	Balance at 1 April	2,680	2,255
(688)	(582)	Write-offs during year	(716)	(715)
886	742	Contributions to provisions during year	795	796
198	160	Net Increase/decrease in Provisions	79	81
2,680	2,255	Balance at 31 March	2,759	2,336

The Collection Fund account also provides for bad debts on Non-domestic rates arrears.

2014/15 £000s			2015/16 £000s	
Collection Fund	Medway Share		Collection Fund	Medway Share
2,533	1,241	Balance at 1 April	2,181	1,069
(1,067)	(522)	Write-offs during year	(837)	(410)
715	350	Contributions to provisions during year	1,469	719
(352)	(172)	Net Increase/decrease in Provisions	632	309
2,181	1,069	Balance at 31 March	2,813	1,378

The Collection Fund account also provides for provision for appeals against the rateable valuation set by the Valuation Office Agency (VOA) not settled as at 31 March 2016. This is the third year of the provision.

2014/15 £000s			2015/16 £000s	
Collection Fund	Medway Share		Collection Fund	Medway Share
9,236	4,526	Balance at 1 April	16,187	7,932
6,951	3,406	Contributions to provisions during year	(4,095)	(2,007)
6,951	3,406	Net Increase/decrease in Provisions	(4,095)	(2,007)
16,187	7,932	Balance at 31 March	12,092	5,925

4. Surplus/Deficit

For 2015/16 the Collection Fund incorporates both Council Tax and Non Domestic Rates. Overall the Collection Fund shows a deficit of £10.6m (2014/15 deficit £9.8m), apportioned as follows:

Medway Council deficit £4.6m (2014/15 deficit £3.8m), The Police and Crime Commissioner for Kent surplus £115k (2014/15 surplus £251k), Kent and Medway Fire and Rescue Authority deficit £66k (2014/15 deficit £5k) and Central Government deficit of £6.0m (2014/15 deficit £6.3m). The makeup of these surpluses and deficits are shown in the table below:

	Total Collection Fund	Medway Council	Police and Crime Commissioner for Kent	KFRS	Central Government
	£'000	£'000	£'000	£'000	£'000
NDR Collection Fund (Surplus)/deficit	12,078	5,918	0	121	6,039
Council Tax	(1,526)	(1,356)	(115)	(55)	
Total	10,552	4,562	(115)	66	6,039

Housing Revenue Account

Explanatory Foreword

The Housing Revenue Account (HRA) is a record of revenue expenditure and income relating to the authority's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. Consequently, the HRA is a statutory account, ring fenced from the rest of the General Fund, so that rents cannot be subsidised from council tax (or vice versa).

The ring fence is controlled by Schedule 4 to the Local Government and Housing Act 1989, which specifies the debits and credits to be made to the HRA and excludes any other postings. The Schedule has been supplemented by an Item 8 determination issued for 2012-2013 and subsequent years.

Authorities are required by section 74(1) of the 1989 Act to keep the HRA in accordance with proper practices. Proper practices are defined in section 21(2) of the Local Government Act 2003 as those accounting practices which:

- the authority is required to follow by virtue of any enactment (statutory proper practices) – the principal statutory proper practices are determined by the 1989 Act, the 1993 Act, the Audit Commission Act 1998, the Accounts and Audit (England) Regulations 2011, the HRA (Accounting Practices) Directions 2011 and the Item 8 Determination
- are contained in a code of practice which is identified for this purpose by regulations made by the Secretary of State (non-statutory proper practices) – the most relevant to the HRA are the Code and SeRCOP.

Section 21(3) of the 2003 Act also requires that, in the event of any conflict between statutory and non-statutory practices, only those defined by statute are to be regarded as proper practices. This is particularly important in the context of capital charges and receipts, where calculation of the amounts to be credited or debited to the HRA is determined by the Secretary of State. However, problems can also arise with apparently less complex transactions such as the recharging of support services and administrative expenses.

Paralleling the treatment for the council's wider operations, the transactions relating to the HRA have been separated into two statements:

- the HRA Income and Expenditure Statement
- the Movement on the HRA Statement

HRA Income and Expenditure Statement

This Statement analyses in more detail the income and expenditure on HRA services included in the whole Authority Surplus or Deficit on the Provision of Services. It also shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. The Authority charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2014/15 £'000		Notes	2015/16 £'000
	Expenditure		
2,558	Repairs & maintenance		2,861
3,868	Supervision and management		3,653
184	Rents, rates, taxes and other charges		176
0	Rent Rebate Subsidy Limitation	8	0
386	Depreciation and impairment of non-current assets	4,11	(16,970)
0	Revenue Expenditure Funded from Capital Under Statute		2
75	Debt management costs		75
71	Movement in the allowance for bad debts	9	50
0	Sums directed by the Secretary of State that are expenditure in accordance with the Code		0
7,140	Total Expenditure		(10,153)
	Income		
(12,818)	Dwelling rents		(13,136)
(152)	Non-dwelling rents		(166)
(1,283)	Charges for services and facilities		(1,320)
(35)	Contributions towards expenditure		(19)
(13)	Reimbursement of Costs		(59)
0	Sums directed by the Secretary of State that are income in accordance with proper practices		0
(14,300)	Total Income		(14,701)
(7,160)	Net Cost of Housing Revenue Account Services as included in the whole authority Comprehensive Income and Expenditure Statement		(24,854)
99	HRA services share of Corporate and Democratic Core		99
(59)	HRA share of other amounts included in the whole authority Cost of Services but not allocated to specific services		(120)
(7,121)	Net Expenditure/(Income) for Housing Revenue Account Services		(24,876)
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
(458)	(Gain) or loss on sale of HRA non-current assets		(327)
2,472	Interest payable and similar charges	*1	2,522
(24)	Interest and investment income		(25)
161	Net interest on the net defined benefit liability (asset)		143
0	Capital grants and contributions receivable		0
(4,970)	Deficit/(Surplus) for the year on Housing Revenue Account Services		(22,563)

*1 - As a result of the withdrawal of HRA subsidy and the introduction of self-financing, the HRA now makes a debt repayment and pays additional interest on the additional debt burden of £19.144m.

Movement on the Housing Revenue Account Statement

This Statement shows the how the HRA Income and Expenditure Account surplus or deficit for the year reconciles to the movement on the Housing Revenue Account balance for the year end.

2014/15 £'000		2015/16 £'000
(1,969)	Balance on the HRA at the end of the previous reporting period	(2,235)
(4,970)	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	(22,563)
4,698	Adjustments between accounting basis and funding basis under statute	21,981
(271)	Net (increase) or decrease before transfers to or from reserves	(582)
6	Transfers to or (from) Earmarked HRA reserves	0
0	Transfers to or (from) GF reserves	0
(266)	(Increase) or decrease in year on the HRA	(582)
(2,235)	Balance on the HRA at the end of the current reporting period	(2,817)

Notes to the Housing Revenue Account

1. Adjustments between accounting basis and funding basis under statute

2014/15 £'000		2015/16 £'000
ADJUSTMENTS PRIMARILY AFFECTING THE CAPITAL ADJUSTMENT ACCOUNT:		
(3,516)	Charges for depreciation and impairment of non-current assets	(3,480)
3,162	Revaluation losses on Property, Plant and Equipment	20,450
0	Revenue Expenditure Funded from Capital Under Statute	(2)
	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	
(700)		(431)
INSERTION OF ITEMS NOT DEBITED OR CREDITED TO THE COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT:		
0	Capital Expenditure charged Against HRA Balances	1,368
ADJUSTMENTS PRIMARILY INVOLVING THE CAPITAL RECEIPTS RESERVE:		
1,158	Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	758
ADJUSTMENTS PRIMARILY INVOLVING THE MAJOR REPAIRS RESERVE:		
3,516	Reversal of Major Repairs Allowance credited to HRA	3,480
1,264	Contribution to capital expenditure from reserves	
ADJUSTMENTS PRIMARILY INVOLVING THE FINANCIAL INSTRUMENTS ADJUSTMENT ACCOUNT:		
(12)	Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	(12)
ADJUSTMENTS PRIMARILY INVOLVING THE PENSIONS RESERVE:		
(439)	Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(375)
268	Employer's pension contributions and direct payments to pensioners payable in the year	223
ADJUSTMENTS PRIMARILY INVOLVING THE ACCUMULATED ABSENCES ACCOUNT:		
(3)	Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	2
4,698	TOTAL ADJUSTMENTS	21,981

2. Transfers to or from (earmarked) reserves

In 2015/16, £0.45m (£0.6m 14/15) was transferred from the available New Build Reserves to fund 12% (due to availability of New Build Reserves) of the allowable 30% allowance of new build construction costs (30% used in 2014/15). Remaining allowance (18%) will be carried forward to the future years to drawdown funds from New Build Reserves to pay off the debt from borrowing for current new build house programme. £2.58m from Major Repairs Reserves has been used in 2015/16 to defer borrowing to fund HRA new house build programme which will be paid back into MRR in 2016/17. The following table shows an analysis of the amounts held in HRA earmarked reserves and the amounts set aside in year and the amounts posted back from earmarked reserves to meet expenditure in 2015/16:

	Balance 1 April 2014 £'000	Transfers in 2014/15 £'000	Transfers out 2014/15 £'000	Balance 31 March 2015 £'000	Transfers in 2015/16 £'000	Transfers out 2015/16 £'000	Balance 31 March 2016 £'000
Housing Revenue Account							
HRA IT Reserve	0	(6)	0	(6)	0	0	(6)
Revenue Contribution to Capital	0	0	0	0	(1,350)	1,350	0
Major Repair Reserve	(138)	(7,604)	7,073	(669)	(4,291)	4,960	(0)
HRA Capital Receipt(1-4-1)	(268)	(486)	563	(190)	(260)	450	(0)
Total	(407)	(8,095)	7,637	(865)	(5,901)	6,760	(6)

3. Housing Revenue Account Stock

a. Rentable Dwelling Stock

The Council managed 3,011 rentable dwellings as at 31 March 2016. The movement in stock is analysed as follows:

Stock Type	01 April 2015	Adjustments	Additions	Disposals	31 March 2016
Houses	1,291	0	7	(9)	1,289
Flats	1,257	(1)	0	0	1,256
Maisonettes	215	0	0	0	215
Bungalows	244	0	7	0	251
Total	3,007	(1)	14	(9)	3,011

b. Non-Rentable Dwelling Stock

The Council owned 1 non rentable dwelling (a flat) as at 31 March 2016.

c. Non-Dwelling Stock

The Council owned 875 non- dwellings as at 31 March 2016. The movement in stock is analysed as follows:

Stock Type	01 April 2015	Adjustments	Additions	Disposals	31 March 2016
Garages	440	0	0	(32)	408
Garages with water	183	0	0	(1)	182
Carports	82	0	0	(4)	78
Carspaces	147	0	33	0	180
Underground carspaces	26	0	0	0	26
Commercial Property	0	1	0	0	1
Total	878	1	33	(37)	875

4. HRA Non-Current Assets

In accordance with Government guidelines, dwellings have been valued at their 'existing use with vacant possession' based upon beacon values and then reduced to reflect 'existing use for social housing'. This value is included within the Balance Sheet. The estimated market value at 31 March 2016 was £418m (31 March 2015 £347m). The 'discounted' existing use value reflects the economic cost to government of providing council housing at less than market rents.

	Dwellings £'000	Other Land and Buildings £'000	Total £'000
Cost or Valuation 1 April 2015	112,224	3,497	115,720
Additions	4,129	101	4,230
Revaluation increases/(decreases) recognised in the Revaluation Reserve	0	267	267
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	17,151	(169)	16,982
Derecognition – disposals	(443)	0	(443)
Assets reclassified (to)/from Held for Sale	661	0	661
Other movements in cost or valuation	(34)	34	0
As at 31 March 2016	133,688	3,730	137,417
Depreciation as at 1 April 2015	0	0	0
Depreciation charge	(3,243)	(237)	(3,480)
Depreciation written out to the Revaluation Reserve	0	0	0
Depreciation written out to the Surplus/Deficit on the Provision of Services	3,231	237	3,468
Derecognition – disposals	12	0	12
As at 31 March 2016	(0)	(0)	(0)

Net Book Value			
As at 31 March 2015	112,224	3,496	115,720
As at 31 March 2016	133,688	3,730	137,418

5. Major Repairs Reserve

The Major Repairs Reserve is the account that can be used to fund capital works and repay debt. The Major Repairs Reserve receives a transfer from the Capital Financing Account equivalent to the total depreciation charged to the Housing Revenue Account for Major Repairs Allowance and debt repayment. This sum is then available to finance Housing Revenue Account capital expenditure on HRA Land, House and other property and to repay the debt. The analysis of movement on the Major Repairs Reserve as well as HRA total capital expenditure is as follows:

	2014/15 Re- stated £'000	2015/16 £'000
Major Repairs Reserve		
Opening Balance	(138)	(669)
HRA Depreciation from Capital Adjustment Account	(3,516)	(3,480)
Debt Repayment from the HRA	(790)	(811)
Debt Repayment from the Capital Adjustment Account	790	811
Payment for Capital Expenditure on HRA Land, Houses & other Property	2,985	1,570
Payment for Capital Expenditure on New House Build Programme(borrowing from MRR)	0	2,579
Closing Balance	(669)	0

6. Analysis of HRA Capital Expenditure and Funding

	2014/15 Re- stated £'000	2015/16 £'000
Operational Assets		
Dwellings	5,437	4,169
Other Land and Buildings	185	60
Asset under Construction	661	2,552
Revenue Expenditure Funded from Capital under Statute	0	2
Total	6,283	6,784
Funded by:		
Major Repairs Reserve	2,985	1,570
Transfer from 1-4-1 Capital Receipts Reserves	563	450
Prudential Borrowing for New House Build Programme	1,471	834
Borrowing from MRR for New House Build Programme	0	2,579
Revenue contributions from the HRA	1,264	1,350
Total Funding	6,283	6,784

The Revenue Expenditure Funded from Capital under Statute relates to:

	2014/15 £'000	2015/16 £'000
Expenditure type:		
New Build Programme-Pre Construction Expenditure	0	2
Total	0	2

7. Summary of HRA Capital Receipts

	2014/15 £'000	2015/16 £'000
Receipts from the sale of land	(20)	(5)
Receipts from disposals of houses through the Right To Buy scheme	(1,144)	(767)
Total Capital Receipts	(1,164)	(772)

8. Rent Rebate Subsidy Limitation

From 1 April 2004, the responsibility for the cost of rent rebates relating to Council Tenants was transferred from the Housing Revenue Account to the General Fund. In order to ensure a neutral effect, the Secretary of State determined under Item 10 of the Local Government and Housing Act 1989 that where authorities had set rents in excess of a specified pre-set limit, a transfer equal to the loss of rent rebate subsidy should be made from the Housing Revenue Account to the credit of the General Fund. In 2015/16 this amounted to NIL (2014/15 NIL).

9. Tenants' Arrears

Tenants' Arrears at 6 April were analysed as follows:

Type of Debt	2014/15	2015/16
	£'000	£'000
General Stock	236	217
Garages	1	0
Former Tenancies – General Stock	307	262
Former Tenancies - Garages	1	0
Court Costs – General Stock	31	29
Former Tenancy Arrears of Current Tenants – General	52	50
Rechargeable Repairs	74	72
Total Arrears	702	631
Percentage of Gross Rents (HRA)	5.45%	4.78%

The following provision has been made against possible non-collection of Housing Revenue Account debt:

	2014/15	2015/16
	£'000	£'000
Opening Balance	596	582
Additional Provision made during year	71	50
Add Credit write-offs	4	2
Less amounts written off	(89)	(104)
Closing Balance	582	530

10. HRA Share of Contributions to the Pensions Reserve

In accordance with IAS 19 the HRA Income and Expenditure Statement includes £0.15m (£0.2m in 2014/15), for its share of the contribution from the Pensions Reserve. The cost calculated by the pensions' actuary include current service cost, interest on pension liability, and expected return on assets. The HRA share is calculated by apportioning costs based on employers contributions charged to the HRA for the year. In accordance with proper accounting practice, the contribution is then removed by crediting the Movement on the Housing Revenue Account Statement to ensure the HRA is only charged with pension fund contributions payable for the year.

11. Depreciation and Amortisation Charges

The HRA is charged with depreciation to reflect the consumption of HRA assets over their useful life. The method of calculation of depreciation relating to council dwellings is based on straight line depreciation, consistent with the other classes of non-current assets held by the authority.

In 2015/16 the depreciation charged on HRA assets was £3.48m (£3.5m 2014/15). The charge for depreciation of £3.24m relating to the housing stock is funded from the Major Repairs Allowance. The charge of £0.24m relating to other non-current assets is appropriated from the Major Repairs Reserve to the HRA. The following table shows the depreciation charged on HRA assets:

	2014/15	2015/16
	£'000	£'000
Property, Plant and Equipment		
Council Dwellings	3,216	3,243
Other Land and Buildings	300	237
Total Depreciation and Amortisation	3,516	3,480

12. Item 8 Credit and Item 8 Debit (General) Determination

The capital asset charges accounting adjustment, calculated in accordance with the Item 8 credit and Item 8 debit (general) determination for 2015/16 was a credit of £14.4m (2014/15 was £2.8m.)

The following table shows the breakdown of this adjustment:

Type of Debt	2014/15	2015/16
	£'000	£'000
Capital Asset Charges		
Revaluation and Impairment (Gain) / Losses	(3,162)	(20,450)
Revenue Expenditure Funded from Capital Under Statute	0	2
Depreciation Charge in Respect of Council Dwellings	3,216	3,243
Other Depreciation Charges	300	237
Debt repayment	790	811
Total Capital Asset Charges	1,144	(16,157)
Actual Interest Charged on HRA Debt	1,681	1,711
Capital Asset Charges Accounting Adjustment	2,825	(14,446)

13. Gross Rent Debit

The rent income figure is net of voids. The level of voids in 2015/16 was on average equal to 0.40% (0.43% in 2014/15). The level of rebates provided was £8.9m (2014/15 £8.88m), which amounted to 63.82% of rent and HB related service charges collectable (2014/15 65.48%).