

Item 1: Housing Revenue Account

Calculations: Unspent Housing Capital – Loss of Value

(Information provided by Councillor Michelle Pearce, September 2004)

2002/03

| | £ |
|-----------------------------------|-------------|
| Major Repairs Reserve | 5,205,000 |
| Housing Revenue Balances | 22,679,000 |
| Total Underspend | 27,884,000 |
| Building Costs rose by 6.52 % | |
| 6.52% of 27,884,000 | (1,818,037) |
| Investment Interest Rate was 3.3% | |
| 3.3% of 27,884,000 | 920,172 |
| Total loss of value | 897,865 |

2003/04

| | |
|-------------------------------------|-------------|
| Major Repairs Reserve | 25,399,000 |
| Housing Revenue Balances | 37,800,000 |
| Total Underspend | 63,299,000 |
| Building Costs rose by 4.5% | |
| 4.5% of 63,299,000 | (2,848,455) |
| Investment Interest Rate was 3.755% | |
| 3.753 of 63,299,000 | 2,376,712 |
| Total loss of value | 471,743 |

Total loss of Value 2002/03 – 2003/04

£ 1,369,608

Underspend figures taken from Statement of Accounts 2002/03 and 2003/04
Interest Rates for 2002/03 from Treasury Management Report, Feb 2003
Interest Rates for 2003/04 from Southwark Finance
Building Construction Costs from Royal Institute of Chartered Surveyors monthly index.