

## HRA Prudential Indicator Calculations

## APPENDIX B

Local authorities that have a Housing Revenue Account (HRA) are required to prepare separate calculations for their HRA and non-HRA elements.

### HRA Capital Expenditure

The prudential indicator for capital expenditure should be based upon a capital programme that takes into account the Council's asset management and capital investment strategies.

Description	2008/09 Actual £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Housing in the City	5,206	5,798	7,539	5,126	5,165
<b>Total HRA Capital Expenditure</b>	<b>5,206</b>	<b>5,798</b>	<b>7,539</b>	<b>5,126</b>	<b>5,165</b>

### HRA Financing costs for a debt free authority

Description	2008/09 Actual £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	0	0
Interest payable under 'irredeemable' long term liabilities	0	0	41	80	121
Interest and investment income	(400)	(225)	(208)	(200)	(200)
Replacement for Minimum Revenue Provision (England and Wales)	0	0	0	0	0
Voluntary contribution to financing costs in respect of short-life assets	0	0	0	0	0
<b>Total HRA Financing Costs</b>	<b>(400)</b>	<b>(225)</b>	<b>(167)</b>	<b>(120)</b>	<b>(79)</b>

### HRA Estimates of the ratio of financing costs to net revenue stream

### APPENDIX B

For the Housing Revenue Account the net revenue stream, for the purposes of the Code, is the amount to be met from housing subsidy and rent income.

Description	2008/09 Actual £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Financing costs	(400)	(225)	(167)	(120)	(79)
Net revenue stream	15,171	15,290	15,760	16,548	17,375
<b>Ratio of financing costs to net revenue stream %</b>	<b>(2.6)</b>	<b>(1.5)</b>	<b>(1.1)</b>	<b>(0.7)</b>	<b>(0.5)</b>
Negative for a debt free authority	%	%	%	%	%

### Estimates of the incremental impact of capital investment decisions on the Housing Rents

A fundamental constraint on HRA capital investment by a local authority is its scope to afford its financial implications. For local authorities it is ultimately determined by a judgement about acceptable rent levels.

This prudential indicator shows the potential impact of the HRA capital investment decisions on the average weekly rent.

Description	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
Forecast HRA budgetary requirements for the authority with existing HRA capital programme	15,760	16,548	17,375
Forecast HRA budgetary requirements for the authority with proposed HRA capital programme	15,760	16,548	17,375
Difference	0	0	0
<b>Incremental Impact on average weekly housing rents</b>	<b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>

## **HRA Capital Financing Requirement**

## **APPENDIX B**

The Capital Financing Requirement will reflect the Council's underlying need to borrow for a capital purpose.

### *Actual HRA Capital Financing Requirement at 31 March 2009*

<b>Description</b>	<b>£'000</b>
Operational assets	241,551
Non-operational assets	361
Revaluation Reserve	(164)
Capital Adjustment Account	(245,550)
Government Grants Deferred	(1,050)
<b>Actual HRA Capital Financing Requirement 31 March 2009</b>	<b>(4,852)</b>

### *Estimated HRA Capital Financing Requirement at 31 March 2010*

Actual HRA Capital Financing Requirement 31 March 2009	(4,852)
Estimate of change in Operational assets	0
Estimate of change in Non-operational assets	(7)
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	7
Estimate of change in Government Grants Deferred	0
<b>Estimate of HRA Capital Financing Requirement 31 March 2010</b>	<b>(4,852)</b>

### *Estimated HRA Capital Financing Requirement at 31 March 2011*

Estimate of HRA Capital Financing Requirement 31 March 2010	(4,852)
Estimate of change in Operational assets	0
Estimate of change in Non-operational assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	888
Estimate of change in Government Grants Deferred	0
<b>Estimate of HRA Capital Financing Requirement 31 March 2011</b>	<b>(3,964)</b>

*Estimated HRA Capital Financing Requirement at 31 March 2012*

**APPENDIX B**

Estimate of HRA Capital Financing Requirement 31 March 2011	(3,964)
Estimate of change in Operational assets	0
Estimate of change in Non-operational assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	843
Estimate of change in Government Grants Deferred	0
<b>Estimate of HRA Capital Financing Requirement 31 March 2012</b>	<b>(3,121)</b>

*Estimated HRA Capital Financing Requirement at 31 March 2013*

Estimate of HRA Capital Financing Requirement 31 March 2012	(3,121)
Estimate of change in Operational assets	0
Estimate of change in Non-operational assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	892
Estimate of change in Government Grants Deferred	0
<b>Estimate of HRA Capital Financing Requirement 31 March 2013</b>	<b>(2,229)</b>