

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	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
Help me find somewhere suitable to live	62,723	9,038	9,090	8,364	5,396
Total HRA Capital Expenditure	62,723	9,038	9,090	8,364	5,396

HRA Financing costs

Description	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	0	0
Interest payable under 'irredeemable' long term liabilities	31	1,989	1,989	1,989	1,991
Interest and investment income	(51)	(31)	(75)	(75)	(150)
Voluntary 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
Total HRA Financing Costs	(20)	1,958	1,914	1,914	1,841

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	2011/12 Actual £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
Financing costs	(20)	1,958	1,914	1,914	1,841
Net revenue stream	16,673	17,087	18,149	19,056	20,009
Ratio of financing costs to net revenue stream %	(0.1)	11.5	10.5	10.0	9.2
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	2013/14 Estimate £'000	2014/15 Estimate £'000	2015/16 Estimate £'000
Forecast HRA budgetary requirements for the authority with existing HRA capital programme	18,149	19,056	20,009
Forecast HRA budgetary requirements for the authority with proposed HRA capital programme	18,149	19,056	20,009
Difference	0	0	0
Incremental Impact on average weekly housing rents	£0.00	£0.00	£0.00

HRA Capital Financing Requirement

APPENDIX B

The Capital Financing Requirement will reflect the Council's underlying need to finance capital expenditure.

Actual HRA Capital Financing Requirement at 31 March 2012

Description	£'000
Property, Plant and Equipment	191,167
Investment Properties	0
Revaluation Reserve	0
Capital Adjustment Account	(133,285)
Actual HRA Capital Financing Requirement 31 March 2012	57,882

Estimated HRA Capital Financing Requirement at 31 March 2013

Estimate of HRA Capital Financing Requirement 31 March 2012	57,882
Estimate of change in Property, Plant and Equipment	0
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	0
Estimate of HRA Capital Financing Requirement 31 March 2013	57,882

Estimated HRA Capital Financing Requirement at 31 March 2014

Estimate of HRA Capital Financing Requirement 31 March 2013	57,882
Estimate of change in Property, Plant and Equipment	9,038
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(9,038)
Estimate of HRA Capital Financing Requirement 31 March 2014	57,882

Estimated HRA Capital Financing Requirement at 31 March 2015

Estimate of HRA Capital Financing Requirement 31 March 2014	57,882
Estimate of change in Property, Plant and Equipment	9,090
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(9,090)
Estimate of HRA Capital Financing Requirement 31 March 2015	57,882

Estimated HRA Capital Financing Requirement at 31 March 2016

Estimate of HRA Capital Financing Requirement 31 March 2015	57,882
Estimate of change in Property, Plant and Equipment	8,364
Estimate of change in Investment Properties	0
Estimate of change in Intangible Assets / Other Long term Assets	0
Estimate of change in Revaluation Reserve	0
Estimate of change in Capital Adjustment Account	(8,364)
Estimate of HRA Capital Financing Requirement 31 March 2016	57,882

CLG Limit on indebtedness

The limit on indebtedness for the HRA is £57.882 m