

## **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	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Housing in the City	7,216	5,347	5,060	4,993	4,930
<b>Total HRA Capital Expenditure</b>	<b>7,216</b>	<b>5,347</b>	<b>5,060</b>	<b>4,993</b>	<b>4,930</b>

### **HRA Financing costs for a debt free authority**

Description	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	13	33
Interest payable under 'irredeemable' long term liabilities	0	0	0	0	0
Interest and investment income	0	(489)	(229)	(229)	(267)
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>0</b>	<b>(489)</b>	<b>(229)</b>	<b>(216)</b>	<b>(234)</b>

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

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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	2007/08 Actual £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Financing costs	0	(489)	(229)	(216)	(234)
Net revenue stream	15,021	15,077	16,135	17,103	17,958
<b>Ratio of financing costs to net revenue stream %</b>	<b>0.0</b>	<b>(3.2)</b>	<b>(1.4)</b>	<b>(1.3)</b>	<b>(1.3)</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	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Forecast HRA budgetary requirements for the authority with existing HRA capital programme	16,135	17,103	17,958
Forecast HRA budgetary requirements for the authority with proposed HRA capital programme	16,135	17,103	17,958
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**

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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 2008**

<b>Description</b>	<b>£'000</b>
Operational assets	284,569
Non-operational assets	7
Deferred charges	0
Revaluation Reserve	(1,577)
Capital Adjustment Account	(287,019)
Government Grants Deferred	(832)
<b>Actual HRA Capital Financing Requirement 31 March 2008</b>	<b>(4,852)</b>

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

Actual HRA Capital Financing Requirement 31 March 2008	(4,852)
Estimate of Operational assets 2008/09	(3,653)
Estimate of Non-operational assets 2008/09	(7)
Estimate of Deferred charges 2008/09	0
Estimate of Revaluation Reserve 2008/09	0
Estimate of Capital Adjustment Account 2008/09	3,660
Estimate of Government Grants Deferred 2008/09	0
<b>Estimate of HRA Capital Financing Requirement 31 March 2009</b>	<b>(4,852)</b>

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

Estimate of HRA Capital Financing Requirement 31 March 2009	(4,852)
Estimate of Operational assets 2009/10	0
Estimate of Non-operational assets 2009/10	0
Estimate of Deferred charges 2009/10	0
Estimate of Revaluation Reserve 2009/10	0
Estimate of Capital Adjustment Account 2009/10	0
Estimate of Government Grants Deferred 2009/10	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 Operational assets 2010/11	0
Estimate of Non-operational assets 2010/11	0
Estimate of Deferred charges 2010/11	0
Estimate of Revaluation Reserve 2010/11	0
Estimate of Capital Adjustment Account 2010/11	650
Estimate of Government Grants Deferred 2010/11	0
<b>Estimate of HRA Capital Financing Requirement 31 March 2011</b>	<b>(4,202)</b>

Estimated HRA Capital Financing Requirement at 31 March 2012

Estimate of HRA Capital Financing Requirement 31 March 2010	(4,202)
Estimate of Operational assets 2010/11	0
Estimate of Non-operational assets 2010/11	0
Estimate of Deferred charges 2010/11	0
Estimate of Revaluation Reserve 2010/11	0
Estimate of Capital Adjustment Account 2010/11	667
Estimate of Government Grants Deferred 2010/11	0
<b>Estimate of HRA Capital Financing Requirement 31 March 2011</b>	<b>(3,535)</b>