

HRA Prudential Indicator Calculations

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	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
MAINTAIN OUR PROPERTY ASSETS	3,264	9,215	11,389	9,792	9,319
HELP ME FIND SOMEWHERE SUITABLE TO LIVE	3,001	5,656	9,202	2,628	1,050
Total HRA Capital Expenditure	6,265	14,871	20,591	12,420	10,369

HRA Financing costs

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	0	0
Interest payable under 'irredeemable' long term liabilities	1,980	1,980	1,980	1,980	1,980
Interest and investment income	(227)	(220)	(165)	(165)	(80)
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	1,753	1,760	1,815	1,815	1,900

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

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

Description	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Financing costs	1,753	1,760	1,815	1,815	1,900
Net revenue stream	19,022	18,600	18,250	18,925	19,625
Ratio of financing costs to net revenue stream %	9.2	9.5	9.9	9.6	9.7
Negative for a debt free authority	%	%	%	%	%

HRA Capital Financing Requirement

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

Actual HRA Capital Financing Requirement at 31 March 2018

Description	£'000
Property, Plant and Equipment	267,953
Investment Properties	0
Revaluation Reserve	(66,512)
Capital Adjustment Account	(143,559)
Actual HRA Capital Financing Requirement 31 March 2018	57,882

Estimated HRA Capital Financing Requirement at 31 March 2019

Estimate of HRA Capital Financing Requirement 31 March 2018	57,882
Estimate of change in Property, Plant and Equipment	6,265
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	(6,265)
Estimate of HRA Capital Financing Requirement 31 March 2019	57,882

Estimated HRA Capital Financing Requirement at 31 March 2020

Estimate of HRA Capital Financing Requirement 31 March 2019	57,882
Estimate of change in Property, Plant and Equipment	14,871
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	(14,871)
Estimate of HRA Capital Financing Requirement 31 March 2020	57,882

Estimated HRA Capital Financing Requirement at 31 March 2021

Estimate of HRA Capital Financing Requirement 31 March 2020	57,882
Estimate of change in Property, Plant and Equipment	20,591
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	(20,591)
Estimate of HRA Capital Financing Requirement 31 March 2021	57,882

Estimated HRA Capital Financing Requirement at 31 March 2022

Estimate of HRA Capital Financing Requirement 31 March 2021	57,882
Estimate of change in Property, Plant and Equipment	12,420
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	(12,420)
Estimate of HRA Capital Financing Requirement 31 March 2022	57,882

Limit on indebtedness

The HRA borrowing cap was limited to £57,882k, but the cap was formally removed on 29 October 2018 so Local Authorities will now be able to borrow for housebuilding.