

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 | 2018/19 Actual £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 | 2021/22 Estimate £'000 | 2022/23 Estimate £'000 |
|---|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| MAINTAIN OUR PROPERTY ASSETS | 4,115 | 9,989 | 13,894 | 11,368 | 8,870 |
| HELP ME FIND SOMEWHERE SUITABLE TO LIVE | 2,082 | 13,944 | 13,895 | 5,935 | 1,550 |
| Total HRA Capital Expenditure | 6,197 | 23,933 | 27,789 | 17,303 | 10,420 |

HRA Financing costs

| Description | 2018/19 Actual £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 | 2021/22 Estimate £'000 | 2022/23 Estimate £'000 |
|---|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Interest payable with respect to short term borrowing | 0 | 0 | 0 | 0 | 0 |
| Interest payable under 'irredeemable' long term liabilities | 1,980 | 2,056 | 2,425 | 2,456 | 2,456 |
| Interest and investment income | (303) | (185) | (185) | (185) | (185) |
| 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 | 1,677 | 1,871 | 2,240 | 2,271 | 2,271 |

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 | 2018/19 Actual £'000 | 2019/20 Estimate £'000 | 2020/21 Estimate £'000 | 2021/22 Estimate £'000 | 2022/23 Estimate £'000 |
|---|----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Financing costs | 1,677 | 1,871 | 2,240 | 2,271 | 2,271 |
| Net revenue stream | 18,522 | 18,250 | 18,700 | 19,390 | 20,100 |
| Ratio of financing costs to net revenue stream % | 9.1 | 10.3 | 12.0 | 11.7 | 11.3 |
| 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 2019

| Description | £'000 |
|---|---------------|
| Property, Plant and Equipment | 267,806 |
| Investment Properties | 0 |
| Revaluation Reserve | (67,163) |
| Capital Adjustment Account | (142,761) |
| Actual 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 | 23,933 |
| 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 | (21,535) |
| Estimate of HRA Capital Financing Requirement 31 March 2020 | 60,280 |

Estimated HRA Capital Financing Requirement at 31 March 2021

| | |
|--|---------------|
| Estimate of HRA Capital Financing Requirement 31 March 2020 | 60,280 |
| Estimate of change in Property, Plant and Equipment | 23,933 |
| 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 | (16,555) |
| Estimate of HRA Capital Financing Requirement 31 March 2021 | 67,658 |

Estimated HRA Capital Financing Requirement at 31 March 2022

| | |
|--|---------------|
| Estimate of HRA Capital Financing Requirement 31 March 2021 | 67,658 |
| Estimate of change in Property, Plant and Equipment | 27,789 |
| 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 | (23,205) |
| Estimate of HRA Capital Financing Requirement 31 March 2022 | 72,242 |

Estimated HRA Capital Financing Requirement at 31 March 2023

| | |
|--|---------------|
| Estimate of HRA Capital Financing Requirement 31 March 2022 | 72,242 |
| Estimate of change in Property, Plant and Equipment | 17,303 |
| 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 | (16,303) |
| Estimate of HRA Capital Financing Requirement 31 March 2023 | 73,242 |

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 can now borrow for housebuilding.