

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	2019/20 Actual £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
MAINTAIN OUR PROPERTY ASSETS	7,218	11,144	13,382	11,495	9,648
HELP ME FIND SOMEWHERE SUITABLE TO LIVE	8,515	14,045	10,804	5,860	500
Total HRA Capital Expenditure	15,733	25,189	24,186	17,355	10,148

HRA Financing costs

Description	2019/20 Actual £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	0	0
Interest payable under 'irredeemable' long term liabilities	1,980	2,181	2,387	2,387	2,386
Interest and investment income	(298)	(103)	(103)	(103)	(103)
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	1,682	2,078	2,284	2,284	2,283

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	2019/20 Actual £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Financing costs	1,682	2,078	2,284	2,284	2,283
Net revenue stream	18,210	18,371	18,770	19,370	19,990
Ratio of financing costs to net revenue stream %	9.2	11.3	12.2	11.8	11.4
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 2020

Description	£'000
Property, Plant and Equipment	273,485
Investment Properties	0
Intangible Assets / Other Long term Assets	3,794
Revaluation Reserve	(64,160)
Capital Adjustment Account	(155,237)
Actual 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	25,189
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	(17,811)
Estimate of HRA Capital Financing Requirement 31 March 2021	65,260

Estimated HRA Capital Financing Requirement at 31 March 2022

Estimate of HRA Capital Financing Requirement 31 March 2021	65,260
Estimate of change in Property, Plant and Equipment	25,189
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	(20,604)
Estimate of HRA Capital Financing Requirement 31 March 2022	69,845

Estimated HRA Capital Financing Requirement at 31 March 2023

Estimate of HRA Capital Financing Requirement 31 March 2022	69,845
Estimate of change in Property, Plant and Equipment	24,186
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	(23,186)
Estimate of HRA Capital Financing Requirement 31 March 2023	70,845

Estimated HRA Capital Financing Requirement at 31 March 2024

Estimate of HRA Capital Financing Requirement 31 March 2023	70,845
Estimate of change in Property, Plant and Equipment	17,355
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	(17,355)
Estimate of HRA Capital Financing Requirement 31 March 2024	70,845

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.