

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	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
INVESTING IN EXISTING STOCK	7,317	13,215	14,329	12,462	10,051
PROVISION OF NEW COUNCIL HOMES	8,851	11,330	7,500	3,349	0
Total HRA Capital Expenditure	16,168	24,545	21,829	15,811	10,051

HRA Financing costs

Description	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	0	0
Interest payable under 'irredeemable' long term liabilities	2,172	2,359	2,437	2,438	2,441
Interest and investment income	(264)	(100)	(130)	(100)	(100)
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	1,908	2,259	2,307	2,338	2,341

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	2020/21 Actual £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Financing costs	1,908	2,259	2,307	2,338	2,341
Net revenue stream	18,770	19,410	20,031	20,672	21,334
Ratio of financing costs to net revenue stream %	10.2	11.6	11.5	11.3	11.0
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 2021

Description	£'000
Property, Plant and Equipment	282,021
Investment Properties	0
Intangible Assets / Other Long term Assets	2,563
Revaluation Reserve	(64,051)
Capital Adjustment Account	(154,531)
Actual HRA Capital Financing Requirement 31 March 2021	66,002

Estimated HRA Capital Financing Requirement at 31 March 2022

Estimate of HRA Capital Financing Requirement 31 March 2021	66,002
Estimate of change in Property, Plant and Equipment	24,545
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	(12,655)
Estimate of HRA Capital Financing Requirement 31 March 2022	77,892

Estimated HRA Capital Financing Requirement at 31 March 2023

Estimate of HRA Capital Financing Requirement 31 March 2022	77,892
Estimate of change in Property, Plant and Equipment	24,545
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	(23,795)
Estimate of HRA Capital Financing Requirement 31 March 2023	78,642

Estimated HRA Capital Financing Requirement at 31 March 2024

Estimate of HRA Capital Financing Requirement 31 March 2023	78,642
Estimate of change in Property, Plant and Equipment	21,829
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	(21,079)
Estimate of HRA Capital Financing Requirement 31 March 2024	79,392

Estimated HRA Capital Financing Requirement at 31 March 2025

Estimate of HRA Capital Financing Requirement 31 March 2024	79,392
Estimate of change in Property, Plant and Equipment	15,811
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	(15,061)
Estimate of HRA Capital Financing Requirement 31 March 2025	80,142

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.