

**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	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
INVESTING IN EXISTING STOCK	14,184	12,798	11,834	11,271	11,156
PROVISION OF NEW COUNCIL HOMES	5,150	7,243	7,487	2,141	0
<b>Total HRA Capital Expenditure</b>	<b>19,334</b>	<b>20,041</b>	<b>19,321</b>	<b>13,412</b>	<b>11,156</b>

**HRA Financing costs**

Description	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Interest payable with respect to short term borrowing	0	0	0	0	0
Interest payable under 'irredeemable' long term liabilities	2,181	2,454	2,394	2,394	2,394
Interest and investment income	(251)	(478)	(524)	(524)	(524)
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
<b>Total HRA Financing Costs</b>	<b>1,930</b>	<b>1,976</b>	<b>1,870</b>	<b>1,870</b>	<b>1,870</b>

**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	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Financing costs	1,930	1,976	1,870	1,870	1,870
Net revenue stream	19,248	19,849	21,012	21,684	22,378
<b>Ratio of financing costs to net revenue stream %</b>	<b>10.0</b>	<b>10.0</b>	<b>8.9</b>	<b>8.6</b>	<b>8.4</b>
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 2022**

Description	£'000
Property, Plant and Equipment	308,683
Investment Properties	0
Intangible Assets / Other Long term Assets	0
Revaluation Reserve	(63,989)
Capital Adjustment Account	(171,452)
<b>Actual HRA Capital Financing Requirement 31 March 2022</b>	<b>73,242</b>

**Estimated HRA Capital Financing Requirement at 31 March 2023**

Estimate of HRA Capital Financing Requirement 31 March 2022	73,242
Estimate of change in Property, Plant and Equipment	20,041
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	(15,941)
<b>Estimate of HRA Capital Financing Requirement 31 March 2023</b>	<b>77,342</b>

Estimated HRA Capital Financing Requirement at 31 March 2024

Estimate of HRA Capital Financing Requirement 31 March 2023	77,342
Estimate of change in Property, Plant and Equipment	19,321
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	(19,071)
<b>Estimate of HRA Capital Financing Requirement 31 March 2024</b>	<b>77,592</b>

Estimated HRA Capital Financing Requirement at 31 March 2025

Estimate of HRA Capital Financing Requirement 31 March 2024	77,592
Estimate of change in Property, Plant and Equipment	13,412
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	(12,662)
<b>Estimate of HRA Capital Financing Requirement 31 March 2025</b>	<b>78,342</b>

Estimated HRA Capital Financing Requirement at 31 March 2026

Estimate of HRA Capital Financing Requirement 31 March 2025	78,342
Estimate of change in Property, Plant and Equipment	11,156
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	(11,156)
<b>Estimate of HRA Capital Financing Requirement 31 March 2026</b>	<b>78,342</b>

**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.