

APPENDIX 3

FORECAST OF HRA CAPITAL RESOURCES AND EXPLANATION OF TERMS

Resource	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19 & Later Years	Total
	£000	£000	£000	£000	£000	£000	£000
Unsupported Borrowing	0	16,003	21,217	3,124	0	0	40,344
Useable Capital Receipts	5,701	2,361	1,481	3,738	4,345	3,111	20,737
Grants and Contributions	139	1,350	2,650	0	0	0	4,139
Direct Revenue Financing	6,486	8,759	8,920	9,751	8,338	10,189	52,443
Depreciation	18,261	17,931	18,317	18,711	19,108	19,592	111,920
Total	30,587	46,404	52,585	35,324	31,791	32,892	229,583

Unsupported Borrowing

The unsupported borrowing required is within the debt cap for the HRA and is calculated based on the balanced capital programme developed as part of the HRA business planning process. No borrowing was required in 2013/14 due to slippage in capital expenditure and the availability of other resources.

Useable Capital Receipts

This is the proportion of capital receipts that arise from the sale of HRA assets that the Council can retain. The rules governing the use of non right-to-buy receipts allow the council to retain 100% of all receipts provided they are used for affordable housing or regeneration. The use of capital receipts was reduced in 2013/14, due to slippage in capital expenditure and the availability of other resources.

Grants and Contributions from third parties

A significant grant of £2.7M has been awarded from the Homes & Communities Agency (HCA) towards the cost of the Erskine Court scheme. Contributions are also received from third parties in respect of capital expenditure incurred by the Council, e.g. payments from leaseholders in respect of any major works that have been carried out to their homes.

Direct Revenue Financing (DRF) / Depreciation

The contribution from the HRA revenue account to fund the capital programme is known as DRF. In addition, a depreciation calculation is undertaken to create a further revenue provision to pay for relevant items of capital expenditure. The combined DRF and depreciation contribution to the funding of capital expenditure was increased in 2013/14.