

## **FORECAST OF HRA CAPITAL RESOURCES AND EXPLANATION OF TERMS**

Resource	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£M	£M	£M	£M	£M	£M
Unsupported Borrowing	18,574	16,086	7,299	0	0	<b>41,959</b>
Useable capital receipts	605	1,455	697	527	348	<b>3,632</b>
Grants and contributions	1,100	981	1,676	3,019	822	<b>7,598</b>
Direct Revenue Financing	7,514	9,283	10,704	11,242	13,103	<b>51,846</b>
Depreciation	16,116	16,553	16,841	17,235	17,625	<b>84,370</b>
<b>Total</b>	<b>43,909</b>	<b>44,358</b>	<b>37,217</b>	<b>32,023</b>	<b>31,898</b>	<b>189,405</b>

### **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. The level of borrowing has increased since the last approved version of the business plan due to spend on the Erskine Court rebuild being added to the programme at the Council meeting of 15 May 2013.

### **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.

### **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 of sold Council flats 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.