

**APPENDIX 5 TO REPORT NO 39/23  
HOUSING REVENUE ACCOUNT PRUDENTIAL INDICATORS**

Prudential indicators must be set having regard to the following matters:

- affordability (e.g. effect on rents)
- prudence and sustainability (e.g. implications for external borrowing)
- value for money
- stewardship of assets
- service objectives
- practicality

In terms of agreeing the Housing Revenue Account estimates and rent increases the Committee are asked to approve the following indicators:

**Estimates of ratio of financing costs to net revenue stream**

This indicator shows the proportion of the net revenue stream that is consumed by capital financing charges.

| <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 8.99%          | 10.74%         | 12.18%         | 9.57%          | 11.03%         | 12.39%         |

**Estimates of the incremental impact of capital investment decisions on housing rents**

This indicator indicates the incremental impact of capital investment decisions on housing rents. The values shown represent the incremental effect on weekly rents.

| <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| £0.00          | £0.00          | £0.00          | £1.25          | £0.00          | £0.00          |

**Estimates of gross capital expenditure**

This indicator sets out the level of gross capital spend envisaged in the years shown. The values are grossed up from the net position shown in the Capital Plan to exclude the effect of any receipts or contributions which have reduced the net funding position (e.g. Scottish Government Affordable Housing Grant).

| <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 26.759         | 14.100         | 16.565         | 19.181         | 21.645         | 21.745         |

**Estimates of capital financing requirement**

This indicator shows the net effect of projected new borrowing as well as principal repayments in respect of existing debt and the projected new borrowing. This indicator reflects the underlying need to borrow for HRA capital purposes and along with the General Fund equivalent indicator is a key measure in treasury management decisions.

| <b>2021/22</b> | <b>2022/23</b> | <b>2023/24</b> | <b>2024/25</b> | <b>2025/26</b> | <b>2026/27</b> |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 38.773         | 41.885         | 47.572         | 55.539         | 64.209         | 74.644         |

**Note**

Other Prudential Borrowing indicators of a Council-wide nature (which will embrace the above information) will be dealt with at the Council Tax setting meeting.