

Barking draft HRA Self-financing debt settlement - 13 October 2011

Self-financing debt allocation	Stock	Debt £000	
Feb CLG model	19,199	281,305	This is the £281m debt in Feb 2011 CLG model
Revise opening inflation assumptions Rent 5% Costs 3%		291,877	The Feb 2011 model used estimates of future inflation. Actual inflation will be higher. While we don't know for certain this is based on more likely inflation outturn.
Reduce stock numbers	1,900	28,885	Estimated reduction to reflect reduced stock numbers
Forecast debt allocation		<u>262,992</u>	Revised estimate of "valuation"
SCFR			This is the payment the Council would need to make to Government on 31 March 2012
1 April 2011		-19,008	
Backlog funding		2,000	
31 March 2012		<u>-17,008</u>	0
Forecast self-financing debt increase		<u>262,992</u>	

HRA CFR	Ex LA new build	LA new build	Total	
1 April 2011	-16,064	5,022	-11,042	
Backlog	2,000		2,000	
New build		6,714	6,714	
Other increase	0	0	0	
31 March 2012	<u>-14,064</u>	<u>11,736</u>	<u>-2,328</u>	At 31 March it is forecast the HRA will have £2.3m in the bank, and that it would have had £14.1m in the bank but for approved new build borrowing
Self-financing settlement			262,992	
Starting self-financing debt			<u>260,664</u>	So having paid £263m to Government there would be £261m of HRA debt to start with
Borrowing limit				
Debt allocation			262,992	
New build borrowing			11,736	
			<u>274,728</u>	
Opening headroom			<u>14,064</u>	The Council would then be allowed to increase borrowing by the £14.1m it would have had in the HRA but for the new build borrowing