

Housing Revenue Account for a local authority thinking of building council homes

I already have more than 200 homes held in the HRA.

You can borrow prudentially to build more homes.

I have 199 homes and want to re-open an HRA to build more.

You need to take the following steps to open an HRA:

- understand the requirements of an HRA
- calculate your Capital Finance Requirements
- plan your HRA budget
- open an HRA

You will report on your HRA in your usual annual audit.

Once your account is open, you can borrow prudentially without permission from the government. You can get building in line with requirements of the HRA.

I have 0-198 homes and want to build using the General Fund before I reach the 200 home threshold.

You need to write to the Secretary of State for a direction to allow you to build homes outside the HRA. The direction must cover each individual unit. So you will need to follow this step for every development to ensure all units are covered in the direction (this is usually a formality).

If you become close to 200 homes and want to continue building please see the section above: 'I have 199 homes and want to re-open an HRA to build more'.

Once you have a direction, you can borrow prudentially to fund the development of new homes.