

Appendix 3 - HRA Business Planning Assumptions

5.0%	6.7%	7.7%
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HRA Business Plan 2024/25 - Assumptions	Option 1	Option 2	Option 3
Rent Increase	5.0%	6.7%	7.7%
Service charge increase	6.0%	6.0%	6.0%
DH Unit rate options Increase/(Decrease)	Nil	24.28%	-8.91%
New Borrowing requirement	Nil	Nil	Nil
Total Debt	£333.6m	£333.6m	£333.6m
Council homes to be delivered	661	661	661
Inflation - CPI:			
Year 2	6.70%	6.70%	6.70%
Year 3	3.10%	3.10%	3.10%
Year 4	2.00%	2.00%	2.00%
Year 5	2.00%	2.00%	2.00%
Inflation - RPI:			
Year 2	8.90%	8.90%	8.90%
Year 3	4.40%	4.40%	4.40%
Year 4	2.80%	2.80%	2.80%
Year 5	2.50%	2.50%	2.50%
Interest rates on debt			
	3.90%	3.90%	3.90%
RTB projections:			
Year 1	182	182	182
Year 2	198	198	198
Year 3	193	193	193
Year 4	192	192	192
Year 5	25	25	25
Assumed S&M unit cost reduction linked to RTB			
	50%	50%	50%
Assumed R&M unit cost reduction linked to RTB			
	75%	75%	75%
Repairs & Maintenance - 30 year cost	£707.5m	£707.5m	£707.5m
Capital Repairs & Maintenance Investment Base values	£858.5m	£858.5m	£858.5m
**Capital Repairs & Maintenance Investment - excluding savings required	£791.4m	£813.1m	£825.0m
Capital Housing Growth Investment	£125.6m	£125.6m	£125.6m
Bad debt - percentage of rental income	1.00%	1.00%	1.00%
Void loss - percentage of rental income	1.30%	1.30%	1.30%
Reserves			
Year 1	18,389	18,389	18,389
Year 2	17,407	18,900	19,780
Year 3	5,615	5,619	7,218
Year 4	5,637	5,637	5,641
Year 5	5,749	5,749	5,749
Year 30	9,432	9,432	9,432
**Savings Required over 30 years to balance the model Savings excluded from Capital R&M in BP model			
	£67.1m	£45.4m	£33.5m