**Appendix 3 - HRA Business Planning Assumptions** 

Rent Increase         1.7%         2.7%           Service charge increase         2.0%         2.0%           DH Unit rate options Increase/(Decrease) vs current charge         0.0%         9.10%           New Borrowing requirement         £197.3m         £105.3m           Total Debt         £531.0m         £438.9m           Council homes to be delivered         693         693           Inflation - CPI:           Year 2         1.70%         1.70%           Year 3         2.60%         2.60%           Year 4         2.30%         2.30%           Year 5         2.00%         2.00%           Year 6         2.00%         2.00%           Year 2         2.70%         2.70%           Year 3         3.60%         3.60%           Year 4         3.30%         3.60%           Year 3         3.60%         3.60%           Year 4         3.30%         3.30%           Year 5         3.00%         3.00%           Year 6         2.40%         2.40%           Year 7         2.70%         2.70%           Year 8         3.50%         3.50%           Year 9         2.66         2.66	HRA Business Plan 2025/26 - Assumptions	Option 1	Option 2
DH Unit rate options Increase/(Decrease) vs current charge         0.0%         9.10%           New Borrowing requirement         £197.3m         £105.3m           Total Debt         £531.0m         £438.9m           Council homes to be delivered         693         693           Inflation - CPI:	Rent Increase	1.7%	2.7%
New Borrowing requirement	Service charge increase	2.0%	2.0%
Total Debt	DH Unit rate options Increase/(Decrease) vs current charge	0.0%	9.10%
Total Debt         £531.0m         £438.9m           Council homes to be delivered         693         693           Inflation - CPI:         1.70%         1.70%           Year 2         1.70%         1.70%           Year 3         2.60%         2.60%           Year 4         2.30%         2.30%           Year 5         2.00%         2.00%           Inflation - RPI:         2.70%         2.70%           Year 2         2.70%         2.70%           Year 3         3.60%         3.60%           Year 4         3.30%         3.30%           Year 5         3.00%         3.00%           Year 6         2.40%         2.40%           Interest rates on external borrowing         3.50%         3.50%           Interest rates on external borrowing         3.50%         3.50%           RTB projections:         2         2.40%         2.40%           Year 1         120         120         120           Year 2         2.66         2.66         2.66         2.66         2.66         2.66         2.66         2.66         2.66         2.66         2.66         2.66         2.66         2.66         2.66         2.6		£197.3m	£105.3m
Inflation - CPI:  Year 2		£531.0m	£438.9m
Inflation - CPI:  Year 2	Council homes to be delivered	693	693
Year 2       1.70%       1.70%         Year 3       2.60%       2.60%         Year 4       2.30%       2.30%         Year 5       2.00%       2.00%         Year 6       2.00%       2.00%         Inflation - RPI:       Year 2       2.70%       2.70%         Year 3       3.60%       3.60%         Year 4       3.30%       3.30%         Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       50         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Year 6       266       266       266         Year 1       120       120       120 <td></td> <td></td> <td></td>			
Year 3       2.60%       2.60%         Year 4       2.30%       2.30%         Year 5       2.00%       2.00%         Year 6       2.00%       2.00%         Inflation - RPI:       Year 2       2.70%       2.70%         Year 3       3.60%       3.60%         Year 4       3.30%       3.30%         Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Year 6       266       266         Year 1       120       120         Year 2       266       266         Year 3 <td< td=""><td>Inflation - CPI:</td><td></td><td></td></td<>	Inflation - CPI:		
Year 4       2.30%       2.30%         Year 5       2.00%       2.00%         Year 6       2.00%       2.00%         Inflation - RPI:       Year 2       2.70%       2.70%         Year 3       3.60%       3.60%         Year 4       3.30%       3.30%         Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50       50         Assumed R&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Ba	Year 2	1.70%	1.70%
Year 5       2.00%       2.00%         Year 6       2.00%       2.00%         Inflation - RPI:       Year 2       2.70%       2.70%         Year 3       3.60%       3.60%         Year 4       3.30%       3.30%         Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%	Year 3	2.60%	2.60%
Year 6       2.00%       2.00%         Inflation - RPI:       Year 2       2.70%       2.70%         Year 3       3.60%       3.60%         Year 4       3.30%       3.30%         Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:       Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%	Year 4	2.30%	2.30%
Inflation - RPI:       2.70%       2.70%         Year 3       3.60%       3.60%         Year 4       3.30%       3.30%         Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%	Year 5	2.00%	2.00%
Year 2       2.70%       2.70%         Year 3       3.60%       3.60%         Year 4       3.30%       3.30%         Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:         Year 1       120       120         Year 2       266       266       266         Year 3       50       50         Year 4       50       50       50         Year 5       25       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%	Year 6	2.00%	2.00%
Year 3       3.60%       3.60%         Year 4       3.30%       3.30%         Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:         Year 1       120       120         Year 2       266       266       266         Year 3       50       50         Year 4       50       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%	Inflation - RPI:		
Year 3       3.60%       3.60%         Year 4       3.30%       3.30%         Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:         Year 1       120       120         Year 2       266       266       266         Year 3       50       50         Year 4       50       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%	Year 2	2.70%	2.70%
Year 4       3.30%       3.30%         Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%			
Year 5       3.00%       3.00%         Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%			
Year 6       2.40%       2.40%         Interest rates on external borrowing       3.50%       3.50%         RTB projections:       Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%			
Interest rates on external borrowing   3.50%			
RTB projections:       120       120         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%	100.0	21.070	,
RTB projections:       120       120         Year 1       120       120         Year 2       266       266         Year 3       50       50         Year 4       50       50         Year 5       25       25         Assumed S&M unit cost reduction linked to RTB       50%       50%         Assumed R&M unit cost reduction linked to RTB       75%       75%         Repairs & Maintenance - 30 year cost       £819.2m       £819.2m         Capital Repairs & Maintenance Investment Base values       £978.9m       £978.9m         Capital Housing Growth Investment       £150.8m       £150.8m         Bad debt - percentage of rental income       0.89%       0.89%	Interest rates on external borrowing	3.50%	3.50%
Year 1         120         120           Year 2         266         266           Year 3         50         50           Year 4         50         50           Year 5         25         25           Assumed S&M unit cost reduction linked to RTB         50%         50%           Assumed R&M unit cost reduction linked to RTB         75%         75%           Repairs & Maintenance - 30 year cost         £819.2m         £819.2m           Capital Repairs & Maintenance Investment Base values         £978.9m         £978.9m           Capital Housing Growth Investment         £150.8m         £150.8m           Bad debt - percentage of rental income         0.89%         0.89%	ö		
Year 2 266 266 Year 3 50 50 Year 4 50 50 Year 5 25 25  Assumed S&M unit cost reduction linked to RTB 50% 50% Assumed R&M unit cost reduction linked to RTB 75% 75% Repairs & Maintenance - 30 year cost £819.2m £819.2m Capital Repairs & Maintenance Investment Base values £978.9m £978.9m Capital Housing Growth Investment £150.8m Bad debt - percentage of rental income 0.89% 0.89%	RTB projections:		
Year 3 50 50 Year 4 50 50 Year 5 25 25  Assumed S&M unit cost reduction linked to RTB 50% 50% Assumed R&M unit cost reduction linked to RTB 75% 75% Repairs & Maintenance - 30 year cost £819.2m £819.2m Capital Repairs & Maintenance Investment Base values £978.9m £978.9m Capital Housing Growth Investment £150.8m £150.8m Bad debt - percentage of rental income 0.89% 0.89%	Year 1	120	120
Year 4 50 50 Year 5 25 25  Assumed S&M unit cost reduction linked to RTB 50% 50% Assumed R&M unit cost reduction linked to RTB 75% 75% Repairs & Maintenance - 30 year cost £819.2m £819.2m Capital Repairs & Maintenance Investment Base values £978.9m £978.9m Capital Housing Growth Investment £150.8m £150.8m Bad debt - percentage of rental income 0.89% 0.89%	Year 2	266	266
Year 5 25 25  Assumed S&M unit cost reduction linked to RTB 50% 50% Assumed R&M unit cost reduction linked to RTB 75% 75% Repairs & Maintenance - 30 year cost £819.2m £819.2m Capital Repairs & Maintenance Investment Base values £978.9m £978.9m Capital Housing Growth Investment £150.8m £150.8m Bad debt - percentage of rental income 0.89% 0.89%	Year 3	50	50
Assumed S&M unit cost reduction linked to RTB 50% 50%  Assumed R&M unit cost reduction linked to RTB 75% 75%  Repairs & Maintenance - 30 year cost £819.2m £819.2m  Capital Repairs & Maintenance Investment Base values £978.9m £978.9m  Capital Housing Growth Investment £150.8m £150.8m  Bad debt - percentage of rental income 0.89% 0.89%	Year 4	50	50
Assumed R&M unit cost reduction linked to RTB 75% 75% Repairs & Maintenance - 30 year cost £819.2m £819.2m Capital Repairs & Maintenance Investment Base values £978.9m £978.9m Capital Housing Growth Investment £150.8m £150.8m Bad debt - percentage of rental income 0.89% 0.89%	Year 5	25	25
Assumed R&M unit cost reduction linked to RTB  75%  Repairs & Maintenance - 30 year cost  Capital Repairs & Maintenance Investment Base values  Capital Housing Growth Investment  E150.8m  Bad debt - percentage of rental income  75%  F819.2m  £978.9m  £978.9m  60.89%			
Repairs & Maintenance - 30 year cost £819.2m  Capital Repairs & Maintenance Investment Base values £978.9m  Capital Housing Growth Investment £150.8m  Bad debt - percentage of rental income 0.89%	Assumed S&M unit cost reduction linked to RTB	50%	50%
Capital Repairs & Maintenance Investment Base values £978.9m £978.9m Capital Housing Growth Investment £150.8m £150.8m Bad debt - percentage of rental income 0.89% 0.89%	Assumed R&M unit cost reduction linked to RTB	75%	75%
Capital Housing Growth Investment £150.8m £150.8m Bad debt - percentage of rental income 0.89% 0.89%	Repairs & Maintenance - 30 year cost	£819.2m	£819.2m
Bad debt - percentage of rental income 0.89% 0.89%	Capital Repairs & Maintenance Investment Base values	£978.9m	£978.9m
	Capital Housing Growth Investment	£150.8m	£150.8m
4 11	Bad debt - percentage of rental income	0.89%	0.89%
Void loss - percentage of rental income   1.30%  1.30%	Void loss - percentage of rental income	1.30%	1.30%
Reserves £'000 £'000	Reserves	£'000	£'000
Year 1 20,195 20,195	Year 1	20,195	20,195
Year 2 11,513 13,182	Year 2	11,513	
Year 3 5,631 9,875	Year 3		
Year 4 5,737 8,731			
Year 5 5,852 7,546			
Year 30 9,601 9,602		-	
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