APPENDIX 7 - HRA Business Planning Assumptions

DH Unit rate options Increase/(Decrease) vs current charge 0.0% 0.0% 0.0% New Borrowing requirement £164.7m £134.8m £123.9m Opening Debt £460.5m £345.0m £345.0m £345.0m £345.0m £345.0m £345.0m £3460.5m £460.5m £460.5m £460.5m £460.5m £460.5m £60 860 860 860 Debt repaid £49m £19.5m £8m £80 860		CPI +1%	CPI +1% +£1	CPI +1% +£2	
Service charge increase 3.0% 3.0% 3.0% DH Unit rate options Increase/(Decrease) vs current charge 0.0% 0.0% 0.0% New Borrowing requirement £164.7m £134.8m £123.8m Opening Debt £345.0m £345.0m £345.0m Total Debt £460.5m £460.5m £460.5m Debt repaid £9m £19.5m £8m Council homes to be delivered 860 860 860 Inflation - CPI: \$860 \$860 \$860 Year 2 \$3.80% \$3.80% \$3.80% Year 3 \$2.70% \$2.70% \$2.70% Year 4 \$2.00% \$2.00% \$2.00% Year 5 \$2.00% \$2.00% \$2.00% Year 2 \$4.50% \$4.50% \$4.50% Year 3 \$3.50% \$3.50% \$3.50% Year 2 \$4.50% \$4.03% \$4.03% Year 3 \$3.50% \$3.50% \$2.50% Year 3 \$3.50% \$3.50% <td< th=""><th>HRA Business Plan 2026/27 - Assumptions</th><th>Option 1</th><th>Option 2</th><th>Option 3</th></td<>	HRA Business Plan 2026/27 - Assumptions	Option 1	Option 2	Option 3	
DH Unit rate options Increase/(Decrease) vs current charge 0.0% 0.0% 0.0% New Borrowing requirement £164.7m £134.8m £123.9m Opening Debt £460.5m £345.0m £345.0m £345.0m £345.0m £345.0m £345.0m £3460.5m £460.5m £460.5m £460.5m £460.5m £460.5m £60 860 860 860 Debt repaid £49m £19.5m £8m £80 860	Average Rent Increase	4.8%	5.6%	6.5%	
New Borrowing requirement	Service charge increase	3.0%	3.0%	3.0%	
Opening Debt £345.0m £360.5m	DH Unit rate options Increase/(Decrease) vs current charge	0.0%	0.0%	0.0%	
Total Debt £460.5m £460.5m £460.5m £460.5m £460.5m £49m £19.5m £8m Council homes to be delivered 860 860 860 Inflation - CPI:	New Borrowing requirement	£164.7m	£134.8m	£123.9m	
Debt repail £49m £19.5m £8m Council homes to be delivered 860 860 860 Inflation - CPI:	Opening Debt	£345.0m	£345.0m	£345.0m	
Council homes to be delivered 860 86	Total Debt	£460.5m	£460.5m	£460.5m	
Inflation - CPI:	Debt repaid	£49m	£19.5m	£8m	
Year 2 3.80% 3.80% 3.80% Year 3 2.70% 2.70% 2.70% Year 4 2.00% 2.00% 2.00% Year 6 2.00% 2.00% 2.00% Inflation - RPI: Year 2 4.50% 4.50% 4.50% 4.50% Year 3 3.50% 3.50% 3.50% 2.50% 2.50% Year 4 2.80% 2.80% 2.80% 2.80% 2.80% Year 5 2.50% 2.50% 2.50% 2.50% 2.50% Year 6 2.50% <td< td=""><td>Council homes to be delivered</td><td>860</td><td>860</td><td>860</td></td<>	Council homes to be delivered	860	860	860	
Year 3 2.70% 2.70% 2.70% Year 4 2.00% 2.00% 2.00% Year 5 2.00% 2.00% 2.00% Year 6 2.00% 2.00% 2.00% Inflation - RPI: <td a="" construction="" of="" pr<="" properties="" rows="" td="" the=""><td>Inflation - CPI:</td><td></td><td></td><td></td></td>	<td>Inflation - CPI:</td> <td></td> <td></td> <td></td>	Inflation - CPI:			
Year 4 2.00% 2.00% 2.00% Year 5 2.00% 2.00% 2.00% Year 6 2.00% 2.00% 2.00% Inflation - RPI:	Year 2	3.80%	3.80%	3.80%	
Year 5 2.00% 2.00% 2.00% Year 6 2.00% 2.00% 2.00% Inflation - RPI:	Year 3	2.70%	2.70%	2.70%	
Year 6 2.00% 2.00% 2.00% Inflation - RPI:	Year 4	2.00%	2.00%	2.00%	
Inflation - RPI: 4.50% 4.50% 4.50% 4.50% Year 3 3.50% 3.50% 3.50% 3.50% Year 4 2.80% 2.80% 2.80% 2.80% Year 5 2.50% 2.50% 2.50% 2.50% Year 6 2.50% 2.50% 2.50% 2.50% Interest rates on external borrowing 4.03% 4.03% 4.03% RTB projections: Year 1 358 358 358 Year 2 198 198 198 198 Year 3 50 50 50 50 Year 4 25 25 25 25 Year 5 25 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 £882.5m £882.5m £882.5m Capital Repairs & Maintenance Investment Base values £1,328.6m £1,328.6m £1,328.6m Capital Housing G	Year 5	2.00%	2.00%	2.00%	
Year 2 4.50% 4.50% 4.50% Year 3 3.50% 3.50% 3.50% Year 4 2.80% 2.80% 2.80% Year 5 2.50% 2.50% 2.50% Year 6 2.50% 2.50% 2.50% Interest rates on external borrowing 4.03% 4.03% 4.03% Interest rates on external borrowing 5.0% 5.0% 5.0% 5.0% Assume	Year 6	2.00%	2.00%	2.00%	
Year 3 3.50% 3.50% 3.50% Year 4 2.80% 2.80% 2.80% Year 5 2.50% 2.50% 2.50% Year 6 2.50% 2.50% 2.50% Interest rates on external borrowing 4.03% 4.03% 4.03% Interest rates on external borrowing 4.03% 4.03% 4.03% Interest rates on external borrowing Interest rates on external borrowing Interest rates on external borrowing 4.03% 4.03% 4.03% Interest rates on external borrowing Interest rates on external borrowing Interest rates on	Inflation - RPI:				
Year 4 2.80% 2.80% 2.80% Year 5 2.50% 2.50% 2.50% Year 6 2.50% 2.50% 2.50% Interest rates on external borrowing 4.03% 4.03% 4.03% RTB projections: Year 1 358 358 358 Year 2 198 198 198 Year 3 50 50 50 Year 4 25 25 25 25 Year 5 25 25 25 25 Assumed S&M unit cost reduction linked to RTB 50% 50% 50% Assumed S&M unit cost reduction linked to RTB 75% 75% 75% Repairs & Maintenance - 30 year cost £882.5m £882.5m £882.5m £882.5m Capital Repairs & Maintenance Investment Base values £1,328.6m £1,328.6	Year 2	4.50%	4.50%	4.50%	
Year 5 2.50% 2.50% 2.50% Year 6 2.50% 2.50% 2.50% Interest rates on external borrowing 4.03% 4.03% 4.03% RTB projections:	Year 3	3.50%	3.50%	3.50%	
Year 6 2.50% 2.50% 2.50% Interest rates on external borrowing 4.03% 4.03% 4.03% RTB projections:	Year 4	2.80%	2.80%	2.80%	
Interest rates on external borrowing	Year 5	2.50%	2.50%	2.50%	
RTB projections: Year 1	Year 6	2.50%	2.50%	2.50%	
Year 1 358 358 358 Year 2 198 198 198 Year 3 50 50 50 Year 4 25 25 25 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 £882.5m £882.5m £882.5m £882.5m £882.5m £1,328.6m £1,328.6m £1,328.6m £1,328.6m £1,328.6m £213.8m £2	Interest rates on external borrowing	4.03%	4.03%	4.03%	
Year 2 198 198 198 Year 3 50 50 50 Year 4 25 25 25 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 £882.5m £882.5m £882.5m £882.5m £882.5m £882.5m £1,328.6m £1,328.6m £1,328.6m £1,328.6m £1,328.6m £1,328.6m £1,328.6m £1,328.6m £213.8m	RTB projections:				
Year 3 50 50 50 Year 4 25 25 25 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 £882.5m £882.5m £882.5m £882.5m Capital Repairs & Maintenance Investment Base values £1,328.6m £1,328.6m £1,328.6m £1,328.6m £1,328.6m £0,382 £213.8m <	Year 1	358	358	358	
Year 4 25 25 25 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 £882.5m £882.5m £882.5m £882.5m £882.5m £1,328.6m £1,328.6m £1,328.6m £1,328.6m £213.8m	Year 2	198	198	198	
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 £882.5m £882.5m £882.5m Capital Repairs & Maintenance Investment Base values £1,328.6m £1,328.6m £1,328.6m £1,328.6m £213.8m	Year 3	50	50	50	
Assumed S&M unit cost reduction linked to RTB 50% 50% 50% Assumed R&M unit cost reduction linked to RTB 75% 75% 75% 75% 75% 75% 882.5m £882.5m £1,328.6m £1,32	Year 4	25	25	25	
Assumed R&M unit cost reduction linked to RTB 75% 75% Repairs & Maintenance - 30 year cost £882.5m £882.5m £882.5m Capital Repairs & Maintenance Investment Base values £1,328.6m £1,328.6m £1,328.6m £1,328.6m £13.8m £213.8m £21	Year 5	25	25	25	
Repairs & Maintenance - 30 year cost £882.5m £882.5m £882.5m Capital Repairs & Maintenance Investment Base values £1,328.6m £1,328.6m £1,328.6m Capital Housing Growth Investment £213.8m £213.8m £213.8m Bad debt - percentage of rental income 0.89% 0.89% 0.89% Void loss - percentage of rental income 1.30% 1.30% 1.30% Reserves £'000 £'000 £'000 Year 1 19,348 19,348 19,348 Year 2 6,688 7,445 8,202 Year 3 5,910 7,818 7,985 Year 4 6,025 7,837 8,550 Year 5 6,382 8,493 9,761	Assumed S&M unit cost reduction linked to RTB	50%	50%	50%	
Capital Repairs & Maintenance Investment Base values £1,328.6m £1,328.6m £1,328.6m Capital Housing Growth Investment £213.8m £213.8m £213.8m Bad debt - percentage of rental income 0.89% 0.89% 0.89% Void loss - percentage of rental income 1.30% 1.30% 1.30% Reserves £'000 £'000 £'000 Year 1 19,348 19,348 19,348 Year 2 6,688 7,445 8,202 Year 3 5,910 7,818 7,985 Year 4 6,025 7,837 8,550 Year 5 6,382 8,493 9,761	Assumed R&M unit cost reduction linked to RTB	75%	75%	75%	
Capital Housing Growth Investment £213.8m £213.8m £213.8m Bad debt - percentage of rental income 0.89% 0.89% 0.89% Void loss - percentage of rental income 1.30% 1.30% 1.30% Reserves £'000 £'000 £'000 Year 1 19,348 19,348 19,348 Year 2 6,688 7,445 8,202 Year 3 5,910 7,818 7,985 Year 4 6,025 7,837 8,550 Year 5 6,382 8,493 9,761	Repairs & Maintenance - 30 year cost	£882.5m	£882.5m	£882.5m	
Bad debt - percentage of rental income 0.89% 0.89% 0.89% Void loss - percentage of rental income 1.30% 1.30% 1.30% Reserves £'000 £'000 £'000 Year 1 19,348 19,348 19,348 19,348 Year 2 6,688 7,445 8,202 Year 3 5,910 7,818 7,985 Year 4 6,025 7,837 8,550 Year 5 6,382 8,493 9,761	Capital Repairs & Maintenance Investment Base values	£1,328.6m	£1,328.6m	£1,328.6m	
Void loss - percentage of rental income 1.30% 1.30% Reserves £'000 £'000 Year 1 19,348 19,348 19,348 Year 2 6,688 7,445 8,202 Year 3 5,910 7,818 7,985 Year 4 6,025 7,837 8,550 Year 5 6,382 8,493 9,761	· · · · · ·				
Reserves £'000 £'000 Year 1 19,348 19,348 19,348 Year 2 6,688 7,445 8,202 Year 3 5,910 7,818 7,985 Year 4 6,025 7,837 8,550 Year 5 6,382 8,493 9,761	Bad debt - percentage of rental income	0.89%	0.89%	0.89%	
Year 1 19,348 19,348 19,348 Year 2 6,688 7,445 8,202 Year 3 5,910 7,818 7,985 Year 4 6,025 7,837 8,550 Year 5 6,382 8,493 9,761		1.30%	1.30%	1.30%	
Year 1 19,348 19,348 19,348 Year 2 6,688 7,445 8,202 Year 3 5,910 7,818 7,985 Year 4 6,025 7,837 8,550 Year 5 6,382 8,493 9,761	Reserves	£'000		£'000	
Year 2 6,688 7,445 8,202 Year 3 5,910 7,818 7,985 Year 4 6,025 7,837 8,550 Year 5 6,382 8,493 9,761					
Year 3 5,910 7,818 7,985 Year 4 6,025 7,837 8,550 Year 5 6,382 8,493 9,761					
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Year 5 6,382 8,493 9,761		-	-		
	Year 30	25,996			