

### Appendix 3 - HRA Business Planning Assumptions

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
<b>Inflation - CPI:</b>			
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%
<b>Inflation - RPI:</b>			
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%
<b>Interest rates on debt</b>			
	3.90%	3.90%	3.90%
<b>RTB projections:</b>			
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
<b>Assumed S&amp;M unit cost reduction linked to RTB</b>			
	50%	50%	50%
<b>Assumed R&amp;M unit cost reduction linked to RTB</b>			
	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	£825.0m	£813.1m	£791.4m
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%
<b>Reserves</b>			
Year 1	18,389	18,389	18,389
Year 2	19,780	18,900	17,407
Year 3	7,218	5,619	5,615
Year 4	5,641	5,637	5,637
Year 5	5,749	5,749	5,749
Year 30	9,432	9,432	9,432
<b>**Savings Required over 30 years to balance the model Savings excluded from Capital R&amp;M in BP model</b>			
	£33.5m	£45.4m	£67.1m