

Appendix 3 - HRA Business Planning Assumptions

HRA Business Plan 2025/26 - Assumptions	Option 1	Option 2
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%
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%
Void loss - percentage of rental income	1.30%	1.30%
Reserves		
	£'000	£'000
Year 1	20,195	20,195
Year 2	11,513	13,182
Year 3	5,631	9,875
Year 4	5,737	8,731
Year 5	5,852	7,546
Year 30	9,601	9,602