

HRA Business Plan Assumptions

Section 1 - Income

Year	RPI Sept	RPI	April	Rent Increase	Garage & Parking Spaces
2012/13	2011	5.60%	2012	7.54%	5.60%
2013/14	2012	3.50%	2013	5.54%	3.50%
2014/15	2013	3.30%	2014	5.43%	3.30%
2015/16	2014	3.00%	2015	5.20%	3.00%
2016/17	2015	2.80%	2016	4.02%	2.80%
2017/18	2016	2.50%	2017	3.42%	2.50%
2018/19	2017	2.50%	2017	3.24%	2.50%
2019/20	2018	2.50%	2018	3.12%	2.50%
2020/21	2019	2.50%	2019	3.06%	2.50%
2018/19 to 2041/42	2017 to 2040	2.50%	2018 to 2041	3.00%	2.50%

Section 2 - Expenditure

Year	Base RPI	Additional Provision Management	Additional Provision Repairs	Additional Provision Major Works
2012/13		Included in Base Budgets		
2013/14	3.30%	0.00%	1.00%	1.00%
2014/15	3.00%	0.00%	1.00%	1.00%
2015/16	2.80%	0.00%	1.00%	1.00%
2016/17	2.50%	0.00%	1.00%	1.00%
2017/18	2.50%	0.00%	1.00%	1.00%
2018/19 to 2041/42	2.50%	0.00%	1.00%	1.00%

Section 3 - Stock

Year	Opening Stock 01/04/2012	Right to Buy	Estate Regeneration	Voluntary Sales	Closing Stock
2012/13	16,859	21	27	50	16,761
2013/14	16,761	21	0	50	16,690
2014/15	16,690	21	0	50	16,619
2015/16	16,619	21	0	50	16,548
2016/17	16,548	21	0	50	16,477

The above does not include the effect of further phases of the Estate Regeneration programme, or the changes to the Right To Buy policy that is currently being considered by Government. The effect of reductions in stock levels on the business plan has been considered as part of the sensitivity analysis.

Section 4 - Borrowing

Year	Self Financing Borrowing (4%)	New Loans	Average Interest Rate	Interest on Investments
2012/13	4%	4.60%	3.91%	0.25%
2013/14		5.00%	4.14%	0.25%
2014/15		5.50%	4.27%	0.25%
2015/16			4.33%	0.25%
2016/17			4.36%	0.25%
2017/18			4.40%	0.25%
2018/19			4.43%	0.25%

Section 5 - Other

Debt Cap £201,292,396

Borrowing headroom at 1/4/12 £21,926,672

Debt can be repaid over 30 years and the business plan makes provision for this.

Actual debt will be repaid over 50 years because of the treasury decisions on borrowing periods.

Provision for Voids loss 1.32% of rent income per annum

Provision for Bad Debts 0.80% of rent income per annum. This provision has been doubled from current levels and is a prudent approach to the potential impacts of welfare reform.