

APPENDIX D: 30 YEAR HRA BUSINESS PLAN ASSUMPTIONS

Number	Description	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 & future years	2016 Total	2014 Totals
1	Retail Price Index (RPI)	2.00%	3.00%	3.34%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%		
2	Consumer Price Index (CPI)	0.90%	2.00%	2.34%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%	2.35%		
3	Rent & Service Charge Increases (from 2015/16 at CPI+1%)	1% rent reduction for general stock and 1%+CPI for LSSO's 2017/18-2019/20 thereafter CPI+1%.Service Charges RPI- relet to formula rent												
4	New Build	50% Affordable 50% Social												
5	Right-to-Buys	50	50	50	50	50	50	50	50	50	50	1,000	1,500	1,252
6	Number of high value voids sold	3	6	6	6	6	6	6	6	6	6	120	177	
7	Void rates	General Needs 0.24%/sheltered 2.43%/Homeless 5.8%												
8	Levy Paid (capital)	348,330	710,593	731,911	756,357	781,695	807,882	834,946	862,916	891,824	921,700	26,527,167	34,175,320	
9	Bad debt rates	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%		
10	Other Income increases (excl. heating)	2.00%	3.00%	3.34%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%	3.35%		
11	Assumed recovery of costs/reduced expenditure on Supporting People	(38,270)	(145,140)	(100,000)	(100,000)	0	0	0	0	0	0		(383,410)	
12	2015/16 Delivery Plan Savings included in BP	(141,470)	(418,970)	(75,150)	(449,470)	(449,470)	(449,470)	(449,470)	(449,470)	(449,470)	(449,470)	(2,106,380)	(5,888,260)	
13	2016/17 new Growth Assumptions onwards (included in net savings)	0	0	0	0	0	0	0	0	0	0	0	0	
14	New Savings not specified in BP (savings list for options)	0	(98,926)	(184,617)	(201,938)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(4,000,000)	(1,685,481)	
15	Management Costs - General	Detailed analysis of management costs to reflect assumed inflation and known changes												
16	Management Costs - Employees	based on current costs per year extrapolated												
17	Depreciation	Depreciation is adjusted as stock is sold and is also increased by inflation.												
18	Revenue Contribution to Capital Outlay (RCCO)	RCCO in 2016/17as per capital strategy. Future years automatically calculated within the BP model based on capital resource requirement.												
19	Capital Costs	Based on Keystone data, and adjusted for RTB's (50% adjustment). Capital programme in 2016/17 based on capital strategy plus high value voids												
20	Technical Assistance	Based on current TA budgets and uplifted each year as per pay award increases - proportionately split between Major Repairs and Development capital works.												
21	Preliminaries		7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%		
22	BCIS Inflationary Uplift	2.30%	3.30%	3.64%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%	3.65%		
23	Capital Programme new Build	9,590,869	7,467,897	15,376,662	13,522,671	11,498,700	11,498,700	11,809,165	12,128,012	12,455,469	12,791,766	329,495,765	447,635,675	416,638,212
24	Capital Programme Excl new Build	17,816,720	9,394,284	16,111,374	16,067,797	18,717,911	18,047,784	12,448,402	14,046,842	17,563,316	16,720,145	502,985,514	659,920,089	610,654,705
25	Capital Programme ICT & Equipment (now includes vehicles 10 year life)	498,720	782,718	142,221	146,971	151,894	156,983	162,242	167,677	173,294	179,100	6,453,747	9,015,567	6,715,701
26	Repairs & Maintenance	Based on 2016/75 budget and inflation included based on detailed analysis of current contracts.												
27	New Build - Number of Units	32	66	24	100	72	70	70	70	70	70	1,301	1,945	1,900
28	New Build - Cost per Unit	Based on actual schemes					164,267	168,702	173,257	177,935	182,740	Assumed increase by 2.7%		
29	Minimum Risk Assessed Balances other than held for the Capital Programme	2,784,237	2,040,000	2,101,200	2,171,380	2,244,121	2,319,299	2,396,996	2,477,295	2,560,285	2,646,054	Assumed to increase by 2.35%		
30	Repayment of Debt	0	3,741,000	0	0	0	0	3,500,000	0	0	500,000	217,574,000	225,315,000	211,915,000
31	New loans	0	3,500,000	0	0	0	0	0	0	0	0	71,600,000	75,100,000	0
32	Capital Deficit in the Business Plan	0	0	0	0	0	0	0	0	0	0	325,418	325,418	15,458,000
33	Headroom each year - debt	9,179,078	9,420,078	9,420,078	9,420,078	9,420,078	9,420,078	12,920,078	12,920,078	12,920,078	13,420,078	159,394,078	159,394,078	215,944,078
34	Headroom each year - above Min. Bal	15,702,357	19,297,172	15,568,876	8,431,148	3,345,907	583,889	965,184	4,367,542	5,317,131	7,600,013	182,202,208	263,381,426	420,017,836