

## **Key Revised Housing Business Plan Assumptions**

	<b>Assumption</b>	<b>2012 Original Business Plan</b>	<b>2013 Revised Business Plan</b>
1	General Inflation	RPI estimated at 2.5%	Estimated RPI = CPI + 1.1% = 3.1%
2	Rent Increases	RPI + 0.5% + rent restructuring until convergence with target rent. Void properties are re-let at the current rent rather than moving to target rent.	CPI + 1% (= RPI - 0.1%) Rent restructuring element abolished after 2014/15. Move void properties to target rent, as cannot converge otherwise.
3	Bad Debts as a % of Gross Rents	2.87%	Max 2.84%; 1.84% long term, as per forecasts from latest welfare changes data
4	Void Rent Loss as a % of Gross Rents	1.08%	0.7%; improved performance
5	No. of Garages Demolished	216 by 2022/23	216 by 2022/23
6	Management Costs	Current budgets; Annual cost increases: RPI When homes sold, assume no saving in management costs.	No inflation to 2016/17 and an additional 10% saving on many budgets by 2016/17 from efficiencies. Afterwards increase by RPI. When homes sold, assume no saving in management costs.
7	Revenue Repairs & Maintenance Costs	Current budgets; When homes sold save 50% of average unit repairs cost. Annual cost increases: RPI+0.5%	Reduced per partnership projections; inflation offset by efficiencies for first 4 years. When homes sold save 100% of average unit repairs cost Annual cost increases: RPI
8	Capital Maintenance Costs	Stock Condition Survey and latest unit costs; When homes sold assume no saving. Annual cost increases: RPI+0.5%	Reduced per partnership projections; inflation offset by efficiencies for first 4 years. When homes sold save 100% of average unit capital maintenance cost. Annual cost increases: RPI
9	No. of Right-To-Buy Sales	857 over 50 years, forecast on from central government 30 year projections in self financing settlement	1,301 over 50 years; latest 2013/14 forecast, then 50% higher than previous projections due to increased discounts
10	Income from RTB sales reserved for new build only	£0	£800,000
11	Income from RTB sales available for any purpose, used for new homes	£0	£0
12	No. of New Homes - first 10 years	313	541
13	No. of New Homes - total 50 years	1,459	3,831
14	New Homes - Rents	Affordable	Social
15	New Homes - Management	Per general management costs for existing homes.	No variable cost, as costs predominantly fixed.
16	New Homes - Repairs & Maintenance	Per unit repairs costs for existing homes, except no capital maintenance for 10 years and lower repairs costs for 5 years	As before, except based on lower revenue and capital maintenance costs identified above
17	Interest Rate on HRA Balances	3% long term	1% long term
18	Interest Rate on HRA Debt	3.65%	3.5% per actual debt