

HRA Core Assumptions

Business Plan Core Assumptions	2023/24	2024/25	2025/26	2026/27	2027/28	Comment
Price Inflation (CPI)	10.1%	6.7%	2.5%	2.0%	2.0%	
Rent inflation (CPI+1%)/(CPI)	7.0%	7.7%	2.5%	2.0%	2.0%	Pending Rent Policy post March 2025 - assumed CPI flat from 2025/26.
Price Inflation (RPI)	11.9%	7.4%	2.9%	2.4%	2.5%	
Interest Rate Risk	0	£ 1.150m	£ 1.350m	£ 2.125m	£ 2.750m	Risk for higher interest rates relating to refinancing and new borrowing, given current high rates and uncertainty as to when this will fall. Allowance provides risk margin of 1.5% within the MTFP period and 1% ongoing.
Interest Rate on Balances	4.5%	4.0%	3.0%	2.5%	2.5%	
Right to Buy (RTB) Sales	49	35	30	30	30	
Stock Rationalisation	25	8	8	8	8	
Serpentine Stock Loss	40	30	40	78	0	
Reema Stock Loss	0	23	23	31	31	
Prudent Minimum Balance (PMB)	£ 7.859m	£ 8.016m	£ 8.176m	£ 8.340m	£ 8.507m	
Provision for Voids	2.52%	2.00%	1.50%	1.00%	1.0%	
Provision for Bad Debt	0.68%	1.01%	0.67%	0.71%	0.80%	UC migration expected 24/25 - increased debt risk.
Voluntary Repayment of Debt (VRP)	£ 0.440m	£ 0.440m	£ 1.014m	£ 1.254m	£ 1.274m	