

Area	Assumption	Rate / Value	Comment
General	General inflation rate	2%	As per UK Governments current inflation and WG business planning guidance
Rental Income	Rent increases 2018/19	3.60%	This is the minimum increase to ensure CBBC rent target level is met
	Rent increases beyond 2018/19	3%	CPI (at 2%) plus 1% as per current rent policy
	Voids provision	6%	rising to 7% yr 2 & 3 to meet expectation of high arrears due to UC rollout. Currently voids & bad debt is 4.88%.
	Bad debt provision		Included in above
	Expected Universal Credit roll out date		September 2018
Costs	Staff cost increases	2%	Due to historical low pay awards 2% is deemed sufficient for the plan but this increases to 2.5% from yr 5
	Maintenance cost inflation	3%	To allow for material increases
	WHQS cost inflation	3%	To allow for material increases
	Construction cost inflation	3%	To allow for material increases
Debt	Debt pools		External treasury management consultants have advised a one pool approach
	CRI/MRP rates		CRI as per Treasury Management modelling. MRP 2% on all debt
Planned Maintenance (Post WHQS)	Planned Maintenance	£14m	Indicative budget of £20m set for 5 years post WHQS, based on affordability and current spend profile using actual average costs.
	Sheltered Remodelling	£2m	
	Adaptations	£1m	
	Energy Efficiencies	£2m	
	Contingency	£1m	
	TOTAL	£20m	

Deviations to any of the above assumptions will impact on the affordability of the Business Plan resulting in a change to the borrowing requirements which in turn will affect the borrowing capacity.