

**HRA Budget 2014/15
Rent Setting Scenarios**

Appendix 2

Scenario	Standard	Proposed						Breakeven		Limit Rent Estimate	Limit Rent Actual
	1	2	3	4	5	6	7	8	9	10	11
Notional Years to Convergence	2	1	1	1	1	1	1	1	1	1	1
Limit to increase above inflation	£2.00	£2.00	£3.00	£4.00	£5.00	£6.00	£7.00	£7.23	£8.00	£8.65	£49.00
Rent Yield (Millions)	£25.3	£25.3	£25.5	£25.7	£25.8	£25.9	£26.0	£26.0	£26.1	£26.1	£26.3
Additional Yield (Millions)	£0.0	£0.0	£0.3	£0.4	£0.6	£0.7	£0.7	£0.8	£0.8	£0.8	£1.1
Average Rent	£83.18	£83.40	£84.04	£84.58	£84.97	£85.31	£85.59	£85.65	£85.81	£85.93	£86.67
Average £ Increase	£4.32	£4.54	£5.19	£5.72	£6.12	£6.46	£6.74	£6.79	£6.96	£7.08	£7.80
Average £ Increase after Benefits	£1.41	£1.47	£1.68	£1.86	£2.00	£2.11	£2.21	£2.22	£2.28	£2.32	£2.64
Average % Increase	5.48%	5.76%	6.58%	7.26%	7.76%	8.19%	8.54%	8.62%	8.82%	8.97%	10.00%
Min % Increase / (Decrease)	(0.49)%	(4.67)%	(4.67)%	(4.67)%	(4.67)%	(4.67)%	(4.67)%	(4.67)%	(4.67)%	(4.67)%	(4.67)%
Max % Increase	7.85%	7.85%	9.93%	12.01%	14.09%	16.16%	18.24%	18.72%	20.32%	21.67%	83.10%
% Converged	5%	28%	42%	55%	64%	69%	75%	77%	81%	83%	100%
(Loss) / Gain against Original 30 Year Business Plan (Millions) if convergence is not locally extended after 2014/15	(£24.9)	(£22.7)	(£16.3)	(£10.6)	(£6.9)	(£3.1)	(£0.6)	(£0.0)	£2.0	£2.8	£10.4