

RENT OPTIONS PRESENTED TO TENANTS FORUM

Future Rent Increases

This table shows various methods of achieving the average weekly rent level required in the governments proposals and the impact on future year rent increases, based on these options. A straight-line increase is assumed between 2008/09 and 2011/12 (as per government guidelines), and is shown below:

2007-08	2.86% (base budget)	2.95%	3.00%	3.25%	4.00%
2007-08 Additional income compared to base budget. (Note)		£48k	£78k	£142k	£499k
2008-09	2.86%	2.84%	2.83%	2.75%	2.57%
2009-10	2.86%	2.84%	2.83%	2.75%	2.57%
2010-11	2.86%	2.84%	2.83%	2.75%	2.57%
2011-12	2.86%	2.84%	2.83%	2.75%	2.57%

Note - The proposed increase of 2.86% in 2007/08 generates additional income, after repaying excess benefits, of £1.4 million. The other four options show the income receivable over and above the 2.86% net of repaying excess benefits.

DETAILS OF THE PROPOSED RENT INCREASE (INCLUDED IN APPENDIX A)

NON STATUTORY INCOME	2007/08 £	2008/09 £	2009/10 £	2010/11	COMMENTS
Dwelling rents - gross	44,018,600	44,621,960	45,386,280	46,157,720	Increases of 2.86% for all years.
less void loss	(363,400)	(374,610)	(387,450)	(400,660)	
less rent reduction due to less properties - RTB sales	(239,200)	(226,350)	(230,830)	(221,060)	
Budgeted net Dwelling Rents	43,416,000	44,021,000	44,768,000	45,536,000	
Commercial rents	660,000	660,000	660,000	660,000	estimated charges from review of leases.
Garage rents - gross	732,000	732,000	732,000	732,000	Reflecting 2006/07 budget corrections.
less void loss	(11,000)	(28,000)	(40,000)	(53,000)	
Budgeted net Garage Rents	721,000	704,000	692,000	679,000	
TOTAL RENTAL INCOME	44,797,000	45,385,000	46,120,000	46,875,000	