

Key assumptions and sensitivity analysis

A number of sensitivities around key assumptions have been modelled using the express consents models. The following table shows summaries the base assumption in the financial model together with an estimate of the impact on the capital receipt for key sensitivities.

<u>Assumption</u>	<u>Base assumption</u>	<u>Impact on capital receipt of change from base assumption</u>	
		<u>Council funding</u>	<u>Bank funding</u>
Provision for voids ± 1%	6%	± £1.2m	± £0.8m
Provision for bad debts ± 1%	3%	± £1.2m	± £0.8m
Movement in Local Housing Allowance ± 1%	Varies depending upon property size	± £1.0m	± £0.6m
Cost of refurbishment ± £1,000	£27,000	± £0.5m	± £0.5m
LDV operating costs ± 1%	£3,806 per unit	± £5.3m	± £3.4m
Interest rate on council funding ± 1%	4.52%	± £1.7m	-
Interest rate on bank funding ± 1%	7.04%	-	± £1.0m
Refurbishment programme ± 1 month	6 months	± £0.2m	± £0.2m

