

July 2015

MOD186 Commentary presented at DCMF

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Allowed Revenue Trace

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Allowed Revenue as at 30th April 2015 (£'m)	412.23	392.46	409.43	438.82	448.94	463.21	470.33
Inflation							
The lower inflation reported in April impacts the allowed revenue for current year with a corresponding downward adjustment, this will be given back to the consumer in T+2	↓			-3.12			
Updated Forecast RPI for Calender years 2015 onwards for latest forecast by HM Treasury issued in May	↓	0.01	-1.28	-1.91	-1.81	-1.73	-1.76
Corporation Tax reduction following the Budget announcement	↓			-0.02	-0.03	-0.03	-0.03
Collection							
Updated for current view of over/under collection	↓		-0.36	-0.12			
Movement in costs							
Updated Prices for Ext to reflect the published charging statement from 1st May for 15/16 Actual and 16/17-18/19 forecasts. The Forecasts for 18/19 have been carried through to 20/21.	↓			-0.22	1.29	-0.85	-2.89
Internal Model amendment to account for MPT correctly (reflecting the January DCMF treatment of MPT)	↑	0.05		0.05			
Updated for latest Licence Fee information	↑		0.00				
Incentives							
Updated for Q4 BMt results and extrapolated out to future years	↓			-0.05	-0.01	-0.01	-0.01
Updated for latest view of NIA funding	↑	0.23		0.24			
Total Movement	↓	0.23	0.06	-1.40	-5.40	-0.57	-2.62
Allowed Revenue as at 14th July 2015 (£'m)	412.46	392.52	408.03	433.42	448.37	460.59	465.64



Points to note

- MOD 0517

- Currently out for consultation, 3 variants:

- Mod0517 – Price change to impact from next October
- Mod0517a – Price change to impact in October T+2
- Mod0517b – Prices will be based on 3 year rolling average

- AQ Review

- Currently open, any change will affect:

- the presentation of the future period Customer Bills
- collected vs collectable in 2015/16
- Inversely, the future predicted price change



QUESTIONS?

Thank you

