

## Medium Term Financial Forecasts

<b>Revenue Budget</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>
Expenditure			
Employees	8,269	8,100	8,212
Premises -Repairs	11,205	11,429	11,068
Other expenditure	8,363	8,219	8,284
Capital Financing	8,341	8,707	8,870
<b>Total Expenditure</b>	<b>36,178</b>	<b>36,455</b>	<b>36,434</b>
Income			
Rental Income	(51,089)	(52,166)	(53,881)
Other Income	(7,926)	(8,205)	(8,362)
<b>Total Income</b>	<b>(59,015)</b>	<b>(60,371)</b>	<b>(62,243)</b>
<b>NET SURPLUS</b>	<b>22,837</b>	<b>23,916</b>	<b>25,809</b>
Allocated to :			
Revenue Contribution to Capital schemes	22,837	23,916	25,809

**Assumptions**

1. Inflation is included at 2% per annum with pay increases at 1% for 2016/17 and 2% per annum thereafter to cover pay award and pay related matters.
2. Efficiency savings are assumed at £0.900 million over financial years 2016/17 and 2017/18.
3. Capital financing costs are projected to increase and includes capital repayment/set aside of £3.0m and £2.0m for 2016/17 and 2017/18 respectively. The total estimated borrowing as at 31 March 2018 is £138.6m, against the debt cap of £156.8m, providing the opportunity for additional borrowing of £18.2m subject to affordability.
4. Rents are assumed to increase by 2.5% for 2016/17 and 3% for 2017/18, and forecasts include an assumed increase in rental income from new build properties offset by a reduction in rental income due to Right to Buy Sales.
5. Other income is projected to increase by 2%.

The net revenue surpluses over the three year period will be used to fund the HRA Capital Programme 2015 – 2018.

