

Medium Term Financial Forecasts

Revenue Budget	2015/16 £'000	2016/17 £'000	2017/18 £'000
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
Total Expenditure	36,178	36,455	36,434
Income			
Rental Income	(51,089)	(52,166)	(53,881)
Other Income	(7,926)	(8,205)	(8,362)
Total Income	(59,015)	(60,371)	(62,243)
NET SURPLUS	22,837	23,916	25,809
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.

